

# Mortgage Fraud

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# Strategic Objectives

## Focus & Prioritize

- Focus on fraud that CMHC is uniquely suited to detect better
- Focus on actionable cases
- Prioritize based on risk and business value

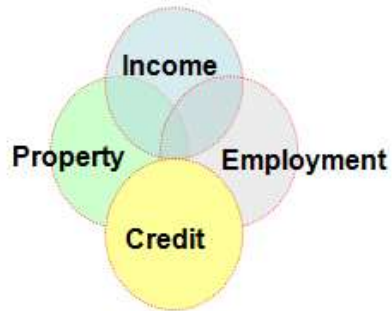
## Proactively engage with the Industry & Data Partners

- Understand & Share Trends, Best Practices
- Improve data sources (lenders, vendors, providers, etc.)
- Engage Industry & Government

# Industry Standard Application-Level Detection Pattern Recognition to Detect Fraud

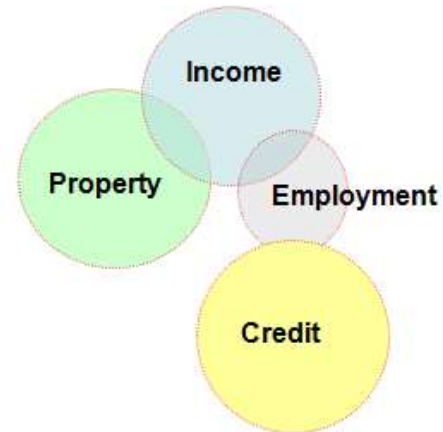
