



BEWARE OF ONLINE RENTAL SCAMS

by Texas Attorney General Greg Abbott

WITH TEXAS' COLLEGES AND UNIVERSITIES kicking off their fall semesters, college students around the state are seeking affordable places to rent. A few enterprising young Texans may turn to the Internet in an effort to find cheap rental properties online. But before they open their checkbooks, renters should do additional research to ensure they avoid falling victim to online rental scams.

Many online rental scams identify a vacant property, claim to be the owner and post a listing for the home on free advertising websites. Online classified ads for rental properties often offer photos and virtual tours – which gives scammers a high-tech opportunity to lure unsuspecting victims. After a potential tenant expresses an interest in renting the property, the scam's perpetrator instructs the renter to wire a cash deposit and the first month's rent. Once the money has been wired, the scam artist pockets the money and disappears – and the renter still lacks a place to live.

If a savvy renter asks to personally inspect the property prior to wiring the money, scammers often claim the actual owner or landlord is out of town and unable to show the house – but still demands immediate payment to reserve the property.

In the meantime, con artists sometimes go to even greater lengths to lock in their victims. For example, scammers can break into abandoned homes and change the locks so that they can provide keys to new tenants. Unfortunately for the victims in these cases, they move in to houses that the actual owners did not intend to lease. When homeowners discover the new residents in the house, the tenants must vacate and find a new place to live.

Under another variation of the rental scheme, con artists will rent foreclosed homes to multiple victims. The scammers tempt potential renters by advertising a rental price that is significantly lower than other homes on the market. After receiving a renter's cash deposit through a wire transfer, the scammer disappears and the victim's money is lost.

Before agreeing to pay a deposit for an online rental, Texans should compare the property's lease with other rental homes in the area that have similar amenities. Prospective renters should then verify that the rental home and the person claiming to be its owner are legitimate. Most local appraisal districts operate websites that list each property's actual owner. Renters should also make sure the home's owner is local and not

claiming to live overseas – where they are conveniently difficult to reach.

If the homeowner claims either to live overseas or be unavailable to meet in person, potential renters should proceed with caution. Prospective lessees should also view the property before making a cash deposit or paying the first month's rent. Most reputable landlords will allow clients to inspect the property before demanding any up front payments.

A lessor's request for up front cash deposits through wire transfers – rather than an ordinary check – should also raise a red flag for would-be renters. The Attorney General's Office often receives Texans' requests for help retrieving money that victims unwittingly wired to a scammer. Unfortunately, advance fee crooks are always on the move and nearly impossible to catch.

Texas' college and university students should carefully protect themselves – and their pocketbooks – from rental scams. Before signing a rental agreement, providing any personal information or making an up front payment, prospective renters should verify that the rental property and the landlord are legitimate. If the deal sounds too good to be true, it usually is.

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POINTS TO REMEMBER



AVOIDING ONLINE RENTAL SCAMS

- Potential renters should always compare prices of different rental homes. Deals that sound too good to be true usually are.
- When communicating with a homeowner, renters should verify that the homeowner is locally located. Landlords who claim to live overseas or are unable to meet in person should be handled cautiously.
- Prospective renters should never pay advance money to a landlord without personally inspecting a rental property. Most legitimate landlords expect a potential renter to want to see the property first and welcome the client's inspection of the property.
- Potential renters should always protect their personal information and never wire money in advance to a website or online advertiser. Once money has been wired, it is nearly impossible to track down and return to the victim.

For more information about this or other consumer topics, contact the Attorney General's Office at (800) 252-8011 or visit online at www.texasattorneygeneral.gov.



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