

# Weekend SPOTLIGHT

## The growing problem of real estate fraud



**John Cavan,**  
AMP  
Mortgage Planner

*Ask your local  
mortgage planner*

It was a relief when homeowner Susan Lawrence was finally told that she would not be responsible for paying a mortgage that a stranger had taken out on her home. Pay a mortgage that wasn't hers! Is that possible? Yes, it was a case of title fraud: a stranger managed to use Susan's identity to take out a mortgage on her home. By the time the lender (and Susan) realized what was happening, the stranger had disappeared with the money - about \$290,000 - leaving Susan to pay it back. It took more than a year to sort it out.

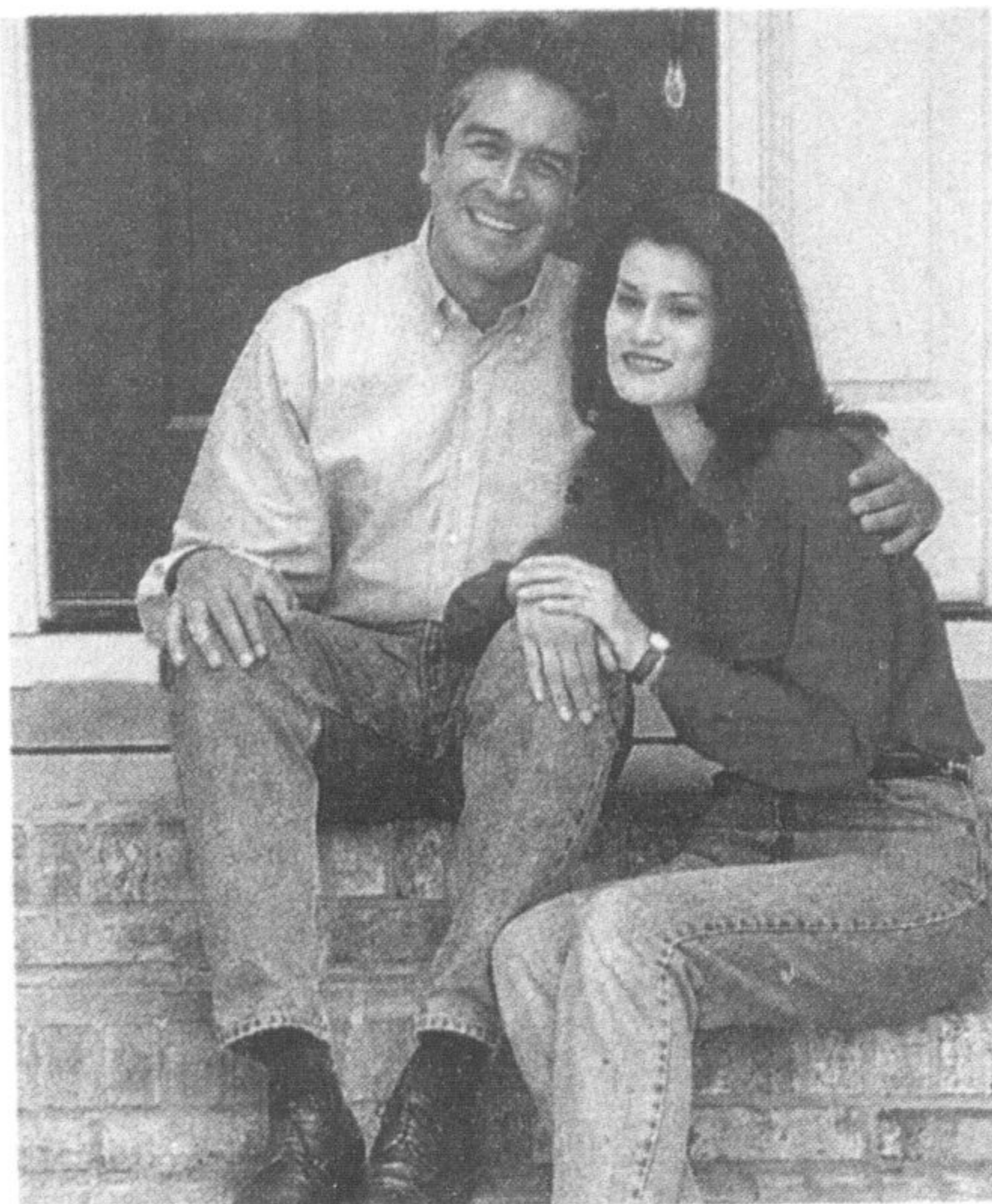
The real estate industry estimates that mortgage fraud amounts to about \$1.5 billion per year, with an average fraud case of \$300,000. This isn't about hanging out with "the wrong people." Title fraud doesn't play favourites: if you're a Canadian homeowner, then you're at risk. And the risk is growing. In 2000, real estate title fraud claims accounted for only 6% of total dollars paid in claims at Canada's leading title insurance provider, First Canadian Title. By 2005,