PROTECTED

## Good Loan



Make sense

## Fraud Loan

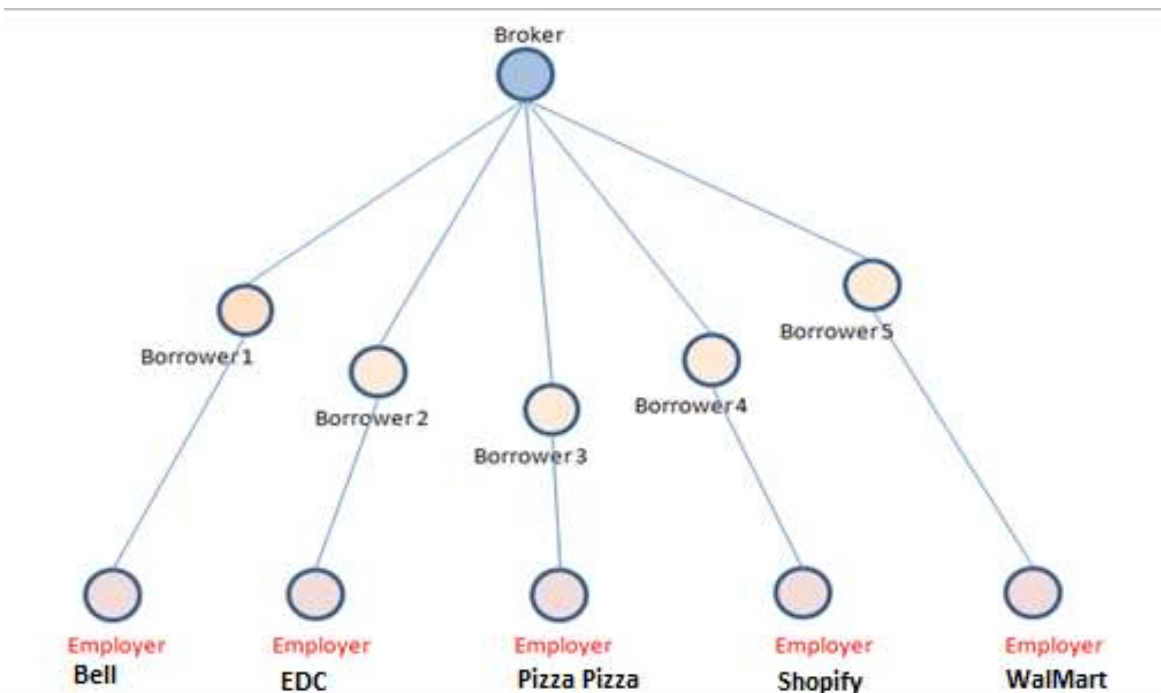


Does not  
make sense

# Key Risks – Beyond the Application

- Application Misrepresentation
- Illegal Flipping / Criminal Speculation
  - ➔ *Carousel Fraud*
- Service Providers / Mortgage Professionals
- Affinity Fraud
- Builder Schemes
- Straw Buyers
- Air Loans

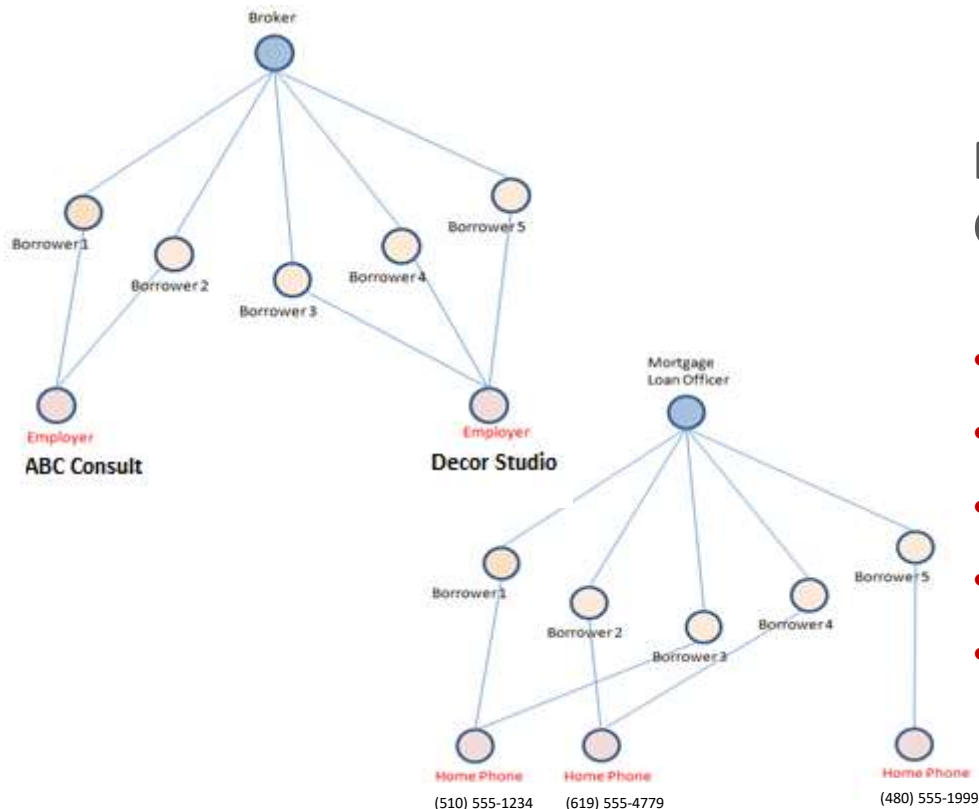
# Patterns of Good Loans look similar



## Service Providers

(Brokers, Appraisers, Lender Execs, etc) are typically associated with loan data that is significantly different across their book of business

