

Cracking Down on Loan Fraud

by Kristen Castillo ~ July 16th, 2009. Filed under: [Consumer](#), [fraud](#), [investigative](#).

Lately the I-Team has been tracking lots of real estate fraud. It's a sign of the times and we're on the pulse of the problem. Two reports this week have highlighted the major issues: [loan fraud](#) and [loan modification](#).

The FBI recently declared California as the number one state for mortgage fraud.

"The problem of mortgage fraud has gotten significantly worse and continues to worsen," says [Keith Slotter](#), special agent in charge of the [San Diego FBI office](#) who notes the number of fraud filings have nearly doubled from 2007 to 2008.

A troubling statistic for Slotter: "Sixty three percent of all filings during that period of time were for losses involving over a million dollars or more."

The San Diego FBI office has assigned a task force to handle the fraud cases and the end is not in sight.



"In today's environment, I believe it's necessary to put that manpower commitment to a problem that is this severe because I think this is going to be with us for a while," says Slotter.

"We're going to see these type of fraud schemes well into the future because it's going to take a while for us just to catch up on the fraud that's been perpetrated in the couple of years prior to this, let alone continue to move into the future this is going to be a huge problem for us, for the community and for law enforcement in general for the next few years out, without question."

It's not just the FBI who's been cracking down on mortgage fraud. The Federal Trade Commission (FTC) and the California Attorney General's office have teamed up to fight loan fraud across the country and in California. Through their "[Operation Loan Lies](#)" initiative, the two agencies filed almost [200 lawsuits and cease and desist orders](#) against alleged loan scammers.

The FTC offers the following [tips to consumers](#) to avoid loan fraud schemes:

- requests to pay upfront fees for loan modification services
- any guarantees to stop the foreclosure process
- anyone telling you to not contact your lender
- anyone who offers to fill out paperwork for you
- anyone who asks you to transfer your property to the person or company contacting you