



FRAUD SCHEMES DESKTOP REFERENCE

1. Documentation includes deletions, correction fluid, or other alteration
2. Different handwriting or type styles within a document
3. Buyer currently resides in subject property
4. Seller is not currently reflected on title
5. Buyer is not the applicant
6. Buyer(s) deleted from/added to sales contract
7. Power of Attorney is used, especially if Attorney in Fact gives to himself/herself
8. Owner is someone other than seller shown on sales contract
9. Purchase price is substantially higher than predominant market value
10. Purchase price is substantially lower than predominant market value
11. Title Work Prepared for and/or mailed to a party other than the lender or attorney
12. Evidence of financial strain may indicate a compromised sale transaction (flip, foreclosure rescue, straw buyer refinance, etc.), or might suggest undisclosed credit problems in the case of a refinance
 - a. Income tax, judgments or similar liens recorded
 - b. Delinquent property taxes
 - c. Notice of default or modification agreement recorded
13. Seller owned property for short time
14. Buyer has pre-existing financial interest in the property
15. Date and amount of existing encumbrances appear suspicious
16. Chain of title includes an interested party such as realtor or appraiser
17. Buyer and seller have similar names (property flips often utilize family members as straw buyers)
18. Borrower or seller name is different than on sales contract and title
19. Payouts to unknown parties or parties not providing real estate related services
20. Refinance pay offs for previously undisclosed liens
21. Short sale offer is from a related party
22. Numbers on the documentation appear to be “squeezed” due to alteration
23. Loan purpose is cash-out refinance on a recently acquired property
24. Earnest money deposit equals the entire down payment, or is an odd amount
25. Real estate commission is excessive
26. Down payment source is other than deposits (gift, sale of personal property)
27. Significant or unrealistic commute distance
28. Excessive sales commissions
29. Excessive fees and/or points
30. Cash proceeds to borrower are inconsistent with final application and loan approval
31. Cash-back at closing to the delinquent borrower, or disbursements that have not been expressly approved by the servicer
32. Buyer is reluctant to bring good funds to closing
33. Lender or broker request changes, not in writing, which are contrary to written closing instructions
34. Multiple transactions with the same borrower on the same property