

FFIEC Issues 2009 Mortgage Fraud White Paper:**The Detection and Deterrence of Mortgage Fraud Against Financial Institutions**

The Federal Financial Institutions Examination Council (FFIEC), on behalf of its members, released an updated edition of its white paper today on mortgage fraud detection and deterrence. The primary objective is to help examiners understand, identify, and detect mortgage fraud schemes and elements. The white paper defines various types of fraud, gives examples of how individuals commit fraud, provides a list of red flags, and outlines best practices.

The latest edition, *The Detection and Deterrence of Mortgage Fraud Against Financial Institutions: 2009 Mortgage Fraud White Paper*, substantially updates *The Detection, Investigation, and Deterrence of Mortgage Loan Fraud Involving Third Parties: A White Paper* issued in February 2005.

The red flags outlined in the latest white paper are indicators of possible mortgage fraud or of the risk of potential exposure to mortgage fraud. The red flags are not evidence or proof of such fraud. The best practices illustrate how to detect and prevent mortgage fraud at regulated institutions and avert the losses that can result. The white paper does not establish any new examination policies or procedures, nor does it impose new requirements on regulated financial institutions.

The 2009 white paper updates the mortgage fraud schemes included in the 2005 white paper and discusses new and emerging schemes. The format of the white paper allows examiners to search and read about specific forms of mortgage fraud individually, enhancing its value as a reference guide in the field. The paper includes a summary description of each type of mortgage fraud scheme, which is hyperlinked to a more complete discussion. Associated red flags, best practices, and a cross-reference to companion frauds that may accompany the original fraud scheme are outlined and also hyperlinked for ease of navigation and use.

[The Detection and Deterrence of Mortgage Fraud Against Financial Institutions: 2009 Mortgage Fraud White Paper](#)

Media Contacts:

Federal Reserve	Barbara Hagenbaugh	(202) 452-2955
FDIC	David Barr	(202) 898-6992
NCUA	Cherie Umbel	(703) 518-6337
OCC	Dean DeBuck	(202) 874-5770
OTS	William Ruberry	(202) 906-6677
FFIEC's State Liaison Committee	Catherine Woody	(202) 728-5733

The Federal Financial Institutions Examination Council was established by the Congress in 1979 to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions, to make recommendations to promote uniformity in the supervision of financial institutions, and to conduct schools for examiners. The Council has six voting members: the Comptroller of the Currency, the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation, a Governor of the Board of Governors of the Federal Reserve System, the Director of the Office of Thrift Supervision, the Chairman of the National Credit Union Administration, and the Chairman of the State Liaison Committee. Visit the Council's website for press releases and information on the mission and work of the Council at <http://www.ffiec.gov>.