



MBA Residential Loan Production Conference February 22 and 23, 2006





The Interthinx™ * F.R.A.U.D Report

January 1, 2005 through December 31, 2005

2005	Loans w/ Variances	Employment / Income	Identity	Occupancy	Straw-Buyer	Property Valuation	Property Flipping
Top 10 "Hot Spots" for 2005							
for states with over 5,000 total submissions for the year							
State	Percent of Total Inventory Submitted to DISSCO/Val Verify in 2005						
AZ	33.58%	4.57%	9.63%	3.29%	0.35%	26.10%	1.80%
FL	30.84%	5.14%	7.99%	2.54%	0.43%	22.29%	2.28%
MD	29.39%	4.66%	8.30%	2.38%	0.23%	20.73%	1.73%
MI	26.90%	4.23%	6.46%	3.05%	0.34%	19.13%	0.60%
NJ	26.76%	5.14%	7.95%	1.80%	0.11%	18.29%	1.49%
NY	25.89%	4.84%	7.42%	2.03%	0.15%	17.28%	1.13%
CT	25.78%	4.54%	8.05%	2.08%	0.07%	17.41%	0.96%
SC	25.75%	4.20%	6.65%	1.96%	0.25%	18.01%	1.60%
OH	25.49%	4.16%	6.82%	2.04%	0.08%	17.64%	1.28%
TN	25.03%	3.31%	7.21%	2.16%	0.29%	17.19%	0.83%



Interthinx HOT SPOTS

Chicago

Detroit

Atlanta

Baltimore

The Oranges

Brooklyn

Queens

Ozone Park

S. Florida

Las Vegas

Washington

Salt Lake City

Denver

Indianapolis

Dayton

S. California

Jacksonville

Raleigh

Charlotte

Houston

Cleveland



Top 10 States By Category

Employment/Income:

- New Jersey
- Florida
- New York
- Maryland
- Arizona
- Connecticut
- Michigan
- South Carolina
- Ohio
- Tennessee



Top 10 States By Category

Identity:

- Arizona
- Maryland
- Connecticut
- Florida
- New Jersey
- New York
- Tennessee
- Ohio
- South Carolina
- Michigan



Top 10 States By Category

Occupancy:

- Arizona
- Michigan
- Florida
- Maryland
- Tennessee
- Connecticut
- Ohio
- New York
- South Carolina
- New Jersey



Top 10 States By Category

Straw-buyer:

- Florida
- Arizona
- Michigan
- Tennessee
- South Carolina
- Maryland
- New York
- New Jersey
- Ohio
- Connecticut



Top 10 States By Category

Property Valuation:

- Arizona
- Florida
- Maryland
- Michigan
- New Jersey
- South Carolina
- Ohio
- Connecticut
- New York
- Tennessee



Top 10 States By Category

Property Flipping:

- Florida
- Arizona
- Maryland
- South Carolina
- New Jersey
- Ohio
- New York
- Connecticut
- Tennessee
- Michigan



