

Home Refinancing Scam - Thieves Use Identity Theft to Steal Your Equity

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Since the demise of the stock market in 2000, the real estate market has been booming. Investors who are justifiably cautious about investing in stocks have been investing in homes. This has driven the prices of homes in the United States to record levels. Long-time homeowners are discovering that they have a tremendous amount of equity in their homes as the values rise, sometimes in the hundreds of thousands of dollars. The past five years have been good to homeowners and lenders. Unfortunately, the past five years have also been good to equity thieves, who are using identity theft to steal the equity from homes, often without the homeowner's knowledge.

As the median value of a home in the United States is currently a little more than \$200,000, there is plenty of incentive for the equity thief. The scam is relatively simple and usually involves homes that are completely paid off. The thief obtains a copy of the homeowner's Social Security number and a fake driver's license in the homeowner's name. Using this fake identification, the thief forges a quitclaim deed, a document transfers a homeowner's interest in a property to a third party. The document says, in essence, "I don't want this property anymore." The property can then be transferred to anyone the thief chooses. Once the transfer has taken place, the thief applies for a home equity loan, takes the money, and simply walks away. In an alternate scenario, the thief simply sells the house and pockets the money. As most agencies involved in real estate transactions are quite busy these days, property transfers of this type can often be accomplished without drawing undue attention.

This is just one of many scams that have sprung up in recent years involving real estate. While the authorities are certainly interested in catching the thieves, such cases quickly become rather complicated and few police departments have the necessary expertise required to deal with these cases, since they are fairly new. More often than not, the homeowner has little recourse other than to sue the mortgage company involved in the transaction. The best defense against a possible identity theft/equity theft scam is to protect your identity carefully and to avoid giving anyone your Social Security number if you can possibly avoid it. Failing to do so could cost you your home.

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