# Outlier Patterns that Recur

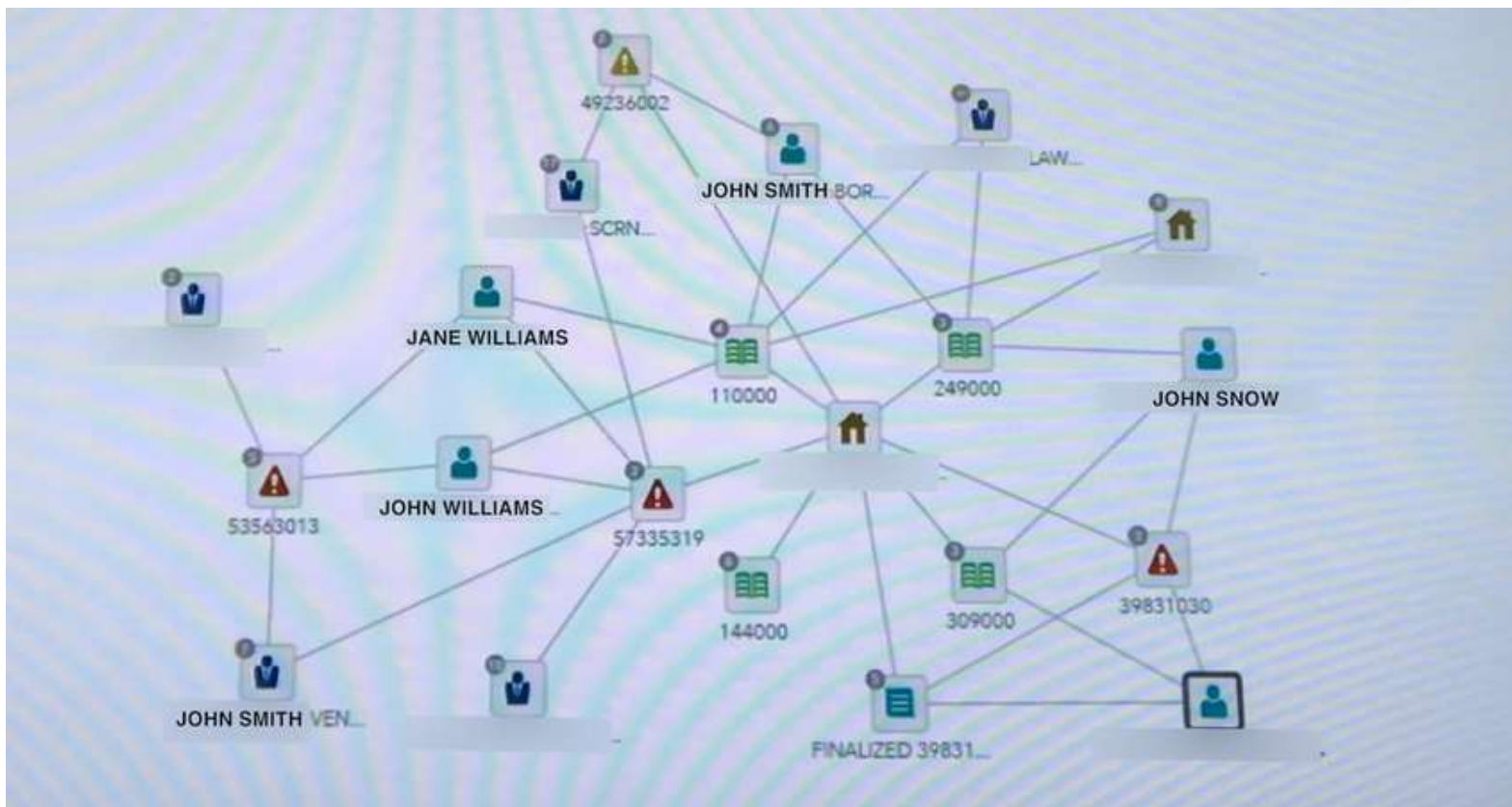


## Fraud / Misrepresentation Patterns Cross-Loan or Network Patterns

- Unrelated borrowers / Same employer
- Unrelated borrowers / Same phone
- Phone numbers linked to previous fraud
- High concentration of postal codes
- “Identical Loans”

