

ALTA **in**SIGHTS

REAL TIME | ON-DEMAND



How to Get Your Cyber House in Order

Andy White, ClosingLock
Chris Hacker, ShortTrack

**Today's
ALTA Insights
Featured
Sponsor**



Meet the Panel of Experts

- Andy White | CEO | ClosingLock
- Chris Hacker | CTO | ShortTrack



Definitions / Goal

Cyber

- relating to or characteristic of the culture of computers, information technology, and virtual reality

Cyber Protection, Cybersecurity, Cyber Security

- the state of being protected against the criminal or unauthorized use of electronic data, or the measures taken to achieve this.

Goal: provide tangible
takeaways for business and
personal life



Outline



Cybersecurity Statistics



General Cybersecurity Tips



Cybersecurity's impact on the Real Estate industry



Tips on protecting you and your agency



Tips on protecting clients



Response plan



Some Statistics



Everyone is a target

58% of malware attack victims are small businesses

Today, 1 in 13 web requests lead to malware



Email is primary conduit

92.4% of malware is delivered via email

IC3: from 2016 to 2020, e-mail accounted for \$6 billion in *reported* losses in US



Some More Statistics



Over \$3,600,000,000 lost in US to
BEC/EAC from Jan. 2019 to Dec. 2020



Cyber attacks cost small and
medium-sized businesses an average
of \$2,235,000



Damage related to cybercrime is
projected to hit \$6 trillion annually by
2021



General Cybersecurity Tips



- People are the weakest link
- Some general security tips that apply to business and personal
 - Protect your connection
 - Update, update, update
 - Password managers
 - Multi-factor authentication



General Cybersecurity Tips: Protect Your Connection

Problem

- Public WiFi is shared
- Viruses / malware are communicable

Solutions

- VPN
- Tethering



Private Tunnel

Cost

- \$6 per month for VPN
- Free* for tethering



General Cybersecurity Tips: Updates



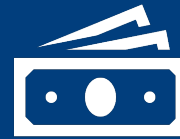
Problem

Software is developed by people

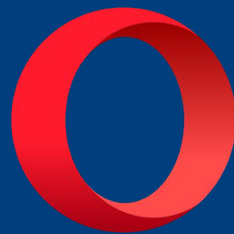


Solution

Patch / update regularly



Cost: Free



Poll Question

Have you implemented a software solution to help prevent wire transfer fraud?

- Yes
- No



General Cybersecurity Tips:

Password Managers

Problem	Solution	Cost
Same passwords Shared passwords Weak passwords	Password manager Unique passwords on every site Allows sharing with family members	Free - \$5 per month LastPass ... 1Password



General Cybersecurity Tips:

Multi-factor Authentication (MFA)

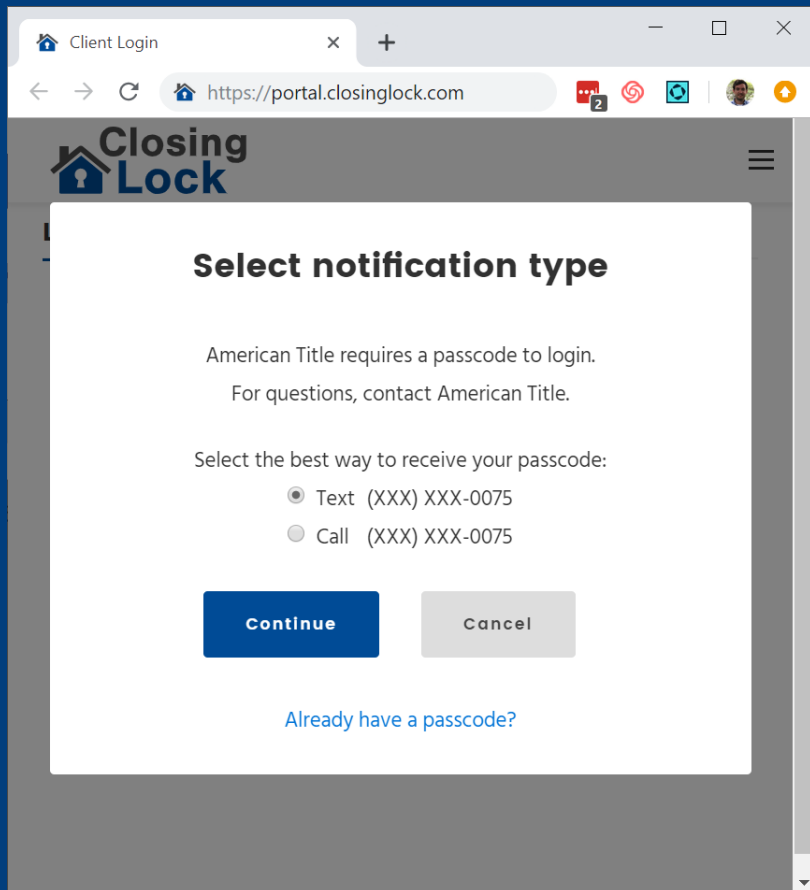


- Problem
 - Passwords are weak
- Solutions
 - Multi-factor authentication (2+)
 - Knowledge
 - Possession
 - Inherence