National Fraud Trends

- Identity Theft
- Foreclosure Fraud



IDENTITY THEFT

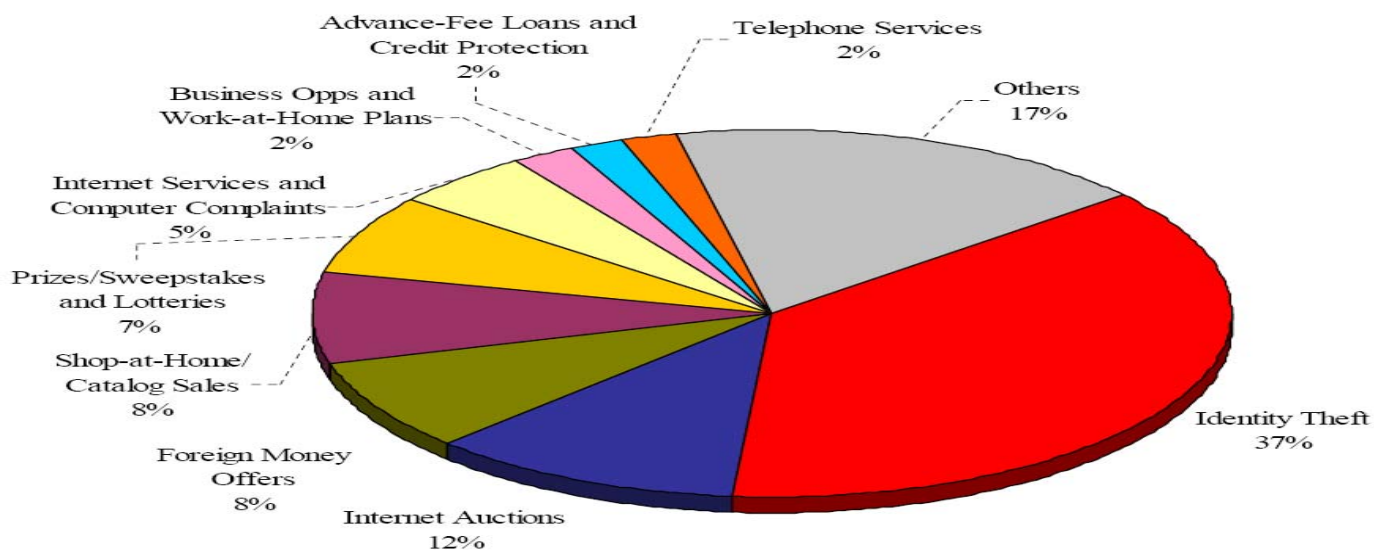




IDENTITY THEFT

Identity Theft is the fastest growing white collar crime in the nation.

Sentinel Top Complaint Categories¹
January 1 – December 31, 2005



¹Percentages are based on the total number of Sentinel complaints (686,683) received between January 1 and December 31, 2005. For Sentinel category descriptions and three-year figures, see Appendices B1 and B2.

IDENTITY THEFT





IDENTITY THEFT



THIS DATA IS FOR INFORMATIONAL PURPOSES ONLY

PERSON LOCATOR - P-TRAK

Name: FERNANDEZ, PATRICIA D

Also Known As:

SALSMAN, PATRICIA D; SALSMAN, P; FERNANDEZ, PATRICIA

Social Security Number: 563-73-XXXX

Address:

2408 LUCILE AVE
STOCKTON, CA 95209-1717
Address Updated: 6/15/2001

Previous Addresses:

3733 WALNUT AVE
LONG BEACH, CA 90807-4336
Address Updated: 2/1/1998

24002 SANDHURST LN
HARBOR CITY, CA 90710-1546
Address Updated: 9/1/1989

29500 MIRA LOMA DR APT. G102
TEMECULA, CA 92592-2277
Address Updated: 11/13/2000

Birthdate: 7/1967

Telephone: 427-6131

On File Since: 1/1/1989



IDENTITY THEFT



THIS DATA IS FOR INFORMATIONAL PURPOSES ONLY

PERSON LOCATOR - PSRCH2

Name: FERNADEZ, JESS LAWRENCE

Social Security Number: 571-81-XXXX

Address:

3733 WALNUT AVE

LONG BEACH, CA 90807

Address Created: 11/1999



IDENTITY THEFT



THIS DATA IS FOR INFORMATIONAL PURPOSES ONLY

PERSON LOCATOR - PSRCH2

Name: HAYES, CLYDE A

Social Security Number: 571-81-XXXX

Address:

25474 JUANITA ST

MORENO VALLEY, CA 92553

Address Created: 10/2005



IDENTITY THEFT WEB SITES



THIS DATA IS FOR INFORMATIONAL PURPOSES ONLY

PERSON LOCATOR - PSRCH2

Name: LARRY, JERRY

Social Security Number: 571-81-XXXX

Address:

11221 1/2 RAYMOND AVE

LOS ANGELES, CA 90044

Address Created: 10/2005



IDENTITY THEFT HOTLINE



THIS DATA IS FOR INFORMATIONAL PURPOSES ONLY

PERSON LOCATOR - PSRCH2

Name: MOHAMMADY, PARVIZ

Social Security Number: 571-81-XXXX

Address:

10860 VENICE BLVD APT 6

CULVER CITY, CA 90232

Address Created: 10/2005



IDENTITY THEFT

Based on the FTC's Consumer Fraud and Identity Theft Complaint Data report released January 25, 2006, the major metropolitan areas with the highest per capita rates of reported identity theft are:

Arizona: Phoenix-Mesa-Scottsdale
Nevada: Las Vegas-Paradise
California: San Bernardino-Ontario



MORTGAGE FORECLOSURE SCAMS





MORTGAGE FORECLOSURE SCAMS

Foreclosure fraud is sweeping the country and costing people their homes.

Some of the fastest growing and most lucrative frauds sweeping the nation are foreclosure scams. These scams are expected to grow in popularity as more people default on large mortgages in the future. These scams involve thieves who steal people's homes and equity after promising to help save the home from foreclosure.



