



“HOME TITLE FRAUD?” or ‘MISLEADING ADVERTISING?’ Is “Quitclaim Monitoring” needed?



June 2022

With the onset of summer weather, weeds are popping up around residential homes. In addition, homeowners in Montgomery County are being subjected to advertisements warning consumers about criminals who “steal homes” by filing “Quitclaim Deeds”.

These advertisers are selling services that claim to monitor the filing of phony deeds in court land records. They represent that their services as effective protection for homeowners from losing ownership of their homes or being subject to other financial scams.

However, these radio, TV, and online advertisements appear to do a better job of frightening homeowners into purchasing their services than detailing exactly what alleged benefits they really provide.

GET THE FACTS



Deeds:

A deed is a written and signed document that transfers property ownership. There are three kinds of deeds: “General Warranty deed,” “Special Warranty deed,” and a “Quitclaim deed.” **General Warranty deeds** involve researching ownership titles and are the deeds that are generally used when buying a residential home. **Special Warranty deeds** provide that the grantor is warranting that the title is good only during the time the grantor owned the property. This is the type of deed that is most common in Maryland. **Quitclaim deeds** are generally used when transferring homes between family members. Unfortunately, quitclaim deeds may be filed in local courts’ land records without ample documentation or research to confirm their authenticity.

Monitoring Services:

These advertised services state that they monitor deeds that are filed in the courts’ land records and that they will notify a subscriber if they find a deed that appears to have been filed without the property owners’ knowledge. Most of these advertisements and websites focus on describing the types of scams, often relying on scare tactics to convince homeowners into purchasing these services.



Some advertisements even use former FBI agents or formerly high-ranking elected officials as their spokespersons to provide authority to their claims. However, these services rarely provide any detail regarding what they do or how they can really help protect homeowners. These firms are not selling insurance, and they are not specifically licensed or regulated by any local, state, or federal governmental agency. No matter what a resident might pay them, they cannot eliminate the ability for anyone to file a fraudulent deed in the court land records.

Circuit Court Land Records:

There are many barriers in place to prevent quitclaim deed fraud. Locally, residential land records are maintained in the Circuit Court of Montgomery County. [Homeowners can search the land records online for free](#) to see if any improper deeds, liens, or documents have been filed without the homeowner's knowledge.

Montgomery County Circuit Court's staff have advised that they have rarely (if ever) seen a fraudulent quitclaim deed filed in Montgomery County's Land Records. In addition, Court staff advised the Office of Consumer Protection that there are several internal processes currently in place that would serve to make it highly unlikely that a quitclaim deed could be used to illegally transfer a property in Montgomery County.

For example, when a quitclaim deed is filed in Montgomery County, it is first checked by Montgomery County's Department of Finance to check for outstanding taxes or fees; to see if the document needs to have a Tax Credit recaptured; to assure that the parties transferring are accurate current owners; to collect a copy of the Intake sheet and stamp the deed before going to the Clerk of the Court of the Circuit Court for recording in Land Records. In addition, the State of Maryland Department of Assessment and Taxation (SDAT) will receive notification from the Court Clerk's office after the deed is filed. Prior to transferring the property, SDAT checks the name of the grantor and legal description to make sure it matches SDAT's records. In addition to all these internal processes, a "con-artist" would also need to fraudulently create a document with a notary seal or forge the signature of the actual property owners

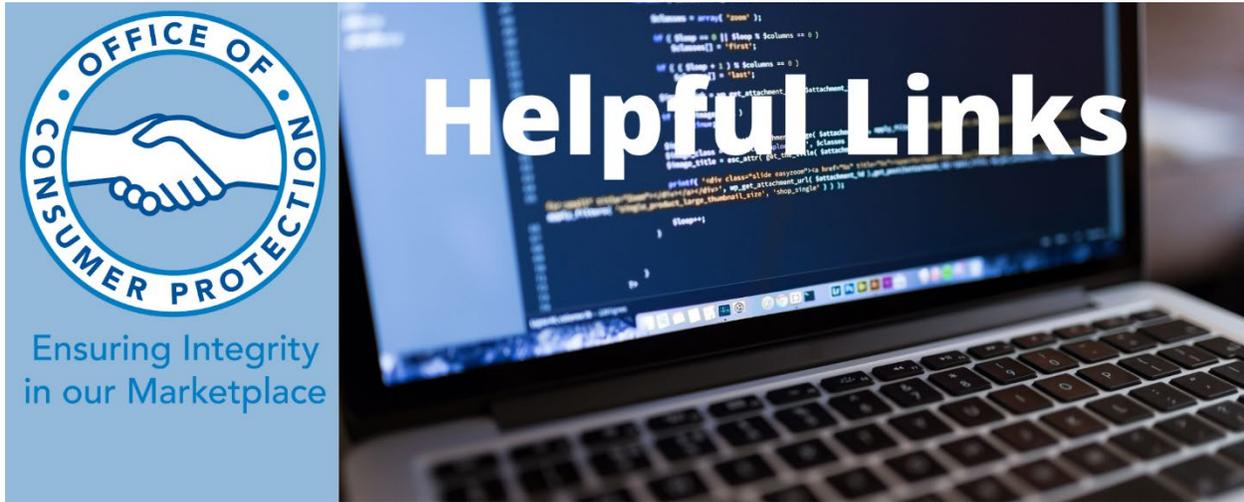


before a registered notary with the State of Maryland with fake identification. The combination of these internal processes decreases the likelihood that sophisticated fraud such as this would be able to run unchecked in Montgomery County.



Consumer Tips - Additional Resources and Information:

- Consumers should not make purchases based upon scare tactics.
- Home title fraud and quitclaim claim scams are extremely rare.
- Monitoring services **do not** provide a *lock* to protect against a deed or document being filed.
- Don't be fooled: These monitoring services do not provide "Title Insurance."



Helpful Links:

Basic information about quitclaim deeds and fraudulent real estate transactions:

The Maryland People's law Library: <https://www.peoples-law.org/ko/frequently-asked-questions-deeds>

<https://www.deeds.com/articles/the-quitclaim-deed-and-fraudulent-real-estate-transactions/>

Homeowners can check Montgomery County's land records online:

<https://mdlandrec.net/main/>

Homeowners can check tax records to ensure that they are still listed as the property owners: <https://apps.montgomerycountymd.gov/realpropertytax/>

<https://sdat.dat.maryland.gov/RealProperty/Pages/default.aspx>

Consumer should check their credit history for free several times a year to ensure that no unwanted loans have been issued: <https://consumer.ftc.gov/articles/free-credit-reports>



The Office of Consumer Protection is a law enforcement agency empowered to protect consumers against bad business practices and to ensure that the marketplace is a level playing field for both consumers and businesses operating in Montgomery County Maryland. Montgomery County residents with an issue, or even a question concerning a matter, in this or any other area pertaining to unfair or deceptive trade practices, should always feel free to contact us.

Email: Consumer@MontgomeryCountyMD.gov

MC311: 240.777.0311



Ensuring Integrity
in our Marketplace