that number reached 33%.

So how does it happen? Title fraud occurs when a criminal targets a specific homeowner and, using forged documents, poses as the homeowner to falsely discharge the existing mortgage. The criminal obtains a new mortgage against the property - and promptly disappears with the money, without making any mortgage payments. It's called title fraud because the criminal fraudulently takes over title, the legal term for property ownership.

The rightful owner doesn't have a clue what's going on until the mortgage goes into default and the lender demands payment on the mortgage loan or - worse - decides to foreclose on the property. Keep in mind, too, that if the fraudster has already stolen your identity, you would have to persuade the authorities that you are who you claim to be! Restoring the property's title can be costly and definitely takes a huge emotional toll.

Although the incidence of title fraud is growing, the good news is that Canadians have access to protection through title insurance. The cost of title insurance is very modest, and it protects homebuyers from a wide range of title problems. If you thought a property had a clean title, but later learn there are debts or claims against it - your title insurance covers you. If the property has



*Taking steps to ensure you and your home is protected under title insurance is key in home ownership.*

option! Unpaid liens, title defects, building code violations that are discovered after you've moved in - they're all covered. And in a case like that of Susan Lawrence, title insurance would have covered all the costs and legal expenses related to restoring the title.

No surprise, then, that many lenders now require title insurance, and lawyers will often recommend it for the extra protection it offers at a very low cost.

If you already have a home and an existing mortgage, you can still buy title insurance at any time. We're careful to lock up the barbecue, protect our credit and debit cards, and never leave our wallet in an exposed place. Our home is usually our most expensive possession; it's time we thought about protecting it from theft, too! Next time you talk to your mortgage broker or lender, ask about title insurance.

John Cavan is an Approved Mortgage Planner with Mortgage Architects. Mortgage questions and concerns can be directed to John Cavan's office, located at 14 Martin St., Milton. John can be reached by phone: 905-878-7213 or by email: john.cavan@mtgarc.ca. John Cavan's website is www.stressfreemortgage.ca. Contact John today about your stressfree mortgage opportunities.

title defects - an encroaching fence, an uncertain boundary, a right-of-way - title insurance offers protection. It can also be valuable in facilitating a sale: maybe the buyer is unable to obtain a property survey, or a clean water test, for example. Title insurance will cover that risk so the sale can proceed - and in the case of a survey, may actually be the cheaper

**OPEN HOUSE**  
SUNDAY 2-4PM  
582 HAYWARD

**\$319,900**

Mom's, receive a flower when you visit Sunday 2-4 pm!

WOW... discover this amazing living space nestled on a "gem" location across from the beautiful "Laurier Park". Easy walk to shopping/schools. Huge main level (dining - living) reno'd with med dark hrdwd/baseboard-trim including the - AWESOME kitchen (cabinets with glass insets), all new windows, new roof (2 weeks). 2.1 baths (nice) 3.1 bdrm (one as new office space)-or all new berber on stairs and bedrooms, FF lower level with wood burning f/p(brand new 2 pc guest bath)...new air cond. tons of storage. SPRING will show off the gorgeous perennials and trees (japanese maple, lilac).front landscaped... "trendy lighting" \*unique features. DONT Wait. SHOWINGS START TODAY, or call connie 905 510 2546 **\$319,900.00**

