



TITLE INDUSTRY FIGHTING FORGERY

Title industry figures reveal that over the last decade forgery losses tripled, accounting now for over 20% of all losses paid by title insurers.

- A deed may be forged by someone in an attempt to transfer legal ownership of property without the knowledge of the true owner. A lender's recorded security agreement for a loan may be eliminated by a forged instrument falsely indicating payment of the loan, thereby allowing another loan to be fraudulently obtained. A note and deed of trust may be forged by a person who then sells the note secured by the deed of trust and disappears, leaving unsuspecting homeowners to discover the cloud on title when the purchaser of the note commences foreclosure proceedings for the nonpayment of the debt.
- A fraudulent document may be notarized by either a person impersonating a notary or a legitimate notary who fails to ascertain that the person signing the document is not the person whose name appears on the document.

Title insurance provides protection against forgeries in your title which may have occurred prior to the issuance of your title insurance policy. Without this protection, you would singlehandedly face the uncertainty and expense of resolving legal issues.

The California legislature has responded by raising the penalty for forgery so that it now is a **felony** punishable by up to **three years in state prison**, and, in the case of repeat offenders, severely limiting the granting of probation. For forgeries affecting homeowners, a fine may also be imposed of up to **\$75,000**. Through improved practices and cooperation with enforcement agencies, the title industry has moved to lessen the opportunities for forgery.

**Contact OCT for all your title questions or concerns.
Orange Coast Title Company is committed to your success.**

*This article was published by the California Land Title Association.
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