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FOR IMMEDIATE RELEASE

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REAL ESTATE SPECULATOR PLEADS GUILTY TO CONSPIRACY TO DEFRAUD

Baltimore, Maryland - United States Attorney for the District of Maryland Allen F. Loucks announces that today Mazie Louise Jennings, age 55, of Baltimore, Maryland pleaded guilty before United States District Judge Marvin Garbis to conspiracy to defraud mortgage lenders and the United States Department of Housing and Urban Development (HUD). Co-defendant Kim M. Blackwell, age 46, also of Baltimore, pleaded guilty on May 19, 2005.

According to the statement of facts presented to the court, Jennings was a real estate speculator who resold recently purchased Baltimore City houses at inflated prices. Blackwell was employed as a settlement agent by different title companies and handled approximately 20 of the 47 real estate closings for Jennings. As a part of the agreement with Jennings, Blackwell failed to collect funds from the borrowers. Along with Jennings, Blackwell falsely certified the HUD-1 settlement sheet that the borrower's contribution had been made. As a result of the scheme, only the lenders' funds were disbursed despite the requirement that the borrower invest an agreed upon amount into the transaction. Many of the buyers solicited by Jennings were first time home buyers who lacked the financial resources to pay the mortgage attached to these properties. Jennings falsified information on the loan application and used bogus gift letters to qualify the borrowers for the mortgage loans.

Most of the loans went into default, resulting in losses in some cases to commercial lenders and, in the majority of cases, to HUD which had underwritten the loans through a FHA program. The government attributes a loss of \$568,660 to Jennings for the 47 properties that she sold.

Jennings is the 100th person convicted in connection with the U.S. Attorney's effort, begun in 2000, to combat mortgage flipping that has plagued the Baltimore City housing market. The case was investigated by the Office of Inspector General, US Department of Housing and Urban Development, as part of its nationwide effort aimed at reducing illegal predatory lending activity, including property flipping.

Judge Garbis scheduled sentencing for both Jennings and Blackwell for August 4, 2005. Both Jennings and Blackwell face a maximum sentence of 5 years imprisonment, a \$250,000 fine and 3 years of supervised release. The Court may also order restitution.

The case was investigated by the Department of Housing and Urban Development - Office of Inspector General and prosecuted by Assistant United States Attorney Stephen M. Schenning.