Mortgage Fraud Brief

Second Quarter, 2016

Quarterly Mortgage Fraud Insights

The CoreLogic National Mortgage Application Fraud Risk Index was stable from the first to second quarters of 2016, holding at a value of 113. However, the CoreLogic Consortium of mortgage applications shows **certain lending segments reflect a significantly higher risk than the national index** for Q2 2016.

▸ The volume of higher Loan to Value (LTV) Purchase loans, less than 80 percent LTV, increased by 38 percent and had an associated Fraud Risk Index of 195. High LTV Purchase loans may be more susceptible to down payment misrepresentation, because smaller down payments can more easily be seller-funded through inflating the sales price.

▸ Jumbo Purchase loan volume increased by 34 percent and had an associated Fraud Risk Index of 208. Properties requiring Jumbo loans can be more difficult to appraise due to property complexity and fewer comparable properties. Jumbo Purchase loans can also have a higher likelihood of complex borrower situations, such as self-employment and ownership of other properties that may not be disclosed.

Highest Fraud Risk Metros

CBSA NAME	POPULATION*	Q2 2016 FRAUD RISK RANK	Q1 2016 FRAUD RISK INDEX	Q2 2016 FRAUD RISK INDEX	QUARTER OVER QUARTER, Q1 2016 TO Q2 2016
Miami-Fort Lauderdale-West Palm Beach, FL	5,929,819	1	286	278	-3%
Lakeland-Winter Haven, FL	634,638	2	209	226	8%
Tampa-St. Petersburg-Clearwater, FL	2,915,582	3	231	213	-8%
New York-Newark-Jersey City, NY-NJ-PA	20,092,883	4	212	210	-1%
Jacksonville, FL	1,419,127	5	181	198	9%
Deltona-Daytona Beach-Ormond Beach, FL	609,939	6	222	193	-13%
Orlando-Kissimmee-Sanford, FL	2,321,418	7	180	181	1%
Las Vegas-Henderson-Paradise, NV	2,069,681	8	163	166	2%
Los Angeles-Long Beach-Anaheim, CA	13,262,220	9	160	164	2%
McAllen-Edinburg-Mission, TX	831,073	10	122	163	33%
Palm Bay-Melbourne-Titusville, FL	556,885	11	160	163	2%
Cape Coral-Fort Myers, FL	679,513	12	152	161	5%
Urban Honolulu, HI	991,788	13	132	159	20%
North Port-Sarasota-Bradenton, FL	748,708	14	163	152	-7%
Oxnard-Thousand Oaks-Ventura, CA	846,178	15	144	147	3%

CORELOGIC MORTGAGE FRAUD SOLUTIONS

CoreLogic is the industry's trusted provider for mortgage risk mitigation solutions. With the nation's largest mortgage application database, patented risk analytics and team of mortgage fraud experts, CoreLogic knows how to identify and lower the risk of mortgage fraud.

Learn more at corelogic.com/mortgagefraud

THE CORELOGIC INDEX

The CoreLogic Mortgage Application Fraud Risk Index is calculated from the aggregation of individual loan application fraud risk scores during the previous quarter. This national fraud index was originated in Q3 2010 and has a baseline of 100. Score compilations are also calculated for the 100 highest-populated Core Based Statistical Areas (CBSA) in the US, and the 15 CBSAs with the highest Fraud Risk for the most recent quarter are shown in rank order in this report.

The CoreLogic Mortgage Fraud Brief analyzes the collective level of loan-application fraud risk the mortgage industry is experiencing as measured quarterly by the CoreLogic Mortgage Application Fraud Risk Index, which is based on residential mortgage loan applications processed by LoanSafe Fraud Manager™ from CoreLogic. The annual CoreLogic Mortgage Fraud Report and Mortgage Application Fraud Index Methodology can be found here.

The top 100 CBSAs for fraud risk are available to members of the CoreLogic Mortgage Fraud Consortium and can be downloaded from the LoanSafe Connect™ Resource page.

*7/1/2014 Resident Total Population Estimate from U.S. Census Bureau Population Division, March 2015 release.

corelogic.com