

## Identity Theft Ring

Fannie Mae's Mortgage Fraud Investigations team alerts the industry to potential and active mortgage fraud scenarios. This alert addresses loans originated in suburban Atlanta, GA, but similar schemes have been identified in other parts of the country. We have observed misrepresented borrower profiles in numerous loans that indicate identity theft and have allowed perpetrators to abscond with large sums of money at closing.



Hallmarks of the scheme include:

- Targeted attacks of identity theft
- Loan transactions are cash-out mortgages on homes without an existing mortgage
- Borrower requests an appraisal waiver
- Highly-priced homes
- Loan amounts usually greater than \$500k
- LTV less than 50%
- All homeowner insurance policies are **new**
- Voice Over Internet Protocol (VOIP) is used for communicating with lenders to avoid using traceable phone numbers
- Majority of homes are in Cobb County/Northern Atlanta vicinity
- Borrower specifies the title company to close the transaction
- Applications are submitted online
- Borrowers use a common email structure: FirstName\_LastName(numbers)@Yahoo.com
- Fabricated Federal Tax Returns are common in identified files

### What can lenders do?

Take special caution on any loans containing any of the aforementioned hallmarks.

### 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](#).*