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FRAUD ALERT!

From the Office of Denver District Attorney Mitch
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How to Avoid Mortgage Fraud in These Tough Times

Reported incidents of mortgage fraud in the U.S. have increased by 42% in the first quarter of 2008 from a year ago (Mortgage Asset Research Institute).

WHAT TO DO:

- **Get referrals for real estate and mortgage professionals when you want to buy or sell a home.** And once you do, check out their licenses with regulatory agencies.
- **Do your own research into what other homes in the neighborhood have sold for.** Also, look into recent tax assessments of neighborhood homes.
- **Beware of “no money down” loans.** These are gimmicks.
- **Don’t let anyone (i.e., a realtor, mortgage broker) talk you into making a false statement on your loan application,** like overstating your income or lying about where your down payment is coming from.
- **Never sign a blank document or a document containing blank lines.** If you don’t understand what you’re signing, get an attorney who can review the documents for you.

If you are currently experiencing financial difficulties:

- Be cautious of companies or individuals that claim they can eliminate your debt if you pay an up-front fee – it is a scam!
- If you are facing foreclosure, don’t fall for any of the fraud schemes, including the one where a perpetrator convinces a homeowner to sign over the house deed “temporarily”—for a fee, of course.
- Contact your lender before your situation gets too bad. They will most likely be willing to help you work out a solution before you lose your home.

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