**CONNIE PRONG**  
Sales Representative  
Office: 905-878-8101  
connieprong@royallepage.ca

**ROYAL LEPAGE**  
Meadowtown Realty

**RE/MAX**  
Performance Realty Inc., Brokerage

**ROB GILL**  
Sales Rep.

FOR A FREE HOME EVALUATION  
...CALL ROB GILL TODAY!  
OFFICE 905-270-2000  
DIRECT 416-949-5794  
EMAIL rob@robgillsellshomes.com  
Proud Sponsor of Children's Miracle Network

**PRICED TO SELL**

**\$376,999**

**OPEN HOUSE**  
SAT, MAY 10, 2-4 PM  
SUN, MAY 11, 2-4 PM  
1040 Fourth Line, Milton

- 4 Bdrm Mattamy W/ Finished Bsmt!
- 2nd Flr Laundry, Large Front Porch
- Approx. 1900 Sq.Ft., All Brick
- 2 Car Parking, All Appliances
- Finished Basement W/ 3 Pce. Ensuite Incl. Sep. Shower

Proud Sponsor of Milton Soccer Academy  
[www.robgillsellshomes.com](http://www.robgillsellshomes.com)

**MAHAMED KHAN**  
Sales Rep.

Off: (905)  
**793-5000**  
Dir: (416)  
**627-1171**

**ROYAL LEPAGE**  
Credit Valley Real Estate Brokerage

**OPEN HOUSE**  
SAT 2 TO 5 PM  
930 STEARN PL.

Stunning 5 bdrm. home w/fin. bsmt., incl. rec./ office/2 bdrm s./3 pc. bath. Mattamy Toughburg model, 3331 sq.ft., California kit. w/centre island. Newly painted & ready to move in. Fam. rm. w/gas fplc. Coiffured ceiling in din., mn. flr. hrdwd. throughout. \$\$\$ in upgrs. Best street for kids to grow up on. Fully fenced b/yard w/garden shed. Patterned concrete driveway/porch/backyard patio. Stainless steel stove/fridge/dishwasher, washer/dryer/window coverings/ elf/CAC/ CVAC, BBQ gas line. **\$649,900**

**OPEN HOUSE**  
SAT & SUN, MAY 10 & 11  
2:00 TO 4:00PM  
615 FOSTER COURT

**\$389,900**

**UNIQUE BACKSPLIT**

This home is looking for a new family and has lots to offer. App. 2000 sq. ft. with 3.1 bedrooms plus office, 3 bath, large family room with f/p and walk out to deck and premium yard. main floor laundry, finished basement, double garage.court location. Asking 389,900.

**RE/MAX REAL ESTATE CENTRE**

**BRIGID CHAN**  
Sales Representative  
905-270-2000  
brigidchan@trebnet.com  
www.brigidchan.com

**RE/MAX**  
PERFORMANCE REALTY INC., BROKERAGE

**\$395,000**

**WOW! LOVELY DETACHED IN SPACIOUS CORNER LOT IN HAWTHORNE VILLAGE!**

4 Bdrms/3 Washrms Energy Star Model By Best Design "Mattamy" Built , Less Than 1 Yr New, Sun Filled Open Modern Fl. Plan, Large Eat-In Kitchen, All Good Sized Bdrms, Master 4 Pce. Ensuite, Dble Garage Inside Access, Large Window & 3 Pce. R/I Washrms in Bsmt, Great Location! Mins To Oakville & Miss. Call Brigid Now. MLS# W1334008

**\$559,900**

**STUNNING HOME ON PIE LOT!**

- \*Outstanding Mattamy home, "Melville" model, with thousands in upgrades!
- \*Hrdwd & travertine flrs, 9' ceilings, designer decor, gas fireplace
- \*Fabulous kitchen with island, maple cabinets open to family room
- \*Formal living room with 2 storey ceiling
- \*4 bedrooms plus loft, master retreat with incredible upgraded spa ensuite

ROYAL LEPAGE REAL ESTATE SERVICES LTD. BROKERAGE  
RINA DIRISIO, SALES REP., (905) 338-3737 DIRECT (905) 849-3346

**ROYAL LEPAGE**

To advertise in this feature please call **DIANE WOLSTENHOLME** at 905-878-2341 ext. 212  
email: dianew@miltoncanadianchampion.com.