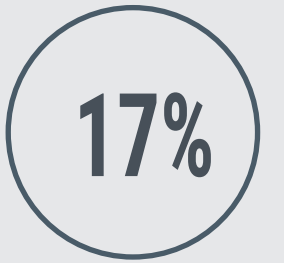


ADV-120 MORTGAGE FRAUD REPORT



The most notable increase for loans investigated in 2013 is for fraud and misrepresentation on credit documentation.

This type of fraud, involving misrepresentation on the credit report or with credit history or references, increased to 17% in 2013, from 5% in 2012.



3 TYPES OF MORTGAGE FRAUD



Fraud for Housing



Lucy wants to purchase a house she cannot afford so she fabricates income and falsifies assets in the mortgage application documents to qualify for a larger loan amount.



Fraud for Profit



Ted the Mortgage Banker partners with Mary the loan processor to create a fictitious credit profile and colludes with Albert the appraiser to inflate the property value.



Fraud for Criminal Enterprise



John runs an organized crime group that runs sophisticated schemes to rack up big profits.

There are steep consequences for lenders who fail to properly screen for mortgage fraud

Repurchasing the loan

Fines

License Loss

Jail Time

Fraud reports such as the ADV-120 help reduce the risk of fraud for housing

ADV-120 KEY FEATURES

Investor acceptance

Look for tools that your investors have analyzed and agreed to accept.

Multi-faceted fraud detection

Lenders need to be aware of the chance of all types of mortgage fraud, from income to identity to social security fraud

Real-time data analysis

Outdated, inaccurate data searches are likely to miss fraud and return false negatives.

Comprehensive reporting

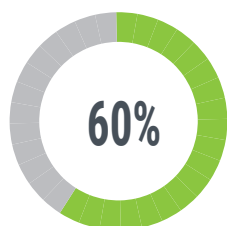
Gain as much knowledge as possible from one report, saving time and resources

Concise summary

Provides risk scoring and potential red flag warning messages

Barriers to reduce false positives

ADV-120 catches potential mis-keyed information



Approximately 60% of mortgage fraud includes ID discrepancies.

Sources: freddiemac.com, lexisnexis.com



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