

How to Avoid Mortgage Fraud

Walt Junker
United States Attorney's Office
Northern District of Texas
Dallas Division

1

DISCLAIMER

legal
poppy-
cock

- The information I give you today is my own subjective opinion and is not the official position of my current or former employers.
- Nothing I say today is legal advice or binding on any law enforcement agency.
- Nothing I say here today relates to any open and pending cases.

2

KINDS OF SCAMS

- 1. FLIPPING SCAM:** Property is quickly resold for a new inflated value based on claims the house was significantly renovated or originally undervalued.
- 2. FORECLOSURE RESCUE:** False promises to assist homeowner in renegotiating loan terms with the lender in return for a fee.

3

KINDS OF SCAMS

- 3. AIR LOANS:** Loans on properties that do not exist or where a lot exists, but no building exists.
- 4. EQUITY SKIMMING:** Cheating a homeowner out of the equity they have in their property by getting them to take out a second mortgage or to refinance.

4

KINDS OF SCAMS

5. GHOST CHECKS: Copies of check that were never cashed or deposited put in loan file.

6. GHOST TENANTS: False contracts make it appear a commercial property has business tenants or renters that do not exist or are renting for far less.

5

KINDS OF SCAMS

7. SILENT SECOND: An unrecorded second loan to finance the purchase of real property—usually provides the down payment and falsely makes it appear one is investing their own money.

VARIATIONS ON THE SCAMS

6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: How to Avoid Mortgage Fraud

Also available as part of the eCourse

[Answer Bar: The Ins and Outs of Commercial Real Estate Loans and Title Insurance](#)

First appeared as part of the conference materials for the 57th Annual William W. Gibson, Jr. Mortgage Lending Institute session "Follow the Money - How to Avoid Mortgage Fraud"