



TIP SHEET: MORTGAGE FRAUD RED FLAGS REGARDING REAL ESTATE APPRAISAL

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 real estate appraisal.

- Appraiser is asked to complete an appraisal in an unfamiliar market area
- Appraiser is asked to complete an appraisal beyond their expertise
- Person has no formal office or home address and communication is by cell phone or email and meetings are at restaurants, etc.