Matt Blunt
Governor
State of Missouri

Department of Insurance
Financial Institutions
and Professional Registration
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Mortgage Fraud Task Force provides tips to buyers, sellers

JEFFERSON CITY, MO – In an effort to help both consumers and professionals recognize mortgage fraud, the department's task force created a list of quick tips for both buyers and sellers.

The task force was prompted by Gov. Matt Blunt's reorganization of this department. His changes allowed individuals from the Division of Finance, Insurance Consumer Affairs Division, the Real Estate Commission and the Real Estate Appraisers Commission to create a prompt and comprehensive approach to combating this problem.

The committee will continue to look for ways to educate lenders, mortgage brokers, realtors, appraisers and consumers about this issue by communicating with individuals from these fields and law enforcement already working to crack these mortgage fraud cases.

"This task force is charged with coming up with ways to help people recognize and identify mortgage fraud," said Doug Ommen, department director. "Solutions to this problem will be formed as dialogue with all parties involved continues to occur through this task force."

Seller Tips:

- Get references for real estate and mortgage professionals. Make sure they're licensed with the state, etc.

- Consult with a reputable real estate professional to determine the sale price of your home. Be wary of an offer to buy your home for an amount substantially higher than the listed sale price.

- Be cautious of someone asking to buy your property when it is not listed for sale.

- Never sign blank or incomplete documents. Read and understand the documents before you sign them.

- Do not help the borrower "qualify" for financing by agreeing to sell your home for an amount above the asking price with the understanding that you will refund or forgive the difference after closing.

Buyer Tips:

- Don’t buy more house than you can truly afford.
- Be extremely wary of “no money down/cash back at closing” investment opportunities.
- Be wary of assurances from others that they will assume responsibility to pay a mortgage in your name.
- Never allow someone to buy property in your name with the agreement that you will sell the property at a later date and split the profit.
- Do your homework. Check the sales history of the property - several sales within a short period of time could indicate inflated values. Consult with your own real estate agent or appraiser to establish the value.
- Read and understand everything you are asked to sign. If necessary, consult your attorney.
- Do not sign any documents with information left blank or that contain inaccurate information.
- Review a copy of the “final” settlement statement prior to closing. Don’t be rushed through the closing. Ask questions if you do not understand what you are signing.
- If a deal seems too good to be true, it probably is.

About the Missouri Department of Insurance, Financial Institutions & Professional Registration

The Missouri Department of Insurance, Financial Institutions and Professional Registration (DIFP) is responsible for consumer protection through the regulation of financial industries and professionals. The department’s seven divisions work to maintain consumer confidence by examining and monitoring industries and professions and by establishing coherent and evolving policies. DIFP works to enforce state regulations both efficiently and effectively while encouraging a competitive environment for industries and professions to ensure consumers have access to quality products.