



**DEPARTMENT OF RECORDS
CITY OF PHILADELPHIA**

FRAUDULENT DOCUMENT RECORDING

**CITY HALL
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The Document Notice Letter

The City of Philadelphia, Records Department, is implementing a Document Notice Program. Each time a deed or mortgage is recorded in the Records Department, the current owner of record will be informed of the transaction. A letter will be mailed to the owner providing details of the transaction. The objective of the program is to provide notice to property owners in the event that the transaction is a fraudulent one. Owners will then be able to take corrective action.

Background

Over the past several years, there has been an increase in the number of fraudulent property transfers occurring in the City. Many incidents of this type of fraud occur in distressed neighborhoods. Abandoned and temporarily vacated properties are fertile grounds for individuals interested in engaging in this type of activity. In the recent past, a well-structured group formed to commit this type of crime. It worked in this way. One individual drove around the City looking for abandoned properties. Once they were identified, another individual would obtain copies of recorded deeds. Yet several others actually typed new deeds using some of the required information from the previously recorded deeds. The individuals would then present the documents to a notary public who is responsible for validating the identity of the individual signing the deed. The process would be completed when the document was presented to the Records Department for recording. Of course, this activity need not be conducted by a group but can also be conducted by individuals. The group or individuals may also purport to “sell” the properties in question to individuals who are not aware of the scam. These individuals “pay” money to the criminals with the expectation of owning property. However, since the criminals are not the legal owners of properties, the “sale” and transfer are not legitimate. The bottom line is that the victim loses – loses the money paid to the criminal, and, it may not be possible for the victim to recover the money so spent. Additional loss is incurred if the victim has invested money in renovating the property. This also may not be recoverable. In some cases, perpetrators of crime, while not transferring property ownership by recording deeds, obtain loans and record mortgages against properties they do not own. When this occurs, the legal owner of the property will need to take action to have the record cleared.

The message to communicate is two-fold: programs such as the NTI play an important role by reducing the potential for fraud by reducing the number of abandoned homes; and, it is important for community groups and members of the public to be vigilant and watchful in their respective neighborhoods in an effort to deter such activity.

Fraudulent Recording

Under Pennsylvania law, the Records Department is mandated to record all deed and mortgage documents if they are completed “properly,” that is, information is supplied in all the requested areas, even if that information later proves false. The Records Department is not permitted to go “under the surface” of a deed or mortgage to determine whether the information supplied in it is true. This means that fraudulent documents that are completed correctly are recorded and may go undetected until a

legal transaction against the deed or mortgage is initiated. The Records Department is the last participant in a long chain of property events that have occurred and is considered the central file for the transaction that normally involves a seller, a buyer, real estate agent, a mortgage company, a land title company, a credit bureau and the Records Department.

Deeds

Although there may be other types of property fraud, the Records Department is aware of the following type. First, individuals engaging in this type of fraud look for vacant and or abandoned properties. They prepare a deed and forge the signature(s) of the current owner(s) of the property. Owners' signatures are verified by notary publics who have not verified the signatures thoroughly enough, have been fooled by forged identification documents, or, sometimes, are part of the illegal activity and formally acknowledge the document(s) even though the identity(ies) and signature(s) are not those of the real property owner(s). The documents with forged signatures are presented to the Records Department for recording. If a deed or mortgage document is presented for recording and the document conforms to sixteen State requirements and several City regulations, it is recorded and on the record the property is transferred to the new owner. In some situations, after recording the first document, individuals involved in this fraud quickly prepare another deed, have the deed notarized and recorded, transferring the ownership of the property to yet another name.

Mortgages

Individuals engaged in this fraud record mortgage documents against properties they do not own in order to borrow money against the property. Mortgage transactions are completed without the knowledge of the legal owner of the property. Should the property owner attempt to sell the property or obtain an additional mortgage, a title search will usually disclose all outstanding mortgages.

What Should A Homeowner Do If Fraud Is Suspected?

A homeowner should obtain copies of the recorded deeds and/or mortgages. Homeowners can obtain certified copies of documents from the Records Department, Room 154 City Hall. Copies may be obtained in person or by mail. Room 154 is open to the public Monday through Friday, 8:00AM to 2:00 PM. If requesting copies by mail, please send the request to: Records Department, Room 154 City Hall, Philadelphia, PA 19107, Attn: Supervisor. Be sure to include the complete street address of the property in question and a return name and mailing address.

Homeowners should also contact a real estate lawyer to assist in resolving this matter. For information about legal services, you can contact the Lawyer Referral and Information Service of the Philadelphia Bar Association, (215) 238-6333. Low-income citizens can contact: SeniorLAW Center, (215) 988-1244; Community Legal Services, (215) 227-2400 (North Broad Street) or (215) 981-3700, Center City; Philadelphia Legal Assistance, (215) 981-3800; or Homeless Advocacy Project, (215) 523-9595.

If You Do Not Live On the Premises You Own

If you or a family member are not living in the property(ies) you own, you can also drive by the property periodically to check that it is not occupied by other parties. Also, you can also periodically check the deed and mortgage records that are recorded in the Records Department.

Additional information about the Records Department is available on the City's website, www.phila.gov, Records Department, and at (215) 686-2260, 2290.

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