



TIP SHEET: MORTGAGE FRAUD RED FLAGS REGARDING BROKERAGE OPERATIONS

Mortgage fraud is an industry-wide concern and can occur at any step of the mortgage transaction. As fraudsters continue to find ways to commit fraud throughout the process, mortgage brokerage professionals play a key role in identifying red flags. The following information describes the red flags mortgage brokerage professionals are likely to encounter in their practice based on their discussion with the borrower and the documentation provided. This Tip Sheet is provided to help you identify the red flags related to the business operations of the mortgage brokerage.

- Brokerage has no mortgage fraud prevention or detection policies and procedures
- Brokerage has no policies or oversight for personal mortgage deals or real estate trades
- Brokerage administration staff are not trained to recognize suspicious transactions
- Brokerage does not require the original transaction documents to be provided to the brokerage
- Brokerage does not check that all transaction documents are filed with the brokerage
- Broker does not review transactions on a regular basis
- Brokerage does not require property title be obtained and examined with each listing