



Don't put your reputation, career and freedom at risk. Instead, be part of the solution and report suspected mortgage fraud to the DFS Fraud Hotline 1-800-378-0445 or on the web at <https://secure.fldfs.com/fraud>

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

CRIMINAL INVESTIGATIONS DIVISION

200 E. Gaines Street
Tallahassee, FL 32399



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Join Florida's CFO in the battle to curb mortgage fraud

THE ROLE OF TITLE AGENTS IN COMBATING MORTGAGE FRAUD SCHEMES



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HOW DOES MORTGAGE FRAUD AFFECT OUR COMMUNITIES?

Mortgage fraud can have many adverse consequences for both the consumer and the community. Specifically, mortgage fraud can result in:

- Unrealistically inflated property values
- Higher interest rates
- Identity theft
- Compromised credit ratings
- Higher property taxes
- Defaulted loans and foreclosed properties resulting in the inability to sell a home due to factors such as lower property values and deterioration of neighborhoods caused by increased crime and abandonment of nearby properties

WHERE DOES MORTGAGE FRAUD OCCUR?

Mortgage fraud knows no boundaries; it occurs in the smallest neighborhoods and in the most affluent gated communities.

WHAT IS MORTGAGE FRAUD?

Under Florida's mortgage fraud law, (FS 817.545) the crime is defined, in part, as a material misstatement, misrepresentation or omission relied upon by a lender, borrower or anyone involved in the mortgage lending process to fund, purchase or insure a loan.

Mortgage fraud occurs when a consumer or mortgage industry professional provides or intentionally uses incorrect information that is

relied upon by an underwriter or lender to cause them to fund, purchase or insure a mortgage loan which they otherwise would not have approved. The intentional omission of certain information, such as the borrower's self-employment status or true source of funds used for the down payment, earnest money deposit and/or buyer's closing funds, can also be considered an act of mortgage fraud. Mortgage fraud may occur with or without the knowledge or active participation of the borrower.

HOW CAN TITLE AGENTS HELP COMBAT MORTGAGE FRAUD?

Title agents play an important role in the real estate transaction. They are entrusted with a fiduciary responsibility to close real estate transactions and disperse funds in accordance with Florida Statute 626.8473.

Title agents can be a first-line defense against mortgage fraud by reporting suspicious real estate transactions such as:

- Illegal property flipping
- Real Estate Appraisal Fraud
- Illegal Straw Buyers
- Suspected identity theft
- Silent seconds
- Foreclosure bailout schemes
- Reverse mortgage scam

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