

# SmartGuard Newsletter

## Identity theft...

### Ever Think You Could Lose Your Home?

You've worked hard your whole life. You've paid off your house. Retirement looks comfortable and you're thinking of using some of your home equity to buy a second home. You go to the bank to apply for your loan and the loan officer can't seem to confirm that you actually own your home. And, the tax records reveal someone else not only owns the home you've lived in all of these years, but that they have taken out a large mortgage. Suddenly, your net worth has dropped by thousands, maybe hundreds of thousands. You're the victim of identity theft and you didn't have a clue.

The mortgage industry has boomed over the last several years and clever thieves have found a way to take advantage of the understaffed/overworked conditions at lending institutions as well as zero documentation loans and easily steal some serious cash.

According to a May 2005 FBI report on financial crimes, lenders had reported to the FBI 17,000 suspected incidents of mortgage fraud. In one such case, called 'Operation Whose House' by the US State Department, \$10,000,000 in mortgage loans were made using public property records that did not accurately reflect the true ownership of the properties bought and sold.

### Committing mortgage fraud is an easy enough process...

First the thief obtains as much personal information (name, address, social security number, etc.) as possible from an unsuspecting home owner.

Next he needs to recreate the stole's one thing to correct unauthorized credit card transactions, but recouping the loss of a home or home equity is a different story. By the time your ID has been compromised sufficiently to allow you to be victimized in this way, the time and energy necessary to undo the damage in all likelihood will be substantial...daunting. For most people, a loss like this will mean a significant lifestyle change until the situation is rectified which can be years...if ever.

The only way to truly avoid this type of devastating misuse of your identity is to proactively monitor the use of your personal information. You can stay on top of how you use, reveal, store and dispose of our personal information, but you can't be on top of who gets it elsewhere. These smart criminals are developing new scams every day. By keeping a constant eye on the use of your personal information, you'll be alerted to potential problems before they become substantial.

### Identity theft can be more than just a nuisance. It can change your life.

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Once the thief has reinvented himself as you, he can obtain a home equity line of credit and walk away with your money leaving you to pay the bill, quick claim deed the home to a third party for cash or sell the home and pocket the proceeds.

Cleaning up any kind of unauthorized use of your identity can be a challenge. It's one thing to correct unauthorized credit card transactions, but recouping the loss of a home or home equity is a different story. By the time your ID has been compromised sufficiently to allow you to be victimized in this way, the time and energy necessary to undo the damage in all likelihood will be substantial...daunting. For most people, a loss like this will mean a significant lifestyle change until the situation is rectified which can be years...if ever.

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## Early Alert

An integral part of our complete Identity Theft package is Early Alert. This innovative detection and warning system utilizes AlertNow™, our proprietary system, to scan over 1,500 data sources at various daily, weekly, bi-weekly and monthly intervals for address changes - a common link in identity theft cases. Should any address changes be detected, which typically signifies that there is a theft in progress, AlertNow™ issues a warning by email, phone or pda and to a designated emergency contact number.

This unique early detection system will either prevent theft or at least substantially limit the amount of damage done and time necessary to recover. By issuing alerts to potentially bogus accounts or fraudulent activity, consumers can maintain complete control of their identities with minimal effort.