

**For immediate release
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Top 10 Tips to Protect Yourself from Mortgage Fraud

FBI officials warn that Illinois is a “hot spot” for mortgage fraud, a crime they declare has the potential of being a financial “epidemic.” Hundreds of homeowners in Illinois have been duped by unscrupulous mortgage lenders — robbing them of their hard-earned money — and their homes. These criminals are draining the mortgage industry of millions of dollars each year.

Legislators in Illinois are working hard to pass legislation to safeguard consumers and punish the fraudsters who are destroying people’s financial independence. Banks in Illinois strive to protect consumers from these con artists and provide Illinoisans with legitimate mortgages at a fair rate. To educate consumers about mortgage fraud and its warning signs, the Illinois Bankers Association provides you with these tips. If you have any questions or concerns about the mortgage process, contact your local FDIC-insured bank or visit www.illinoisbanker.com

1. Read and understand all of the mortgage documents presented to you *before* you sign them. Don’t be afraid to ask questions about anything you do not understand. Realize that when you close the loan, you are personally responsible for repayment of the loan.
2. Be sure to thoroughly review the “Good Faith Estimate of Closing Costs” that is required to be given to you by your lender. Ask about any parties being paid or fees you do not understand or with which you disagree. Ask for a written confirmation of the interest rate lock-in once you have agreed to lock in a rate.
3. Do not provide, or pay anyone else to provide, false information about your employment, income, credit or bank accounts. Be honest when completing the loan application and answering questions during the application process.
4. Never let anyone sign anything for you during the loan process without your written approval and authorization.
5. Do not close on a loan that you know has false or misleading information, including appraisals with inflated values, down payment or earnest money that did not come from you, or rental leases that you believe to be inaccurate.
6. Always request and keep copies of everything you provide to the lender and everything you are required to sign. Lenders should not have any problem honoring your request for copies.
7. Never accept payment for use of your name, credit or social security number.

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8. Do not pay earnest money to anyone other than your real estate agent or the seller of the home you are purchasing. If you have doubts about who really owns the home you are purchasing, call the county tax assessor to verify the current owner and find out when they took ownership.

9. Never expect to get “paid” for purchasing a home. You are the one who should be bringing a certified check to the closing in order to buy the home.

10. Never pay anyone additional fees or costs associated with the loan closing or application process after the loan closes. If someone asks you to do this, refuse and obtain legal advice.

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Since 1891, financial institutions throughout Illinois have looked to the Illinois Bankers Association (IBA) as their primary resource for information, education, government representation, and supporting products and services. The IBA is a full-service trade association dedicated to creating a positive business climate that benefits the entire banking industry. The IBA is the only banking trade association in the state that represents financial institutions of all sizes. Membership includes community banks, regional banks, holding companies, savings banks, trust companies, and organizations that serve the banking industry. The IBA has two offices: one just blocks from the Illinois State Capitol in Springfield and the other in the heart of Chicago’s financial district.