General Cybersecurity Tips:

Two-factor Authentication (2FA)



The screenshot shows a web browser window with the address bar displaying 'https://portal.closinglock.com'. The page title is 'Client Login'. The main content area features the 'Closing Lock' logo and a modal window titled 'Select notification type'. The modal contains the following text: 'American Title requires a passcode to login. For questions, contact American Title. Select the best way to receive your passcode:'. Below this text are two radio button options: 'Text (XXX) XXX-0075' (selected) and 'Call (XXX) XXX-0075'. At the bottom of the modal are two buttons: 'Continue' (blue) and 'Cancel' (gray). Below the modal, there is a link that says 'Already have a passcode?'.

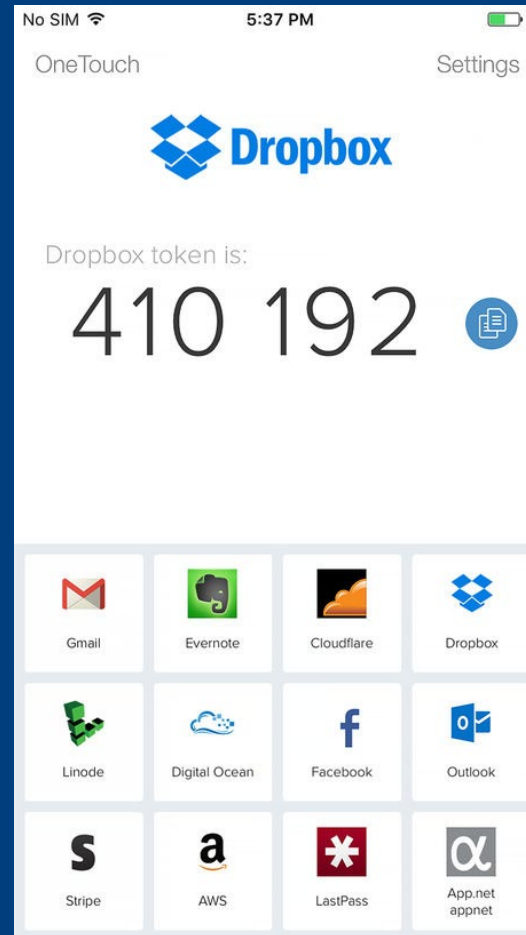
- Two-factor authentication (2FA)
 - Password + text message
- Cost
 - Free



General Cybersecurity Tips:

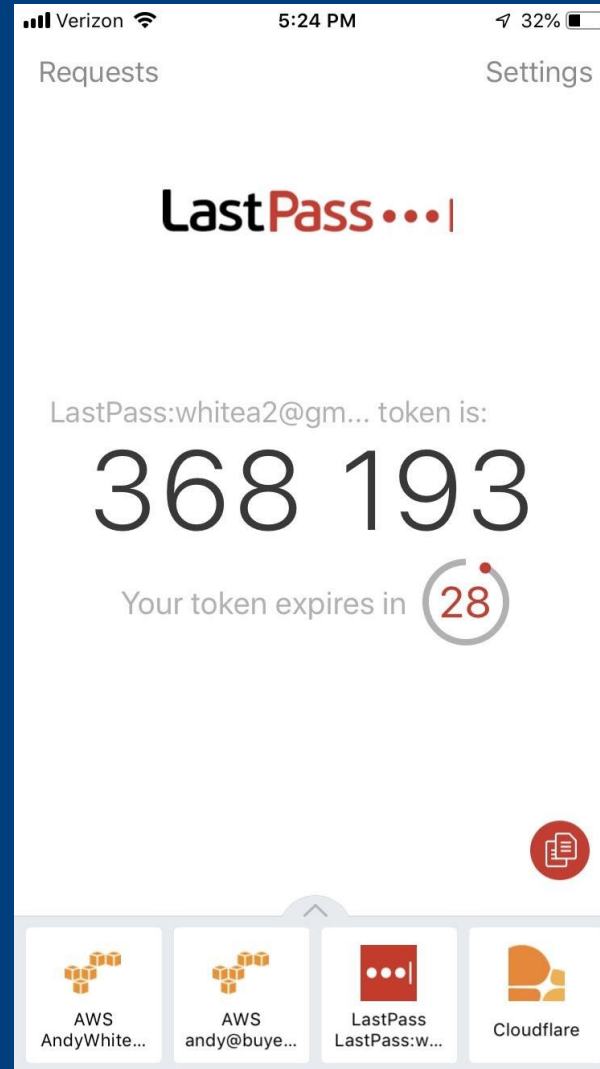
Two-factor Authentication (2FA)

