

Consumer ALERT



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

Phony Real Estate Agents Steal Buyers' Cash

Recently my office has sued one company and learned of others placing bogus for-sale signs in front of vacant homes in an effort to swindle prospective buyers, many of whom are non-English speakers. The scam works by consumers contacting the phone number on the sign and then meeting with the scammer who often poses as a real estate agent. The scammer then tries to convince the consumer to write a check for a deposit on the home which will supposedly be applied to the price of the sale at closing. Please be careful.

In reality you would simply be handing over money to a scammer for a home that is not actually for sale. Sometimes the scammer may even go as far as to ask you to provide your banking information as well as copies of your tax statements. This could cause you the double problem of losing your money and having your identity stolen.

Our office suggests you take several steps to avoid this scam:

- When working with a person who claims to be a real estate agent, make sure that he or she is licensed by the Texas Real Estate Commission (TREC). Call TREC at (800) 250-8732 or (512) 459-6544 locally to confirm that the agent is licensed, even if you see a business card.
- Before paying anything to purchase property, check with the county appraisal district to see who really owns the property.
- Always have a title search performed before signing closing documents.
- Don't do deals on a handshake. In the past scammers have swindled consumers out of tens of thousands of dollars by presenting them with handwritten contracts for homes to which they did not hold title.
- Be very wary of sales offering very low down payments, especially if the property is vacant.

Sincerely,

Greg Abbott, Attorney General of Texas

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