



Financial Crimes Enforcement Network

A bureau of the U.S. Department of the Treasury

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Mortgage Loan Fraud Reports of Suspicious Activity Rose in Third Quarter 2011 Compared with Third Quarter 2010

VIENNA, Va. – The Financial Crimes Enforcement Network today released its [Third Quarter 2011 Update](#) of mortgage loan fraud suspicious activity reports (MLF SARs) that shows financial institutions filed 19,934 MLF SARs in the third quarter of 2011 up from 16,567 filed in the same quarter of 2010.

The report also found that 5,728 MLF SARs filed in the third quarter, 29 percent of the total, reported activity that occurred between October 2009 and September 2011. Some of the types of suspicious activity reported included: some form of loan workout or debt elimination attempt, questionable refinance or loan modification attempts by borrowers or others targeting distressed homeowners, and Social Security number discrepancies submitted in the original loan application and the workout request.

“As housing markets look to recover, criminals persist in their efforts to prey on struggling homeowners, while financial institutions continue to uncover apparent fraud as they work through their portfolios of earlier mortgages now in default,” said FinCEN Director James H. Freis, Jr. “FinCEN will continue to monitor these reports and work closely with law enforcement to help them track illicit actors.”

Almost 62 percent of MLF SAR filings reported in the 2011 third quarter involved suspicious activities that started four or more years ago. These filings, driving the continued rise in the MLF SAR numbers, stem largely from mortgage repurchase demands and special filings generated by several depository institutions related to mortgages originated in the height of the housing boom. This majority of filings involving past activity compares with just 24 percent of MLF SARs reported in the third quarter of 2010 where the activity started four or more years ago.

FinCEN also released per capita rankings of MLF SARs subjects by state and by county. The top five counties ranked per capita and by SAR subject in the third quarter were Santa Clara

County, California; Honolulu County, Hawaii; Orange County, California; San Bernardino County, California; and Palm Beach County, Florida. The top five states ranked by per capita and by SAR subject were: Hawaii, California, Nevada, Florida, and Delaware.

Editors: Please note that this report includes a more complete list of per capita rankings of states, counties, and metropolitan areas based on the number of subjects mentioned in MLF SARs.

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