



U.S. Department of Justice

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For Immediate Release:

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Oct 7, 2008

EVENT: Mult-Agency Mortgage Fraud Task Force

**ACTING U.S. ATTORNEY BERG ANNOUNCES THE FORMATION OF
MULTI-AGENCY MORTGAGE FRAUD TASK FORCE**

Acting United States Attorney Terrence Berg announced today the formation of a multiagency task force set up to take aim on the escalating problem of mortgage fraud in the Eastern District of Michigan. Mr. Berg was joined by Special Agent in Charge Andrew G. Arena, Federal Bureau of Investigation (FBI).

As mortgage fraud continues to have significant consequences that affect the housing market, law enforcement has stepped up its commitment to fighting this insidious crime. To increase the resources being dedicated to investigate and prosecute mortgage fraud, Berg announced that 16 federal, state, and local agencies and three financial institutions have joined forces to coordinate their efforts, share information, and target the most significant violators committing fraud in connection with mortgage lending and the housing market, all of which have a significant impact on Michigan's economy.

Acting United States Attorney Berg said, "With Metro Detroit being at the top of nearly every list in terms of mortgage fraud and home foreclosures, we need a full-court press that brings all the federal, state, and local law enforcement agencies, the regulators and the major

banks together to go after the big mortgage fraud players. I want to commend the leadership of the FBI in Detroit for taking the initiative on this project, and also recognize the participation of our private sector partners. I am very encouraged by the commitment of the Task Force members.”

The agencies participating in the Mortgage Fraud Task Force, which held their first meeting October 2, 2008 in the U.S. Attorney’s Office, include Federal Bureau of Investigation, Wayne County Register of Deeds – Deed Fraud Unit, Wayne County Sheriff’s Department, Wayne County Prosecuting Attorney, Washtenaw County Clerk/Register of Deeds, Oakland County Register of Deeds, State of Michigan Office of Financial Regulation, State of Michigan Attorney General’s Office, U.S. Department of Housing and Urban Development – Office Inspector General, United States Postal Inspection Service, Internal Revenue Service, Federal Deposit Insurance Corporation – Office of Inspector General, U.S. Department of Agriculture- Office of Inspector General, Small Business Administration- Office of Inspector General, the U.S. Trustee Program, Flagstar Bank, JP Morgan Chase Bank, and Bank of America.

The Task Force will concentrate their efforts in the distinct area known as “fraud for profit” or “industry-insider”. This fraud involves the skimming of equity, falsely inflating the value of the property through false appraisals and the issuance of loans on fictitious properties. Based on existing investigations and mortgage fraud reporting, roughly 90 percent of all reported losses involve collaboration or collusion by industry insiders.

The Task Force and its partners recommend that potential and existing homeowners follow the below-listed tips to protect against mortgage fraud:

1. Get referrals from real estate and mortgage professionals. Check licenses of the industry professionals with state, county, or city regulatory agencies.
2. An outrageous promise of extraordinary profit in a short period of time should signal a problem. If it sounds too good to be true, it probably is.
3. Be wary of strangers and unsolicited contacts, as well as high-pressure sales

techniques.

4. Get written information that includes recent comparable sales in the area, and other documents such as tax assessments to verify the value of the property.
5. Understand what you are signing. Check your information against the information in the loan documents to ensure they are accurate and complete. If you do not understand something, asks questions, or seek the assistance from an attorney.
6. Make sure the name on your application matches the name on your identification.
7. Review the title history to determine if the property has been sold multiple times within a short period. It could mean that this property has been “flipped” and the value falsely inflated.
8. Never sign any loan documentation that contains blanks. This leaves you vulnerable to fraud.

Additional information can be found on the FBI’s website at www.fbi.gov, search Malicious Mortgage Fraud.

To report illegal activity related to mortgages in Detroit or anywhere in Michigan; please call the Detroit Metro Mortgage Fraud Hotline at 313-237-4530, on the internet at www.tips.fbi.gov, or the Wayne County Register of Deeds’ Deed Fraud Hotline at 313-224-5869.