



Modern Mobility ★ 33rd Annual Conference ★ April 28, 2017 ★ The Depot Minneapolis

# Lessons from the Closing Table

Pat Abou-Khaled, CRP, GMX  
Director, Service Delivery  
Bristol Global Mobility

Eric Arnold, SCRP  
Counsel  
Old Republic Relocation Services

**merc**

minnesota  
employee  
relocation  
council



# The Importance of Utilizing the Services of a Relocation Certified Real Estate Company

- Selection of a Relocation Trained Associate
- Determining the Value of the employees Home
- Ensure the BMA and Marketing Activity Reports are completed on time
- A Full-Time Relocation Counselor acting as your advocate throughout the process and in partnership with Global Mobility
- Ensure that the Sales Associates follow the relocation program guidelines

# What happens if guidelines are not followed?

Water Damage Home



# Mortgage Issues

- Equity Line of Credit not closed after acquisition

**PAID IN  
FULL**

# One vs Two Deed

## Worldwide ERC One vs Two Deed Information Chart

Transaction-specific two deed requirements require contingency plans

- Property is in a “one deed state” and the transferee signs the deed-in-blank
- What do you do when:
  - Buyer is getting FHA financing
  - Buyer’s attorney insists that seller must be in title
  - Sale falls through

## Developments in Minnesota

- Minnesota Land Title Association Concerns
- *Mobility LawBlog* Aug 2, 2016

# One vs Two Deed

## SINGLE vs DUAL DEED INFORMATION

This document presents an overview of factors commonly reported by Worldwide ERC® membership as influencing their decisions on whether to use one or two deeds in a particular jurisdiction. It is provided for general information purposes only, and Worldwide ERC® makes no representations regarding its accuracy or completeness. Worldwide ERC® strongly suggests consulting with your tax and legal advisors to determine the appropriate policies for your organization.

Last Revised – July 20, 2016

	MINIMAL COSTS FOR DUAL DEED	
Alabama		
Alaska	X	Challenge to Notarization of Blank Documents possible <sup>1</sup>
Arizona	X	Challenge to Notarization of Blank Documents possible <sup>1</sup>
Arkansas		
California		Challenge to Notarization of Blank Documents possible <sup>1</sup> ; County recorder practices vary, with some questioning date of Deed vs date of recording for property tax evaluation.
Colorado	X	Challenge to Notarization of Blank Documents possible <sup>1</sup> . Transfer tax is minimal (.01% of sales price)
Connecticut	X	If the second deed is recorded within 6 months of the first deed, it is exempt from seller paid transfer tax.
Delaware		False Claim / Qui Tam <sup>2</sup>
District. of Columbia		False Claim / Qui Tam <sup>2</sup> for recordation tax
Florida		Challenge to Notarization of Blank Documents possible <sup>1</sup>
Georgia		
Guam		
Hawaii		False Claim / Qui Tam <sup>2</sup>
Idaho	X	
Illinois		False Claim / Qui Tam <sup>2</sup>
Indiana	X	False Claim / Qui Tam <sup>2</sup>
Iowa		
Kansas	X	
Kentucky		A Statement of Consideration attesting to the accuracy of the sales price must accompany each deed when presented for recording. If the sales price between the Transferee and Company is different from the sales price between the Company and the Buyer, the use of the blank deed may expose the Transferee and/or the Company to penalty.

merc

minnesota  
employee  
relocation  
council

<http://www.worldwideerc.org/gov-relations/Pages/single-dual-deed.aspx>



# Wire Transfer Fraud

## IC3 Statistical Data as of June 2016:

- 22,000 reported cases of email compromise fraud
- Exposed losses over \$3 billion
- 1300% increase since Jan 2015

## Two categories:

- Business Email Compromise (BEC)
  - “Supplier Swindle,” “Business Executive Scam”
- Email Account Compromise (EAC)
  - Targets personal email accounts
  - **Real estate transactions have been key target**

# Wire Transfer Fraud

The theft of transaction proceeds by fraudsters who:

- (1) Hack into one or more email account(s) of those involved in the transaction;
- (2) Create email addresses that closely resemble that of someone involved in the transaction;
- (3) Watch activity of the hacked email account for transactions about to close;
- (4) Impersonate one or more of the parties involved in the transaction, either through the hacked account directly or through the confusingly similar account
- (5) Redirect the transfer of funds to the fraudster's account



# Wire Transfer Fraud

What does this look like in relocation?

## Departure

Target	Impersonating	Subject
RMC	Transferee	Equity proceeds
Transferee	RMC	Deficit equity
Settlement agent	Everyone	Everything

## Destination

Target	Impersonating	Subject
Transferee	Real estate agent, settlement agent	Down payment, cash to close
Settlement agent	Everyone	Everything



# Wire Transfer Fraud

Prevention and Best Practices – The hack

How does it happen?

- Mass email breaches
- Phishing, spearphishing and social engineering

What can you do?

- Discourage transferees from using personal email for communications regarding the relocation.
- Prohibit service providers from using consumer web-based email accounts
- Practice and **encourage** healthy skepticism when asked for credentials or transaction information.



# Wire Transfer Fraud

Prevention and Best Practices – Fake email addresses

What do they look like?

- Most have clear red flags
  - Name doesn't match
  - Suspect domain - .edu, .mail.com
- Some are very subtle, visual tricks
  - [eric.arnold@relocatlon.com](mailto:eric.arnold@relocatlon.com)
  - [jane.doe@trustcdbroker.com](mailto:jane.doe@trustcdbroker.com)

What can you do?

- Always look at the email address of sender, not just the displayed name
- Look into IT solutions for flagging certain high risk domains



# Wire Transfer Fraud

Prevention and Best Practices – Transaction data security

What are they looking for?

- Wiring instructions and financial information
- Equity, settlement statements
- Contact info for the parties, service providers
- Transaction details – closing dates, down payments, etc

How can we protect this information?

- Only send transaction details and documentation through secure, encrypted email - require service providers to use same
- If possible, documentation should be sent only through a secure portal requiring login to access

# Wire Transfer Fraud

Prevention and Best Practices – Wiring instructions received

Red flags that it might be a scam:

- Poor grammar, spelling
- International bank, SWIFT codes
- Email from US sender at 3am, international time stamps
- Urgent request received Friday afternoon

Even if there are no red flags, if you receive new or revised wiring instructions:

- Never disburse or take any action w/r/t funds without verbal or other secondary confirmation.
- Always call them based on information collected during initiation. Do not use the contact information on the email or let them call you.
- Slow down! Don't let them rush you.

The information contained herein is for informational purposes only and should not be used or relied upon for any other purpose. This information is not intended nor should it be construed as providing legal advice. Any conclusions that readers draw from this information are their own and are not to be attributed to Old Republic Title. Always seek the advice of competent counsel with any questions you may have regarding any legal or title coverage issue.

merc

minnesota  
employee  
relocation  
council



merc

minnesota  
employee  
relocation  
council