

# Appraiser Identity Theft

Fannie Mae's Mortgage Fraud Investigations (MFI) team alerts the industry to potential and active mortgage fraud scenarios.

Fannie Mae has identified a significant number of loans involving appraisals that were completed by an unlicensed appraiser unlawfully using the identities of other actively licensed appraisers. The identified loans were originated between 2021-2023. There is no evidence that the appraisers whose identities were used were aware of or involved in the activity.



## Red Flags:

- The unlicensed appraiser's name and signature are not found in any capacity within the appraisals (or loan files).
- The company name, phone number, and address listed under "contact information" on page six of [Form 1004](#) will be different from that of the licensed appraiser.
- Email contact information reflects a name other than the name of the appraiser who is listed as having performed the appraisal.
- The signatures of the "victim" appraisers appear forged and/or cut and pasted to the identified appraisals.
- Appraisal fees for the appraisals were paid with proceeds going directly to the mailing address of the unlicensed appraiser, not to the address of the purported appraisers.

## What can lenders do?

- Perform thorough due diligence when retaining services of appraisers and other outside vendors.
- Utilize all available public records and licensing agencies in determining the validity of third-party documentation (including addresses) within loan files.

## If suspicion of fraud exists

- Follow established policies and procedures within your organization and the [Fannie Mae Selling Guide](#).
- Complete and submit the [Suspected Mortgage Fraud Report](#) on the [Mortgage Fraud Prevention web page](#).

## More general steps lenders can take to detect and prevent fraud

- Know your third-party originators/brokers
- Be "fraud smart" by educating your staff
- Establish a zero-tolerance fraud policy
- Share information within your organization
- If the loan doesn't make sense, don't do it!
- Report any suspicious activity through established channels

*Watch for further "Fraud Alerts" and potential updates to this fraud alert by monitoring the [Mortgage Fraud Prevention web page](#).*