MORTGAGE FORECLOSURE SCAMS

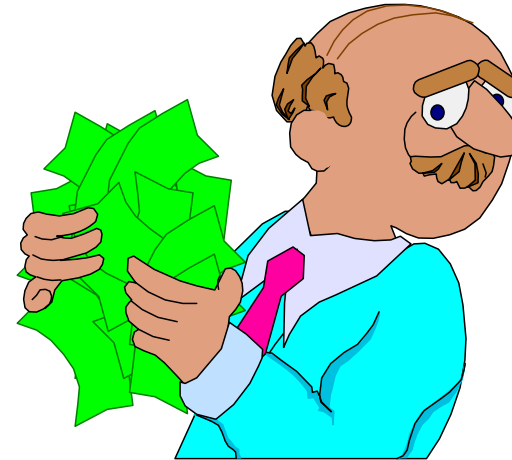
Foreclosure schemes:

The subject identifies homeowners who are at risk of defaulting on loans or whose houses are already in foreclosure. Subjects mislead the homeowners into believing that they can save their homes in exchange for a transfer of the deed and up-front fees. The subject profits from these schemes by re-mortgaging the property or pocketing the fees paid by the homeowner.



MORTGAGE FORECLOSURE SCAMS

- **Phantom help**
- **Bailout**
- **Bait and switch**





MORTGAGE FORECLOSURE SCAMS

- A perpetrator finds homeowners in need of “help” through local public-foreclosure notices and lists that can be found on the internet.
- The perpetrator advertises their service by dropping a card or flier on the victim’s doorstep or posts ads in public places.
- A meeting is set up and the victim is given false promises of hope and a fresh start.



MORTGAGE FORECLOSURE SCAMS

[Amended] The Search for Foreclosures 100% free



Building and Real Estate Professionals Area

Home Professionals

Learn more about becoming an exclusive expert in your area.

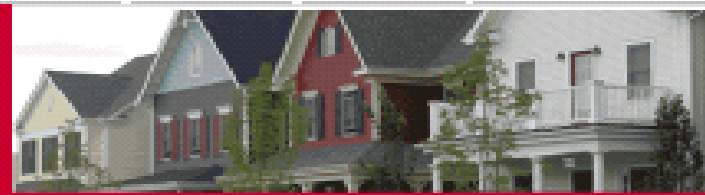
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Get Started Here!
Find Foreclosed Homes In your Area Now!

Select a State and SEARCH FREE!

Select a County and SEARCH FREE!

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FedHomes.com
Government & Bank Foreclosures

Foreclosure Resources

- Find Mortgage Lenders
- Prequalify for Foreclosed Homes
- Foreclosure Articles

Service Includes:

- Street Address
- List Price
- Agency
- Property Status
- Type of Property
- Listings for all 50 States
- HUD, VA, REO, FHA
- Case/Reference Number

SEARCH FREE

Bank Foreclosures



Gov't Foreclosures



Foreclosure Liquidation



Stop a Foreclosure

Stop the foreclosure process today, and save your home. Get the help you need Now!

Building and Real Estate Professionals

Find professionals in your area that can help you finance and find homes.

<http://www.fedhomes.com/> © 2006/11/17/2006 1:06:04 PM

[Amended] The Search for Foreclosures 100% free

National Association of Foreclosure Industry Specialists (NAFIS)

An organization dedicated to the foreclosure industry providing comprehensive resources and networking opportunities.

Free Foreclosure Listings
50,000+ Foreclosures

Begin Your Search Now!
It's Free!



Bank Owned Homes
Banks struggle to unload inventory of homes
www.hudbox.com

Government Homes
Government offers home-buyers incredible incentives
www.foreclosureway.com

Foreclosure Liquidation
Lenders burdened by surplus of foreclosed homes
www.hudworks.com

Ads by **Big** Red



MORTGAGE FORECLOSURE SCAMS

DREAMS FORECLOSED: The Rampant Theft of Americans' Homes Through Equity-stripping Foreclosure "Rescue" Scams

Some of the many signs currently lining the streets of Richmond, Virginia





MORTGAGE FORECLOSURE SCAMS

The foreclosure fraud scam utilizes basic tactics and conditions to gain the victim's trust

- The use of lies, exaggeration, misinformation and pressure.
- Blind trust in someone that the victim's think really want to help them.
- Fraud, deception and forgery.
- The desperation of the victim who feels his or her dream slipping away.
- Affinity fraud. These scams are often perpetrated by people of similar ethnic, racial, religious or age groups. The crooks understand that people who are like you are more likely to be on your side.
- The homeowner's often lack in education or financial sophistication.



MORTGAGE FORECLOSURE SCAMS

A recent report published by the National Consumer Law Center warns that foreclosure scams are a nationwide epidemic



MORTGAGE FORECLOSURE SCAMS

What can we do to help?

- Increase consumer/customer awareness of the scam
- Support stronger UDAPs (unfair or deceptive acts and practices laws)
- Evaluate foreclosure remedies
- Limit the number of EPD's that are attributable to fraud or misrepresentation. (Approximately 45% of loans going into foreclosure prior to making 12 payments are attributable to fraud or misrepresentation.)

- THANK YOU!!