

Attention Assignment Desk / Real Estate Editors

“STOLEN / NOT FOR SALE” – A SAD SIGN OF THE TIMES

Bold lawn signs make a point about the devastating effects of real estate title fraud

TORONTO, March 22, 2007 – Some Toronto homeowners found “Stolen/Not for Sale” signs in their front lawns today as part of a Fraud Awareness Month event staged to warn homeowners that the coming busy real estate season can be a breeding ground for real estate scams.

The event, organized by leading title insurer First Canadian Title in the neighbourhood of Don Mills, brought together Consumers Council of Canada and Toronto real estate fraud victim Susan Lawrence. In a case that has received widespread media attention, Lawrence’s home was “stolen” in early 2006 after she put a For Sale sign on her front lawn and identity thieves took out a fraudulent mortgage on her home for almost \$300,000.

“I never imagined that putting a For Sale sign on my front lawn would result in being defrauded out of my home,” said Susan Lawrence, whose high profile case has captured widespread media attention across Canada over the past year. “I can’t stress enough how devastating it has been – both financially and emotionally – to have to fight to get my home back over the past 12 months.”

After a year-long legal struggle that involved getting the title of her home back, and going all the way to the Ontario Court of Appeal to get the fraudulent mortgage registered on her home dismissed, Lawrence is once again the rightful owner of her home.

“Susan’s story is a perfect example of how – despite existing checks and balances in the system – crooks are able to use someone else’s identity to easily commit fraud,” said Bill Huzar, President of the Consumers Council of Canada. “Not only do consumers need to be vigilant, but it’s also up to business, law enforcement and governments to join together in the fight against fraud.”

Fraud Prevention Tool Kit now available

Today’s neighbourhood event was part of Fraud Awareness Month, an ongoing national awareness drive to bring attention to fraud, including real estate title fraud and identity theft. As part of the initiative, First Canadian Title is providing consumers with a Fraud Prevention Tool Kit offering information about real estate title fraud, identity theft, and protection tips. The tool kit is available at www.ProtectYourTitle.com.

First Canadian Title, Canada’s leading provider of title insurance, estimates the average case of real estate title fraud to be \$300,000, compared to estimates of \$1,200 by the RCMP for cases involving credit card fraud. Meanwhile, industry estimates for how much real estate fraud costs Canadians range between \$300 million and \$1.5 billion each year.

“Despite people’s best efforts to protect their personal information, the fact is that identity theft can happen to anyone, at any time. Imagine falling victim to identity theft and finding out that you no longer own the title to your own home,” said Lorne Shuman, Director of Legal Services for First Canadian Title. “People need to be very careful, especially during a red hot real estate market that shows minimal signs of cooling down in Canada.”

Real estate title fraud can take several forms, and it often starts with identity theft. A basic scam can be simple: a fraudster targets a house, forges a transfer deed using a stolen identity, registers in his or her own name, forges a discharge of the existing mortgage and borrows against the clear title.

Groups join to combat real estate fraud scams

Over the past three years, First Canadian Title has embarked on a number of high-profile consumer campaigns and partnerships to raise awareness of the issue of title fraud. This includes participating in the Fraud Prevention Forum, a group of private and public sector firms, consumer and volunteer groups and law enforcement organizations whose mandate is to educate consumers and businesses on the effects of fraud across Canada.

Shuman said First Canadian Title prevented approximately \$20 million in potentially fraudulent real estate transactions in 2006. As many as 52 transactions were "red-flagged" throughout the year by the company's underwriting department and later deemed potentially fraudulent through internal investigations. First Canadian Title recently began offering identity theft insurance to its title insurance policyholders.

"Despite the protection consumers have, title insurance remains a smart, affordable way to protect homeowners and their most valuable asset," said Shuman. "Our identity theft policy also provides protection against the devastating consequences of having your personal information stolen, giving homeowners peace of mind."

About First Canadian Title

First Canadian Title is Canada's leading provider of title insurance, and other related products and services for residential and commercial real estate transactions. Founded in 1991 and based in Oakville, Ontario, First Canadian Title employs approximately 1000 people from coast to coast. Its customers include more than 11,000 lawyers and notaries nationwide, every major Canadian chartered bank, other lending institutions, real estate agents, mortgage brokers and builders. First Canadian Title is the registered business name in Canada of First American Title Insurance Company. For more information about First Canadian Title, please visit www.FirstCanadianTitle.com or www.ProtectYourTitle.com.

About Consumers Council of Canada

The Consumers Council of Canada is an independent, not-for-profit organization federally incorporated in 1994 to bring a consumer voice to important local, regional and national issues. The Council works collaboratively with consumers, business and government to solve marketplace problems and inform them of their rights and obligations. Our cooperative, practical engagement contrasts with the more traditional, adversarial approach to advocacy. The Council believes it is good business to address consumer issues effectively. Leading Canadian companies have shown their commitment to serving the interests of consumers by joining the Council and accessing its independent, nationally recognized research.

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