- Two-factor authentication (2FA)
 - Password + software token
- Cost
 - Free



General Cybersecurity Tips: Layering

- Problem
 - No one-size fits all solution
- Solution
 - Layer individual solutions
 - Secure your connection
 - Update
 - Password manager + 2FA
- Cost
 - Free



Cybersecurity's Impact on Real Estate

Who

- Title companies
- Real estate agents
- Lenders
- Buyers / sellers

Why

- Wire fraud
- PII



Wire Fraud Statistics (2020)



19k BEC/EAC victims
with reported* losses of
\$1.9 billion



\$213 million reported*
lost from consumers in
real estate

2020 VICTIMS BY AGE GROUP			Source: IC3 Annual Report 2020
Victims			
Age Range ⁷	Total Count	Total Loss	
Under 20	23,186	\$70,980,763	
20 - 29	70,791	\$197,402,240	
30 - 39	88,364	\$492,176,845	
40 - 49	91,568	\$717,161,726	
50 - 59	85,967	\$847,948,101	
Over 60	105,301	\$966,062,236	

* FBI estimates 10-15% of losses are reported



Wire Fraud

Outbound
wire fraud

Inbound
wire fraud

If your home purchase money or sale proceeds were stolen due to the negligence or other actions of a real estate professional, such as a real estate agent, a title company, an escrow company, or an attorney, the Business Trial Group may be able to help.



Tips on Protecting Agents and Agencies: Outbound Wire Fraud



EDUCATION



PROTECT EMAIL



REQUIRE WIRE
INFO. IN PERSON



Tips on Protecting Agents and Agencies: Outbound Wire Fraud



PHONE CALL



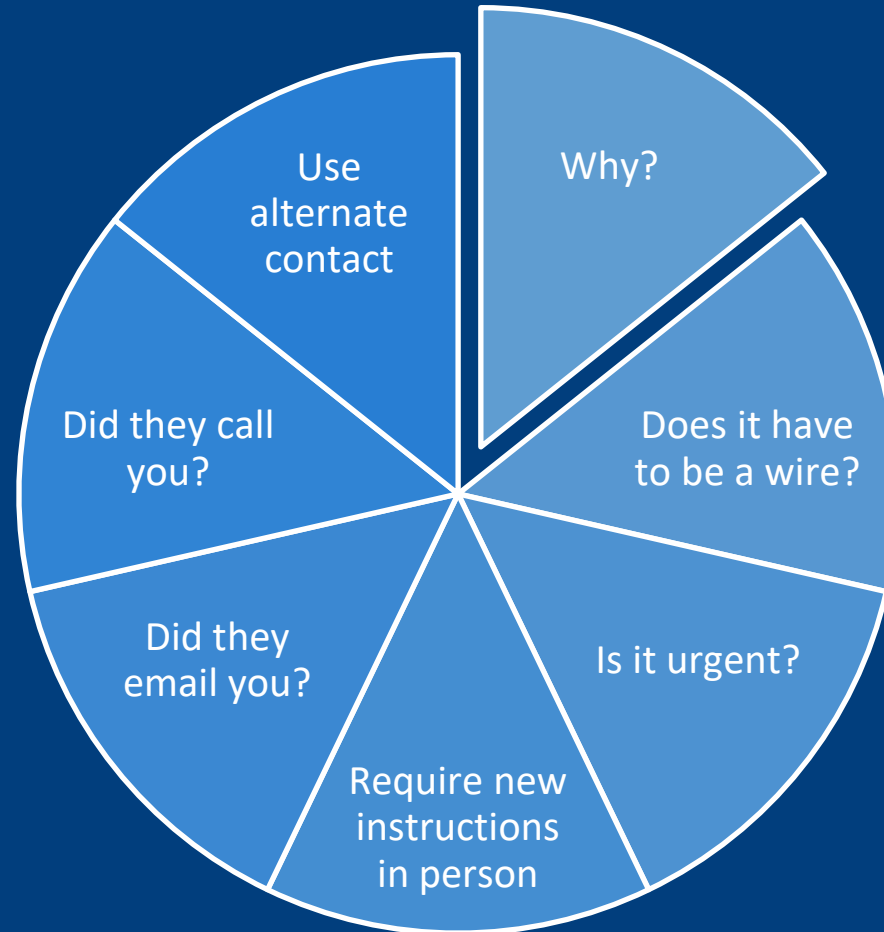
VERIFY BANK
ACCOUNT



INSURANCE POLICY



Change to Wire Instructions



The Shift to Inbound Wire Fraud



Easiest path to money



Why?

