

Be Careful When You Choose a Real Estate Agent and a Mortgage Broker

These are just a few examples of the fraud cases that are occurring throughout the country. Unwitting buyers and borrowers can also get trapped without knowing it.

OKLAHOMA CITY, OK - A Federal Grand Jury handed down a 14 count indictment charging that at least seven people were engaged in schemes to defraud various mortgage lenders by artificially inflating the sales prices of homes and submitting false loan applications. The scheme involved potential home buyers, represented by Baum, being told that if they agreed to purchase homes at inflated prices they would receive funds at closing under the guise of "repair costs" which would be for their personal benefit. Sellers of certain hard to sell properties negotiated the sales through Baum. Baum would always offer more than the listed sales price.

Charles E. Caldwell, Jr and others at United Lending facilitated the submission of fraudulent loan applications to lenders for buyers who could not qualify to purchase homes at the artificially inflated prices. False details of income and assets were supplied on the mortgage applications. In some cases buyers, represented by Baum, would be provided with "down payment loans" which were to be repaid from the funds they received at closing.

PORTLAND, OR - Ryan F. Bonneau, a former mortgage broker who previously was convicted in a fraud case involving \$12 million in loans and checks, Troy Martin, a real estate sales agent, and Leanne Booth, a real estate loan broker, were charged in a 21-count indictment with Wire Fraud, False Statements to a Federally Insured Bank, Money Laundering, and Engaging in Prohibited Financial Transactions according to an indictment released by the U.S. Attorneys office and reported by The Oregonian.

The three face accusations in a scheme to sell two houses located in Portland, Oregon in 2004 and 2005 for more money than they were worth, with the intention of pocketing tens of thousands of dollars.

Bonneau was already on probation stemming from a 2003 conviction in the earlier fraud case.

Prosecutors allege that the three submitted false documents to substantiate loans from Union Federal Bank of Indianapolis in excess of the purchase price and intended to pocket the difference.

LendingTree Sued For False Advertising and Unfair Business Practices

Thursday, October 19, 2006 - By Staff Writer, National Realty News

STUART, FL - Everyone's heard the tag line - "When lenders compete, you win." A recent class action suit filed in Orange County, California Superior Court alleges that LendingTree diverts LendingTree.com leads to its subsidiary, which conducts business under the name LendingTree Loans without any competition.

The suit further claims that loans originated by LendingTree Loans are originated at inflated prices, based on the false representation that competition for the business has occurred among lenders.

When we contacted LendingTree about the allegations LendingTree spokeswoman Rebecca Anderson said, "LendingTree provides consumers with multiple loan offers from either retail or

wholesale lenders, and we experience customer satisfaction of over 90%. The suit is without merit and LendingTree intends to defend against it vigorously.”

Anderson went on to explain, since the introduction of LendingTree Loans, consumers now have two potential paths when using the LendingTree website, the retail lender network and the wholesale lender network.

The retail lender network operates the traditional LendingTree model that allows four lenders to make offers directly to the consumer. Alternatively, the wholesale lender network offers consumers a choice of several investors represented by LendingTree Loans, much in the same way a broker would shop a loan for a consumer. “We provide [the] appropriate disclosures throughout the loan process,” Anderson added.