How the Equifax Data Breach Impacts Home and Property Owners

September 29, 2017 - As you may know, Equifax reported a data breach early this month that exposed the personal data of 143 million Americans. While the media has largely focused its attention on how this breach exposes consumers to typical forms of identity theft, there has been very little coverage on what could be an equally large issue; how this breach exposes homeowners, landlords and land owners to both mortgage identity theft and fraudulent transfer of title on properties they own. Even freezing your credit report will only provide partial protection from this kind of fraud.

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As I understand it, mortgage data was included in the breach along with names, addresses, phone numbers, SSNs, birth dates, etcâ€¦ That mortgage data shows exactly how much you owe on your home and any other property you may own. This allows anyone with access to it to determine exactly how much equity you have. Identity thieves can easily use this information to take out fraudulent loans on your property. A credit freeze should protect you against this type of theft because even with all of the needed information to impersonate you, you should be the only person with the PIN number to access your credit files. NOTE: A fraud alert is nowhere near as effective at protecting you as a credit freeze.

On the other hand, a fraudulent deed transfer, or fraudulent conveyance, is still possible. In terms of real estate, fraudulent conveyance is the illegal transfer of property from one party to another. All someone has to do is walk into the county recorder's office with a notarized deed transferring title on your property to another person. Once recorded, you no longer own the property but you are still on the hook for any mortgage you have on it.

In some states county recorders are required to send property owners written notification of the transfer. While that's better than no notification at all - which is the case in the vast majority of the country - it may not offer you much protection in the end. The notice will be sent to the property address via snail mail. If you don't live at the address, there is a good chance you'll never see it. And even if you do receive the notice, it may not show up until after the property has additional loans on it or has been re-sold. It will be up to you to prove that the property was illegally transferred and that the loans aren't your responsibility.

Unfortunately, at this time there is no way to lock your title the same way that you can your credit file. I even checked with LifeLock and they don't have a way to monitor title activity at this time.

The only company that I've found that does have offer some level of protection is homeTITLELOCK. They are trying to position themselves as LifeLock for title changes. They claim that for $9.99 per month, they will notify you of any changes

to your title within 24 hours of the time a recording is made. They will also assist in notifying law enforcement, the recorder's office and lenders so that no loans are made. This should also place a cloud on the title, making it difficult for anyone who attempts to sell the property. But they will not assist you with any legal fees associated with getting your title issues straightened out. You'll need to hire an attorney to do that.

For the record, ACCESS doesn't have any association with homeTITLELOCK and we're not making a recommendation here because we don't have any experience with the company. But they are the only firm that we've found providing this type of service so I am going to sign up with them. If you are interested yourself, their website can be found at http://www.hometitlelock.com.

If you decide that you want to look into your property title issues yourself, check with your county recorder's office and see if they have any recommendations. Recordings - such as property deeds and title information - are public filings so you should be able to request a copy of your title as it currently reads. Given the scope of the Equifax breach, we expect the types of crimes detailed her to skyrocket. This means that checking property titles is likely to be just as important as checking your credit report; although at present, it is considerably more difficult to do.
byJim Malmberg
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