~6M home buyers each year

$\frac{1}{3}$ are first time buyers

Average time in home: 7 - 10 years



The Shift to Inbound Wire Fraud



61% are very satisfied with “home buying process”



$\frac{3}{4}$ believe a bank or title company can recover wired funds



Myths about Protecting Buyers: Inbound Wire Fraud



ENCRYPTED EMAIL
PREVENTS FAKE
INSTRUCTIONS



WARNING IN EMAIL
SIGNATURE



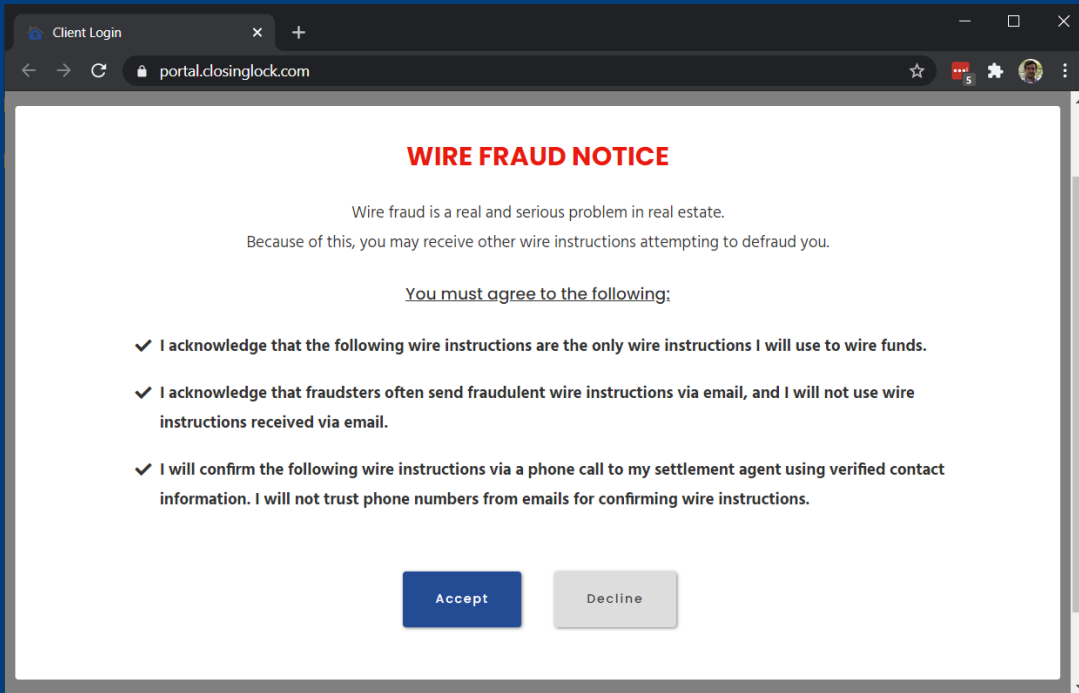
PHONE NUMBER IN
EMAIL / WIRE
INSTRUCTIONS



LOGO IN WIRE
INSTRUCTIONS



Tips on Protecting Buyers: Inbound Wire Fraud



Client Login

portal.closinglock.com

WIRE FRAUD NOTICE

Wire fraud is a real and serious problem in real estate.
Because of this, you may receive other wire instructions attempting to defraud you.

You must agree to the following:

- ✓ I acknowledge that the following wire instructions are the only wire instructions I will use to wire funds.
- ✓ I acknowledge that fraudsters often send fraudulent wire instructions via email, and I will not use wire instructions received via email.
- ✓ I will confirm the following wire instructions via a phone call to my settlement agent using verified contact information. I will not trust phone numbers from emails for confirming wire instructions.

- Education
- Protect email
- Agreements /
Waivers



Tips on Protecting Buyers: Inbound Wire Fraud

Multi-target

- ~75% of buyers are couples

Multi-channel

- Email, text message, phone call
- Avoid sending instructions via email

Simplify

- KISS – not the band!

Ignore

- “I don’t care because it’s not my money”



Poll Question

Do you have a wire fraud response plan?

- Yes
- No



Wire Fraud Response Plan

- Wire fraud response
 - Always notify FBI – regardless of amount
 - FBI's Financial Fraud Kill Chain
- Inspect links before clicking!
 - [ALTA response plan](#)
 - [ALTA response worksheet](#)

ALTA.ORG/WIREFRAUD



Shameless Plug



Wire Fraud Prevention

- ✓ Inbound
- ✓ Outbound
- ✓ Payoff

www.closinglock.com

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EasyOrders™ - Digital Title Orders

EasyDocs - Digital Documents

DocuSign Integrations

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Chris Hacker
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Q&A

[ALTA.ORG/WIREFRAUD](https://alta.org/wirefraud)

