



Testimony of Matthew Netto, AARP Rhode Island
In Support of House Bill 5662
House Judiciary Committee
March 25, 2025

Chairman Craven and members of the House Judiciary Committee:

AARP is a nonpartisan, social mission organization with 38 million members nationwide and nearly 125,000 members here in Rhode Island. We advocate on behalf of issues that impact older adults, and we appreciate the opportunity to offer our support for establishing the crime of real estate title fraud in Rhode Island law as House Bill 5662 from Speaker Pro Tempore Kennedy intends to do.

Real estate fraud (of which title fraud is a part) can be devastating. The Federal Bureau of Investigation (FBI) says Americans reported losses of over \$145 million from real estate-related fraud in 2023. The American Land Title Association (ALTA) reported in May of 2024 that title fraud (also known as seller impersonation fraud (SIF)) is a growing problem. ALTA reported that twenty eight percent of title insurance companies surveyed experienced at least one case of SIF in 2024.

Title fraud involves a scammer filing forged deeds for land or property with the county clerk, then using the fake ownership document to illegally sell the home, take out home equity lines of credit, rent out the property to an unsuspecting tenant, or refinance the mortgage. Scammers can easily impersonate property owners with public records and personally identifiable information acquired from hackers. Once a scammer has a victim's identifiable information, they can easily create false documents with altered photos such as IDs or passports. Criminals can use those documents and a forged deed to hire a real estate agent and can eventually present those same documents at closing to complete a sale.

To succeed, scammers committing title fraud must be able to fly under the radar and go unnoticed by properties' legitimate owners. Some properties are therefore more vulnerable than others. Sarah Frano, vice president and real estate fraud risk expert at First American Title Insurance Company, says "Vacant land, second homes and rental properties are often targets because there is a lower likelihood that an owner will discover the fraudulent sale before it happens, Owner-occupied properties are less susceptible to seller impersonation fraud, but are at a higher risk of a fraudster taking out a fraudulent loan and stripping the equity from the property."¹

House Bill 5662 would implement important homeowner protections against title fraud, additionally, AARP and ALTA recently released model language on title fraud. I have attached the model language for your consideration and would like to specifically recommend one

¹ <https://www.aarp.org/money/scams-fraud/title-theft-real-estate-fraud/>



provision. AARP respectfully suggests that all municipalities offer a free property recording notification system. Several states and local recording offices have adopted a system to notify property owners of any deed or lien recorded against their property. This allows the homeowner to take any necessary action to challenge the fraudulent activity. The service is generally provided for free and available upon the request of a homeowner.

Suggested legislative text: *Property Alert Notifications – Property Owners*

(a) Not later than [January 1, 2026] each [recorder] shall establish a property alert notification system that allows a person to enroll real property owned by the person in the system.

(b) A property alert notification system established under this section shall:

(1) notify the enrolled owner of the recording of any document describing, affecting, or purporting to affect the enrolled property; and

(2) in the notification required by paragraph (1) identify the nature of the [document] recorded, identify the subject property by address or tax identification number, and provide the recording information of the [document].

(c) A property owner may elect to receive any notification provided under this section by [mail, text message, call, or email].

(d) There shall be no charge to a property owner for enrolling in the property alert notification system required by this section

(e) A [recorder] may by mail notification, website notification, newspaper advertisement, or other media provide property owners with:

(1) educational information on deed fraud; and

(2) information about the property alert notification system established under this section.

(f) A [recorder] is not liable for a violation of this section. No person shall have a right or cause of action and a [recorder] is not liable with respect to the establishment, maintenance, or operation of a property alert notification system required by this section.

We appreciate this legislation's commitment to ensuring that Rhode Islanders are protected from criminals looking to steal hard earned equity, property, and stability. AARP Rhode Island supports House Bill 5662 and asks you to recommend passage. Thank you for your time and consideration.

Sincerely,

A handwritten signature in dark ink that reads "Matt Netto". The signature is written in a cursive, slightly slanted style.

Matt Netto

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