

Georgia cracks down on real estate fraud

Governor signs anti-fraud bill into law

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An act aimed at curbing mortgage fraud was signed into law Thursday by Georgia Governor Sonny Perdue.



The [Georgia Residential Mortgage Fraud Act](#), introduced as Senate Bill 100, defines the criminal offense of residential mortgage fraud.

The act provides for penalties, authorizes district attorneys and the Attorney General to investigate and prosecute cases of residential mortgage fraud, provides for forfeiture of real and personal property and amends Georgia's Racketeer Influenced and Corrupt Organizations Act to include residential mortgage fraud within the definition of racketeering activity.

Mortgage fraud is "pervasive and growing" in the United States, according to the Federal Bureau of Investigation. And the Mortgage Asset Research Institute, which keeps track of mortgage fraud, has said a growing number of incidents are being reported.

In a recent report, Standard & Poor's Structured Finance Group estimated the annual cost of mortgage fraud in 2003 at 3 basis points, or \$1.2 billion, on the record-breaking \$4 trillion of mortgage originations that year. The report was made public during the four-day [Mortgage Bankers Association's](#) National Secondary Mortgage conference in San Francisco last week.

The industry's recognized database for mortgage fraud reports is that of the Mortgage Asset Research Institute, MIDEX, the Mortgage Industry Data Exchange.

Other industry watchdogs include the [Mortgage Fraud Against Lenders Resource Center](#), sponsored by the MBA; the [Mortgage Fraud Blog](#), run by The Prieston Group; and Quality Lenders Review. Another mortgage fraud resource is a [mortgage fraud blog](#) run by Rachel Dollar, a California mortgage fraud attorney.

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