

## Loan Fraud “Zero Tolerance”

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CMAC Lending is committed to supporting to eliminating all loan fraud. All approved **Wholesale Mortgage Broker** must be aware that all licensed real estate broker bears the responsibilities for all actions of his or her employees or licensees. The broker is responsible for the content and quality of each application submitted to **CMAC Lending**

### Common Loan Fraud and Misrepresentation Types

Submission of any of the following of type of Loan Fraud is crime.

#### Type of Loan Fraud:

1. Submission of inaccurate information, including false statement on loan application(s) and falsification of documents purpose to substantiate credit, employment, deposit and asset information, personal information including identity ownership of real property, etc.
2. Forgery of partially or predominantly accurate information.
3. Incorrect statements regarding current occupancy or intent to maintain continuing occupancy as stated in the security instrument.
4. Lack of due diligence by a Broker/Loan Officer/Processor, including failure to obtain all information required by the application and failure to request further information as dictated by Borrower’s response to questions.
5. Unquestioned acceptance of information or documentation, which is known, should be known, or should be suspected to be inaccurate.
6. Simultaneous or consecutive processing of multiple owner-occupied loans from one applicant supplying different information on each application.
7. Allowing an applicant or interested third-party to “assist with the processing of the loan.”

### Consequences of Loan Fraud

CMAC Lending stands behind its commitment of the qualities of its loan. The consequences of “Loan Fraud” are a long and costly process for all parties involved which can hurt all parties’ reputation and future businesses of the company. The following are a list of potential consequences for all parties involved.



**Consequences to Broker:**

1. Criminal Prosecution;
2. Loss of Real Estate Broker’s License;
3. Loss of Lender Access due to exchange of information between Lenders, Mortgage insurance Companies, including submission of information to investors (FNMA/FHLMC), Police Agencies, Investigative Firms, and the Department of Real Estate;
4. Civil Action by CMAC Lending;
5. Civil Action by Applicant/Borrower, or Other Parties to the Transaction;
6. Loss of Approval Status with CMAC Lending.

**Consequences to Borrower:**

1. Acceleration of debt as mandated in the Security Instrument, Deed of Trust or Mortgage.
2. Criminal prosecution which may result in possible fines and imprisonment.
3. Civil action by CMAC Lending
4. Civil action by other parties to the transaction such as Seller or Real Estate Agent/Broker
5. Termination of Employment
6. Forfeiture of any professional license.
7. Adverse Credit Report History

By Signing below, you have read the foregoing and understand and accept CMAC Lending’s policies on Loan Fraud

**Signature of Broker**

Sign: _____	Date: _____
Print: _____	Title: _____
Sign: _____	Date: _____
Print: _____	Title: _____
Sign: _____	Date: _____
Print: _____	Title: _____

