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## Press Release

**For Immediate Release**  
**March 8, 2007**

**Washington D.C.**  
**FBI National Press Office**  
**(202) 324-3691**

### FBI ISSUES MORTGAGE FRAUD NOTICE IN CONJUNCTION WITH MORTGAGE BANKERS ASSOCIATION

*Washington, D.C.* – Today the FBI and the Mortgage Bankers Association (MBA) entered into an agreement to combat Mortgage Fraud. The FBI and the MBA will make available a Mortgage Fraud Warning Notice as a proactive means of educating consumers and mortgage-lending professionals of the penalties and consequences of this criminal activity.

“Mortgage Fraud is clearly becoming a problem that requires the unified efforts of law enforcement, regulators, and industry,” said Karen Spangenberg, Section Chief of the Financial Crimes Section, Criminal Investigative Division, who signed on behalf of the FBI. “The FBI is pleased to have worked with the Mortgage Bankers Association in the development and distribution of this advisory as we continue to strengthen our relationship with such key organizations to combat Mortgage Fraud.”

Mortgage Fraud Suspicious Activity Reports (SARs) referred to law enforcement by financial institutions increased from 17,127 SARs in Fiscal Year 2004 to 35,617 SARs in Fiscal Year 2006, reflecting estimated losses of \$946 million. FBI Mortgage Fraud investigations have focused on large-scale frauds perpetrated by organized crime and industry insiders, including attorneys, brokers, appraisers, and realtors. Since September 2002, the number and types of investigations have increased from 436 to 1,036. Of these current cases, 51% involve expected losses in excess of \$1 million, and 57% involve our federally insured financial institutions as victims.

Combatting significant fraud in this area is a priority, because mortgage lending and the housing market have a significant overall effect on the nation's economy. The FBI works closely with national associations such as the MBA, as well as with individual lenders, in a continual effort to define and combat the growing Mortgage Fraud problem. The newly developed Mortgage Fraud Warning Notice enhances the FBI's endeavors to do so by putting potential perpetrators on notice in an effort to stop potential crime before it is committed.

“We wish to thank the FBI for working with us to provide mortgage lenders another item in the toolbox to help combat fraud against lenders,” said John M. Robbins, CMB, Chairman of the Mortgage Bankers Association. “Fraud against lenders costs the mortgage industry billions of dollars each year, affecting everyone in the mortgage process, including consumers and the communities we are trying to help build.”

[FBI Mortgage Fraud Notice](#)

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