

# Heritage Title Company

*keeping you informed*



## WHAT YOU NEED TO KNOW ABOUT 3<sup>rd</sup> PARTY DEPOSITS

### What are they?

Funds that are received by the title company, via check or wire, from anyone that is not a party to the transaction for earnest money and/or down payment.

### When 3<sup>rd</sup> party funds are received

The title company can only deposit funds received by a 3<sup>rd</sup> party for earnest money or a down payment once they have signed 3<sup>rd</sup> Party Instructions stating the depositor is remitting the funds unconditionally.

### Be on Guard

We've seen an increase in fraud recently targeting earnest money deposits. Below are some **RED FLAGS** you, as the agent, should look for that may help the seller avoid needlessly taking their home off the market while dealing with a fraudulent buyer(s).

- ▶ **Buyer(s) remitting funds from a party that does not appear to be related to them. Example: They claim to work for an oil company but are remitting a check from Subway Restaurants.**
- ▶ **Buyer(s) that are never available for an actual conversation.**
- ▶ **Buyer(s) that remit funds via cashier's check then immediately cancel the transaction and request a refund before funds have a chance to clear.**
- ▶ **Buyer(s) that remit far more funds than are needed for earnest money or down payment, via check, then request "the overage" be sent back to them via wire.**



Contact your Heritage Title Representative for more information