

PRESS RELEASE



First Canadian Title

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OLDER HOMEOWNERS MOST VULNERABLE TO REAL ESTATE TITLE FRAUD

Attention: Assignment Editor, City Editor, News Editor

OAKVILLE, ONTARIO, NEWS RELEASE--(CCNMatthews - Aug. 28, 2006) - Despite the increasing number of high profile real estate title fraud cases in Canada, older Canadian homeowners remain unaware of the only way to protect themselves against this crime.

For the second consecutive year, First Canadian Title commissioned Environics Research to measure Canadian homeowners' knowledge and awareness of title insurance. The national survey asked approximately 1,500 Canadian homeowners whether they had protection in the form of title insurance for their home. Nearly half of homeowners over the age of 45 said they do not have title insurance or are unaware if they do.

The survey also found that 63 per cent of Canadian homeowners without title protection had absolutely no understanding of title insurance - a number that rose to 66 per cent for those over the age of 60.

Title insurance was introduced to Canadians by First Canadian Title in 1991. Since then, it has slowly become a standard offer to home buyers. Two years ago, First Canadian Title introduced title insurance to existing homeowners.

"Few people are aware of the possibility of fraud against their home - the single largest purchase they are ever likely to make," said Susan Leslie, First Canadian Title's VP of Claims and Underwriting. "But as many of them get older, they are more likely to have more equity and spend more time out of their home. This makes them easy prey for sophisticated fraudsters who have the means to perpetrate this kind of crime."

Survey highlights:

- Ownership of title insurance is highest among 30 to 44 year-olds and declines with age
- 60 per cent of respondents have title insurance, compared with 58 per cent in 2005
- Of those surveyed, 40 per cent confirmed they either had no coverage or did not know if they were covered by title insurance - this compares to 49 per cent in 2005
- The primary reason for not having title insurance is not knowing what it is - 63 per cent compared with 71 per cent in 2005
- Only 24 per cent of those who had purchased title insurance could confirm that they fully understood what it covered
- 63 per cent of Canadian homeowners without title protection had absolutely no understanding of title insurance - a number that rose to 66 per cent for those over 60

"It's surprising to me that after so much attention to this issue, so many Canadians remain unaware and unprotected," said Susan Lawrence, a Toronto victim of real estate fraud whose home was mortgaged for almost \$300,000 by fraudsters who forged her signature and walked away with the money earlier this year. "Until I was defrauded, I was not aware that if I had title insurance, I would have been protected."

Lawrence is currently involved in a long legal battle to get her home back. An Ontario court recently restored her title, returning ownership to her. However, she is still fighting to have the fraudulent mortgage discharged.

"The onus is on homeowners to prove the crime and it can be very costly - financially and emotionally - to clear your name," said Leslie. "For a one-time premium, title insurance is an effective and inexpensive way to ensure title to your property is protected. It

covers legal expenses related to restoring title and is available to existing home owners even if they have owned their property for some time."

First Canadian Title, Canada's leading title insurer, estimates the average case of real estate fraud to be \$300,000, compared to estimates of \$1,200 by the RCMP for cases involving credit card fraud. In 2000, real estate title fraud claims accounted for only 6 per cent of total dollars paid in claims at First Canadian Title. By 2005, that number reached 33 per cent.

Earlier this year, First Canadian Title called on homeowners to take a stand against real estate title fraud by launching www.ProtectYourTitle.com to demonstrate that fraud can happen to anyone. The website provides fraud prevention tips, case studies, Q&As with industry experts, and links to partners such as the RCMP, OPP, and PhoneBusters, an anti-fraud call centre operated by the Canada Competition Bureau.

About First Canadian Title

First Canadian Title is Canada's leading provider of title insurance for residential and commercial real estate transactions and other related products and services. Established in 1991, First Canadian Title pioneered the concept of title insurance in Canada, and now issues hundreds of thousands of new policies each year. As a member of the First American Family of Companies, First Canadian Title's financial strength, stability and commitment to service excellence are second to none in the industry. Based in Oakville, Ontario, First Canadian Title employs more than 1,000 people from coast to coast. Customers include more than 15,000 lawyers and notaries nationwide, every major Canadian chartered bank and Credit Union, other lending institutions, real estate professionals, mortgage brokers, and builders. For more information about First Canadian Title, please visit www.ProtectYourTitle.com.

IN: OTHER

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