

STOP MORTGAGE FRAUD: A CALL TO ACTION

Savannah, Georgia

June 22, 2006

8:00-9:00 Registration & Exhibits Open

9:00-9:40  **Opening Session**

Introduction of Mayor Pro-Tem



Pattie Wainwright
President, Mortgage Bankers Association of Georgia, Savannah Chapter

Welcome to Savannah



Edna Jackson
Mayor Pro-Tem, Savannah, Georgia

Welcome



"Everyone pays for mortgage fraud."
Bob Young
Regional Director, Region IV, Department of Housing and Urban Development

Why Are We Here



"You can't stop mortgage fraud if you don't know what it is."
Brandolyn Thomas Pinkston
Administrator, South Carolina Department of Consumer Affairs

9:50-12:10  **Where Fraud Begins**

Moderator



"Mortgage fraud has been rapidly increasing over the last several years, and in North Carolina, we believe that the government and industry must work together to address the problem."
Tami Hinton
Director of Consumer Affairs, NC Office of the Commissioner of Banks

Money Laundering - How to Spot It



"Don't let dirty money ruin your reputation, your business, or your profession."
John Atkinson
Assistant Vice President, Federal Reserve Bank of Atlanta

Mission Possible: Preventing Fraud from a Lender Perspective



"Fraud: The dirty side of our business. Don't be a victim or a participant."
Susan Billings
CTX Mortgage

Recent Interviews: Prevention of Fraud from the Real Estate Agents View



"Zero Tolerance"
Grant Simon
President, First Florida Home Loans

Tainted Transactions



"Because that's where the money is."
Seth Weissman
General Counsel, Georgia Association of REALTORS

Regulatory Compliance Investigation and Inflated Property Values



"The real estate and lending regulatory agencies are at war with an elusive enemy identified as fraud, and currently it is believed by many that fraud is winning."
Larry Disney
President, Association of Appraiser Regulatory Officials

10:50-11:10 Break - Exhibits Open

Prevention from the Victim's View



"Mortgage fraud is a crime that devastates neighborhoods and destroys naive 'investors'. It can only be stopped by the combined efforts of each segment of the industry using every available tool and resource."

Ann Fulmer
Vice President, Industry Relations, Interthinx

Results of Fraud- Who Is the Real Victim



"When interest rates rise, the potential for fraud also rises."

Debbie Kidd
Housing Director, Homeownership Resource Center, Family Services, Inc.

Over Reliance on Technology - What Lenders are Missing



"Because quality loans come from quality lenders."

Arthur Prieston
Chairman, The Prieston Group

ID and Income Fraud Detection



"Although technology intended to improve consumer services, it has also supported a new boldness by perpetrators of misrepresentation. There's a growing selection of powerful tools that lenders can use NOW to detect and protect against loss."

Robert Knuth
President, NCS/ National Credit-reporting System, Inc.

Questions and Answers

12:10 - 1:25 Luncheon - Exhibits Open



"I firmly believe that one of the best ways to prevent fraud is to have educated consumers. That's why we at FHA are trying very hard to get the word out about FHA products. FHA products are designed to protect the consumer and the more folks know to ask for an FHA loan, the better off they are."

Brian Montgomery
FHA Commissioner, Department of Housing and Urban Development

Mortgage Fraud 2005 Trends



"Mortgage Fraud - Where and What's Hot"

Merle Sharik
Manager, Business Development, Mortgage Asset Research Institute, Inc.

1:25-3:00



How Fraud Gets To Closing - Everyone's Obligations

Moderator



"Fighting mortgage fraud—government and secondary market expectations"

Alfred Pollard
General Counsel, Office of Federal Housing Enterprise Oversight

What Is Being Done To Resist Mortgage Fraud



"Preventing mortgage fraud takes commitment AND imagination."

William Brewster
Director, Anti-Fraud Initiatives, Fannie Mae

What Expectations are of Market Participants



"If it sounds too good to be true, it IS too good to be true."

Jenny Brawley
Lead Fraud Investigator, Freddie Mac

Top Ten List: What Brokers Can Do to Stop Mortgage Fraud, "The Buck Stops Here!"



"To combat mortgage fraud, each party to the transaction must adhere to the motto, 'The Buck Stops Here!'"

Loretta Salzano
President, Franzen and Salzano, P.C.

The Role of Closing Attorneys in Mortgage Fraud and Expectations of State Regulators



"In S.C. you cannot have meaningful mortgage fraud without the assistance, whether knowingly or unknowing, of an attorney."

Henry Richardson
Disciplinary Counsel, Office of Disciplinary Counsel, Supreme Court of South Carolina

Fraud Affects All Market Participants



"Mortgage fraud - not a victimless crime."

Paul Lee

Chief Investigator, Office of Disciplinary Counsel, Supreme Court of South Carolina

"Mortgage Fraud-- Stealing the American Dream & Working Together to Stop It."



"Mortgage fraud is stealing the American Dream."

Charles Knight

Staff Attorney, South Carolina Department of Consumer Affairs

Questions and Answers

2:55-3:15

Break

3:15- 4:55



Enforcement- After the Crime

Moderator



"We owe it to the American public to constantly be alert for those who prey on the mortgage industry to illegally enrich themselves. Law enforcement and the industry must cooperate with one another and hold offenders accountable."

Michael Stephens

Deputy Inspector General, Department of Housing and Urban Development

"Stings by the FBI"



"One of the cornerstones of the American way of life is home ownership. Confronting and prosecuting those who strive to defraud and manipulate this aspect of American life is a priority for the FBI."

Brian Lamkin

Special Agent in Charge, Columbia Division, Federal Bureau of Investigation

"Shell Companies - Moving Money Off The HUD 1"



"The Shell Saga, a/k/a "scheme du jour:" the current alternative to the Classic Flip where fraudulently inflated loan proceeds are disbursed to shells companies listed on the HUD 1."

Gale McKenzie

Assistant U.S. Attorney, Northern District of Georgia, U.S. Attorney's Office

"Professionals Making Money Through Fraud"



"We prosecute dishonest brokers, appraisers and lawyers who participate in mortgage fraud because such schemes cannot succeed for long without their help and complicity."

Michael Savage

Chief, Criminal Division, Western District of North Carolina, U.S. Attorney's Office

"Flipping Schemes"



"Joining Forces and Combining Resources Can Significantly Impact Flipping Fraud."

Ruth Valdes,

Assistant Special Agent in Charge, Office of Inspector General, Miami Office, Department of Housing and Urban Development

"Crooked Sellers and Builders"



"Sellers, particularly builders, are the newest culpable group to join the ranks of mortgage fraudsters - happily selling homes at grotesquely inflated values and then kicking money back to other fraudsters."

David McLaughlin

Assistant Attorney General, Office of the Attorney General of Georgia

"Role of State Regulatory Agencies in Preventing Fraud"



"Mortgage Fraud - It can be prevented with your help!"

Andy Grosmaire

Financial Administrator, Bureau of Finance Regulation, State of Florida

Quality Control



"Mortgage Fraud- is like an infectious disease, if left untreated it will continue to spread."

Verlon Shannon

Director, Quality Assurance Division, Atlanta Homeownership Center, Department of Housing and Urban Development

Questions and Answers

4:55-

Closing Remarks and Wrap Up

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**Savannah International Trade
and Convention Center**

**Thursday, June 22, 2006
8:00 a.m. to 5:00 p.m.**

