

NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION
1775 Duke Street, Alexandria, VA 22314

DATE: March 2009 **LETTER NO.:** 09-CU-08
TO: Federally Insured Credit Unions
SUBJ: Filing Trends in Mortgage Loan Fraud

Dear Board of Directors,

The Financial Crimes Enforcement Network (FinCEN) recently released the report, *Filing Trends in Mortgage Loan Fraud*. This report updates FinCEN's earlier mortgage fraud reports by describing trends in Suspicious Activity Report (SAR) filings for the period of July 1, 2007 to June 30, 2008.

During this period, financial institutions filed 62,084 SARs reporting mortgage fraud. This figure constituted nine percent of all SAR submissions for the period and a 44 percent increase over the preceding year. Credit unions filed 541 SARs reporting mortgage loan fraud during this period, a 167 percent increase over the prior year.

A complete copy of FinCEN's report, *Filing Trends in Mortgage Loan Fraud* is located at: http://www.fincen.gov/news_room/nr/html/20090225.html.

This report builds upon FinCEN's earlier mortgage loan fraud reports which detailed vulnerabilities to fraud, examined different types of fraudulent activity and identified "red flag" indicators of possible fraud across the financial industry as a whole. This information can assist credit unions in detecting potential illegal activity before it occurs. If you have any questions, please contact your regional director or state supervisory authority.

Sincerely,

/s/

Michael E. Fryzel
Chairman