



HACKERS, SCHEMERS AND THIEVES; OH MY!

A True Story

Kenneth J. Hamel, with Norma Echarte & Associates in Miami, was handling a loan-only transaction for Titan Funding. When the transaction opened, the President of Titan Funding instructed Norma Echarte & Associates to wire the loan fees due his company at closing. He provided wiring instructions which were put in the file.

The transaction was smooth from start to finish. The borrower signed their loan documents and the file was closed. Kenneth was preparing to wire the loan fees to Titan Funding when he received an email from the lender's president asking him to verify the amount of the wire.

Kenneth was taken aback. He found it odd the lender did not know exactly how much their loan fees were but he replied anyway, noting his firm's charge for the wire.

Kenneth immediately received this response, "...bank account won't be able to receive payments for now till few days' time due to the year audit and taxation clearance..." Having received emails from the lender's president before Kenneth suspected this email could not be from him. He noted the email contained grammatical errors and seemed out of character.

Kenneth heeded the warnings given to him by his company's underwriter, Fidelity National Title Insurance Company and

the American Land Title Association, to pick up the phone and call the lender's president at a known, trusted phone number to verify the new wire instructions.

The president at Titan Funding confirmed Kenneth's suspicions were in fact true. He did not send him an email with new wire instructions and his company did not have an account at that bank. He further stated he was concerned his email account had been compromised because Kenneth's call was not the first claiming he sent out revised wire instructions. He thanked Kenneth for the call and disconnected so he could contact his IT department to run a scan on his computer.

Kenneth's firm has a hard and fast rule to always call the vendor or customer to verify wire instructions are authentic, especially when they receive a request to wire to an account or bank other than what was previously provided.

MORAL OF THE STORY

VERIFY! One phone call to a known, trusted phone number is absolutely worth it versus the time, effort and anguish involved in trying to get a diverted wire back. Always call to verify the bank, account number and routing number of wiring instructions received via email or efax.

Always call before you wire.
When in doubt, always call our office or your escrow officer.