



UNUSUAL TRANSACTION REPORTING (UTR) JOB AID

Unusual transactions are ambiguous therefore making them harder to identify. However, examples of unusual transactions/red flags are as follows:

1. Applicant unable to provide photo identification
2. A lack of clarity as to the ultimate source of capital being used to fund the mortgage
3. A lack of clarity about the source of down payment
4. Lack of watermarks or letterheads on official documents
5. Basic information is missing or misspelled, such as address or phone number, or tax numbers on invoices
6. A transaction involving legal entities, when there does not seem to be any relationship between the transaction and the activity carried out by the buying company, or when the company has no business activity.
7. Original documents cannot be provided upon request
8. Unusual delays in supplying information
9. Inconsistencies between information in documents provided by the borrower and credit reports (e.g., name, birthdate, phone number, address and employment history do not match)
10. ID documents appear altered, inaccurate or inconsistent
11. The deposit is payable to a party other than the vendors real estate agent
12. Fast closing date (less than 30 days)
13. Undo or unreasonable pressure to close
14. Seller or buyer changes realtor
15. Up and down fluctuation of sale prices over a short period
16. 2 or more ownership changes in a short period
17. Company lending the money for the purchase of real estate, possibly an offshore company, has no direct relation with the borrower.
18. Missing signatures
19. Signatures that are exact replicas (on documents that are not digitally signed)
20. Dates that are outside of the timeline or continuity
21. Employer and borrower have the same address when the borrower is not self-employed
22. Referenced company or business does not exist, is newly established or is a shared paid temporary business office.
23. Unexplained revenue or source of funds which does not correspond with given Know Your Customer details
24. Unreasonable large amounts are seen as gifted funds with no explanation

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- 25. Funds originating from a jurisdiction with strict bank secrecy laws, weak AML/ATF/sanction regimes, or with a high level of political corruption.
- 26. Willingness to incur an interest penalty charge on large payments without renewing mortgage
- 27. Paying out the mortgage shortly after funding
- 28. Inconsistencies in deductions on payroll or tax slips (e.g., deductions not consistent with income)

NOTE: FINTRAC has a detailed list of indicators of unusual activity. These can be related to real estate lending, tax evasion, sanctions evasion etc. Below are FINTRAC URL's applicable to the Bank's business model.

- URL for Real Estate Lending: <https://fintrac-canafe.canada.ca/intel/operation/real-eng>
- URL for Tax Evasion in Real Estate Sector: <https://fintrac-canafe.canada.ca/intel/operation/tax-fiscale-eng>
- URL for Sanctions Evasion: <https://fintrac-canafe.canada.ca/intel/bulletins/sanctions-eng>