

FRAUD ALERT



FRAUD 911 ALERT: IDENTIFY THEFT RING

In a challenging market, we are seeing patterns of fraud schemes. The presence of one or more red flags in a file does not necessarily mean that there is fraudulent intent. However, several red flags in a file may signal a fraudulent transaction and further due diligence is required.

It is important to know with whom you are doing business. Be diligent and make every attempt to be proactive. It is everyone's responsibility to help prevent fraudulent activities, preserve our company's culture and integrity. Most importantly, if the loan does not make sense, don't do it!

Date: October 6, 2023

Primary Departments for Review: All Employees

CRITICAL:

Fannie Mae alerted the industry to potential and active mortgage fraud scenarios. This alert addresses **loans originated in suburban Atlanta, GA** but similar schemes have been reported in other parts of the country. Fannie Mae observed misrepresented borrower profiles in numerous loans that indicate 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**.
- The borrower requests an appraisal waiver.
- Highly priced homes
- Loan amounts usually greater than \$500k
- LTV less than 50%
- **All homeowner insurance policies are new.**
- The majority of homes are in Cobb County/Northern Atlanta vicinity.
- The borrower specifics the title company to close the transaction.
- **Borrowers use a common email structure: FirstName_LastName(numbers)@yahoo.com.**
- **Fabricated Federal Tax Returns are common in identified files.**

As a reminder, **Supreme Lending has a Zero Tolerance Policy** that we adhere to. Any occurrences of fraud are reported to and not limited to the following agencies: State authorities, NMLS, MARI, Fannie and Freddie and the FBI. Weekly communications are held with these agencies for reporting.

Unethical behavior or suspected misrepresentation should be reported immediately to fraudreporting@supremelending.com.