



WHAT YOU NEED TO KNOW ABOUT 3RD 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 3rd party funds are received

The title company can only deposit funds received by a 3rd party for earnest money or a down payment once they have signed 3rd 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.