

# VACANT LAND SCAMS

October 2023 | NAR Legal Affairs

## RED FLAGS

Exercise caution if a potential client asks you to sell a vacant parcel or unoccupied property with one or more of these red flags:

- The potential client wants to list the property for significantly below market value.
- The potential client has a strong preference or requirement for cash.
- The potential client does not want a “For Sale” sign in the yard.
- The potential client emphasizes an urgency to sell quickly.
- The potential client never communicates in person or on video, preferring to text or email.
- The potential claims to be out of the state or country.
- The potential client will only use a remote notary and requests a remote closing.

## RECOMMENDED PRACTICES

- Exercise due diligence to verify the purported seller is the actual property owner, for example:
  - Ask for multiple forms of identification.
  - Request to meet the seller face-to-face.
  - Ask for proof of ownership of the property.
  - Ask the potential client about the area around the vacant property to see if they are familiar with the area.
- Conduct independent research to confirm the property owner, such as looking online for a recent photo or speaking to a neighbor.
- Verify the seller’s email and phone number.
- Make sure you or the title company select the remote notary at closing.
- Ask the seller for a voided check and a disbursement authorization form; use a wire verification service to confirm the account information and ownership.
- If you suspect that you are involved in a vacant lot scam:
  - Contact law enforcement and file a complaint at [IC3.gov](https://www.ic3.gov).
  - Remove the listing from the MLS and take down any advertisements quickly.