

BEWARE OF Property Rental Scams



consumer**brief**

Are you looking for a short-term rental of an apartment or house? Are you a homeowner, seeking to make extra income renting out your place to out-of-town visitors?

PROSPECTIVE SHORT-TERM TENANTS, BEWARE:

Con artists have been known to pose as property owners, and place online rental ads that turn out to be fraudulent. The ads may seem genuine, and may even include home or apartment photos that are copied-and-pasted from legitimate real estate listings. To make the scam even more difficult to detect, the scammer may use the address of a property that is actually being listed online by its real owner.

The fraudulent “landlord” will ask the prospective tenant to wire money for the security deposit. But when the renter finally arrives, he or she may find that the property is not available – or doesn’t exist at all.

PROSPECTIVE SHORT-TERM LANDLORDS, BEWARE:

Con artists have been known to respond to online real estate rental listings in order to scam the owners.

One common trick is to send a check or money order for more than the required amount, and ask the landlord to send back a check for the excess money. Another trick is to write a check or money order for the correct amount, and then back out of the rental agreement and ask for their money back.

The check or money order will turn out to be a fake – but a good enough fake to temporarily fool the bank when you attempt to deposit it. Your online bank statement may at first make it appear that the money actually has been deposited and is available in your account. Only after you send money to the scammer will you learn that the original check or money order was a fraud.

ALL POTENTIAL VICTIMS, BEWARE:

Whether you are a prospective short-term tenant or landlord, also remember that putting your personal information on a fraudulent real estate contract can expose you to identity theft.

CONSUMER ADVICE

- Prospective tenants and landlords should consider working with a reputable real estate agent.
- A reputable agent will have access to legitimate real estate listings and legitimate leads on renters. Check online reviews about the agent, and ask questions before agreeing to work with them.
- Remember that if something sounds too good to be true, it probably is – whether it’s a landlord asking for extremely low rent, or a prospective tenant offering to pay more than the amount you’re asking for.
- If you are looking at an online real estate ad, conduct your own separate online search of the owner’s or agent’s name and phone number. If the owner won’t give straight answers to

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specific questions, or rushes you to sign the contract, this may be the sign of a scam. If possible, arrange for someone in the area to physically inspect the property and meet the owner before you make a deposit.

- Be sure to pay by credit card, rather than by checks, money orders or wire transfers, or cash.
- Using a credit card will make it easier to dispute failed purchases. Save all of your transaction information, including print-outs of the website pages and emails.
- If you choose to accept a cashier's check or money order, do not withdraw any of the money until a representative at your bank can assure you that the check has cleared and the money is truly available. You also should make sure you have a security deposit to cover against potential damage.

- Prospective landlords also should make sure they are allowed to rent out part of their home, or sub-let their apartment, and that their insurance policy will cover potential damage caused by a renter. Check with your municipal code officials, property owner, or other authorities to avoid getting yourself in trouble.

If you've fallen victim to a scam – or if you've been targeted – contact the New Jersey Division of Consumer Affairs. Call **800-242-5846** (toll free within New Jersey) or **973-504-6200**, visit us online at: **www.NJConsumerAffairs.gov** or write to the:

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DIVISION OF CONSUMER AFFAIRS

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