PREQ 2.5. Protecting Yourself From Scams

The saying, "Knowledge is power" is true.
It's impossible to protect yourself from all risk, but educating yourself is your 1st line of defense against getting scammed.

We have gathered important takeaways from the course prerequisites (for borrowers and lenders) and put them here for your convenience.

Review them often and use them to help protect you and your investments.

(1) **For PMLs** - Never wire money to someone's bank account, personal or business.

(2) **For Borrowers** - No legitimate PML will ever ask you to wire money directly to them. So you should never be sending money to a PML.

(3) **Money ALWAYS ALWAYS ALWAYS goes through title company or closing attorney** (depending on your state)**.**

(4) **Always get a receipt.**

(5) **Be wary of a "great deal."** If someone says they're selling a car valued at $10,000 for $5,000, your 1st question should be, **"What's wrong with it?"** Chances are it doesn't run or will break down the day you buy it.

(6) **Make sure the investment is protected with a promissory note that summarizes the terms and conditions of the agreement.**

(7) **Make sure the investment is secured by a recorded mortgage against the property,** so that there's a tangible asset that can't be sold without getting a payoff letter signed by the PML.

(8) **Make sure the PML is insured** by being added as a beneficiary or loss payee on the builder's risk insurance policy, lender policy, or any other applicable policy, such as a landlord policy.

(9) **READ BEFORE YOUR SIGN ANYTHING. Make sure your documents do not state that you are giving someone else permission to take your money without your knowledge.** (In the training specifically, a scam artist was given permission to take an investors money and roll it over into another transaction without the investor's permission.)

(10) **In the event of a scam, don't forget to file a claim through your title policy in the event that your loss is covered under that policy.**

(11) **Did we mention that money always goes through a title company?**

EST.

imarketing.courses
BEST PLACE TO LEARN !

2021