

## **Zero Tolerance Loan Fraud Policy**

**NOTICE: Any Submission of Information, knowingly containing false information in connection with a loan and/or financing application, is a Federal Crime.**

Mortgage fraud means a material misstatement, misrepresentation, or omission relied upon to process financing and/or loan.

Such mortgage fraud included, but is not limited to:

False information contained in identification and employment documents

False mortgagee or mortgagor identity

Fraudulent appraisals or valuations

Theft of custodial funds

Inaccurate payoffs

Misrepresentation of borrower funds

Falsely inflating property values

False financial statements

False misrepresentations

Possible mortgage/financing fraud means we have a reasonable belief, based upon a review of information available, that mortgage fraud may be occurring or has occurred. It is our intent, due to our zero tolerance loan fraud policy ("Policy") to support law enforcement's efforts to eradicate commercial private mortgage loan/first trust deed fraud. Accordingly, by doing business with us, the borrower, broker, realtor shall be directly responsible for the actions performed in the course of doing business with us and for maintaining compliance with this policy. Although loan/finance fraud may be perpetrated in many forms, some of the most common examples are shown below.

Identity theft

Submission of inaccurate or misleading information, including false statements on loan application(s) and falsification of documents purporting to substantiate credit, employment, deposit and asset information or personal information including identity, ownership/non-ownership of the real property;

The alteration or forgery of otherwise predominately accurate information;

Inaccurate representations of current occupancy or intent to maintain required occupancy as agreed in the security instrument;

Lack of due diligence or concern by borrower, realtor, broker, loan officer, including failure to obtain or divulge all information required by the application. This could include the failure to disclose any relevant or pertinent information known which could negatively impact the lending decision.