



Important PSA: Protect Yourself from Fake Seller, Fake Buyer Scams!

Dear Residents of Emerald Isle,

We want to bring your attention to a growing concern regarding fraudulent buyers and sellers in real estate transactions. The North Carolina Real Estate Commission has received an increasing number of reports about scam artists attempting to deceive innocent people, attorneys, and lenders for financial gain. It's crucial to be aware of the red flags and take necessary precautions to protect yourself from falling victim to these scams.

[Scam Overview]

Scammers involved in the "Fake Seller, Fake Buyer" schemes are operating both locally and from anywhere around the world. They use tactics to create a false sense of legitimacy, even claiming to be local when they are not. These scams aim to exploit your trust and can result in financial losses, property complications, or mortgage payoff issues.

[Recent Examples]

Here are a few recent examples of these scams that have been reported to the North Carolina Real Estate Commission:

FSBNO - For Sale by NOT the owner: A neighbor noticed a "For Sale By Owner" sign on a neighboring property but found the contact number unfamiliar. Upon investigation, it was revealed that the sign was unauthorized. The police were contacted, and the situation was resolved.

Fake Seller Contacting Listing Agents: Scammers posing as property owners contacted listing agents to list a property that was not actually for sale. Through due diligence and alert neighbors, the fraud was uncovered, and the situation was resolved.

Fake Buyer Dodging Due Diligence Fee Payment: A homeowner received a job transfer and listed their home for sale. They accepted an offer but encountered a buyer who consistently avoided paying the due diligence fee. Eventually, it was discovered that the buyer was attempting to divert the proceeds of the sale to their account. The homeowner faced financial losses and relocation complications.

[Protective Measures]

To protect yourself and your clients from these scams, consider the following preventive actions:

Verify Ownership: When dealing with a "For Sale by Owner" property, cross-check the owner's identity by referring to the county tax or register of deeds websites. Request photo identification from the purported owner to ensure it matches public records.

Conduct Due Diligence: When listing a property, be vigilant about its history and contact previous listing agents for any suspicious activity. Communicate with clients about potential fraud risks and advise them to exercise caution during the transaction process.

Request Proof of Funds: When interacting with potential buyers, especially if red flags are present, ask for proof of funds or prequalification information to verify their financial capacity to complete the transaction.

Report Incidents: If you encounter or suspect fraudulent activities, report them immediately to local law enforcement agencies, the FBI, and the NC Attorney General's Fraud Hotline.

[Additional Red Flags]

Be alert for the following signs that may indicate potential fraud:

Buyer/seller reluctance to meet in person, claiming travel or vacation circumstances.

Urgency for quick cash sales, significantly lower prices, or unusually short closing times.

Suspicious contact information from foreign countries.

Poor-quality or illegible photo IDs provided.

Sellers waiving due diligence fees or requiring quick closings without earnest money.

Remember to protect yourself and your clients by asking questions, conducting research, and remaining vigilant when dealing with potential scams. Stay informed and educated about these risks to safeguard your real estate transactions.

If you encounter any suspicious activity or need guidance, please reach out to the North Carolina Real Estate Commission or local authorities for assistance.

Stay safe and informed!