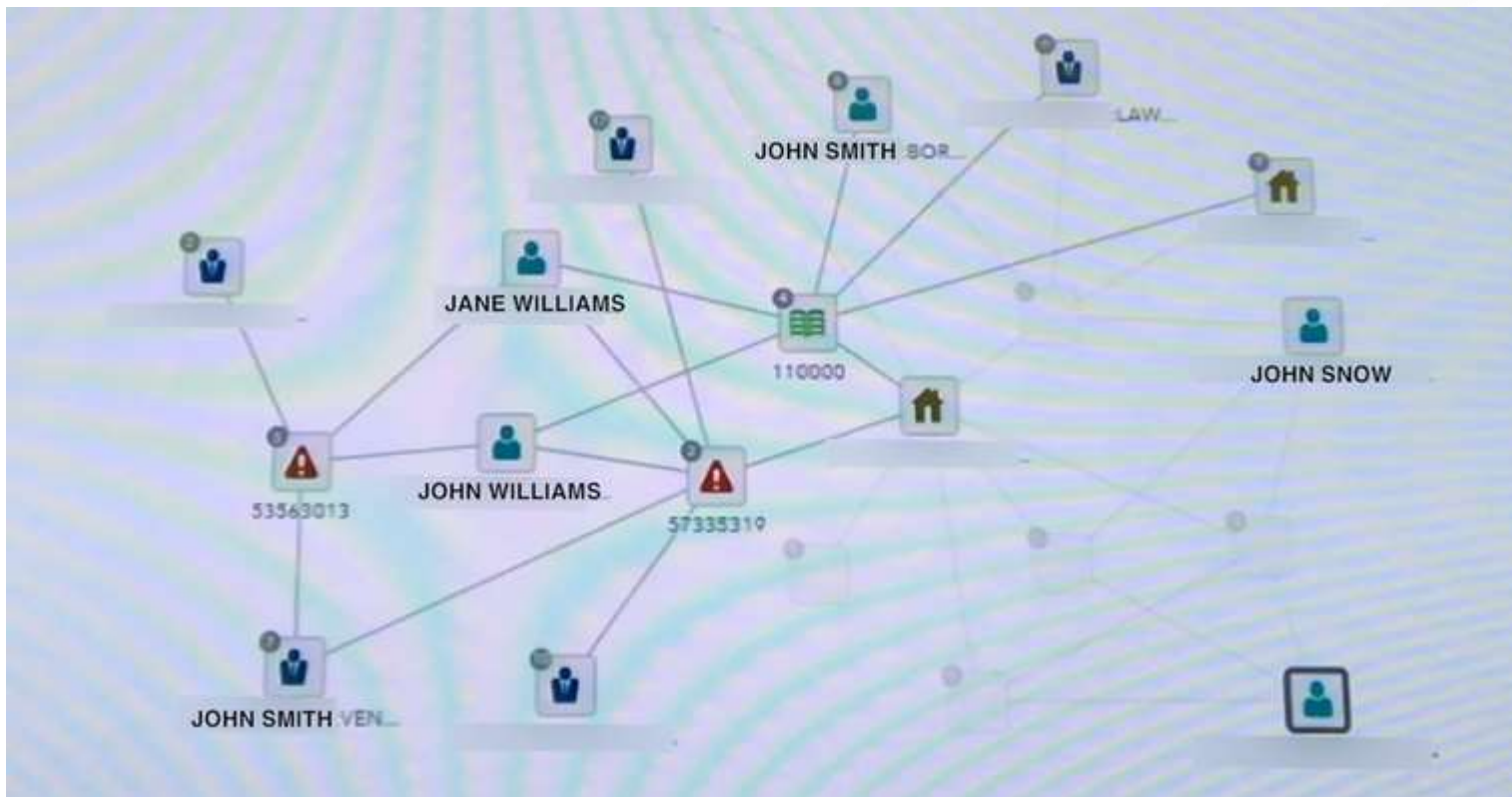
# Samples

# Scenario 1

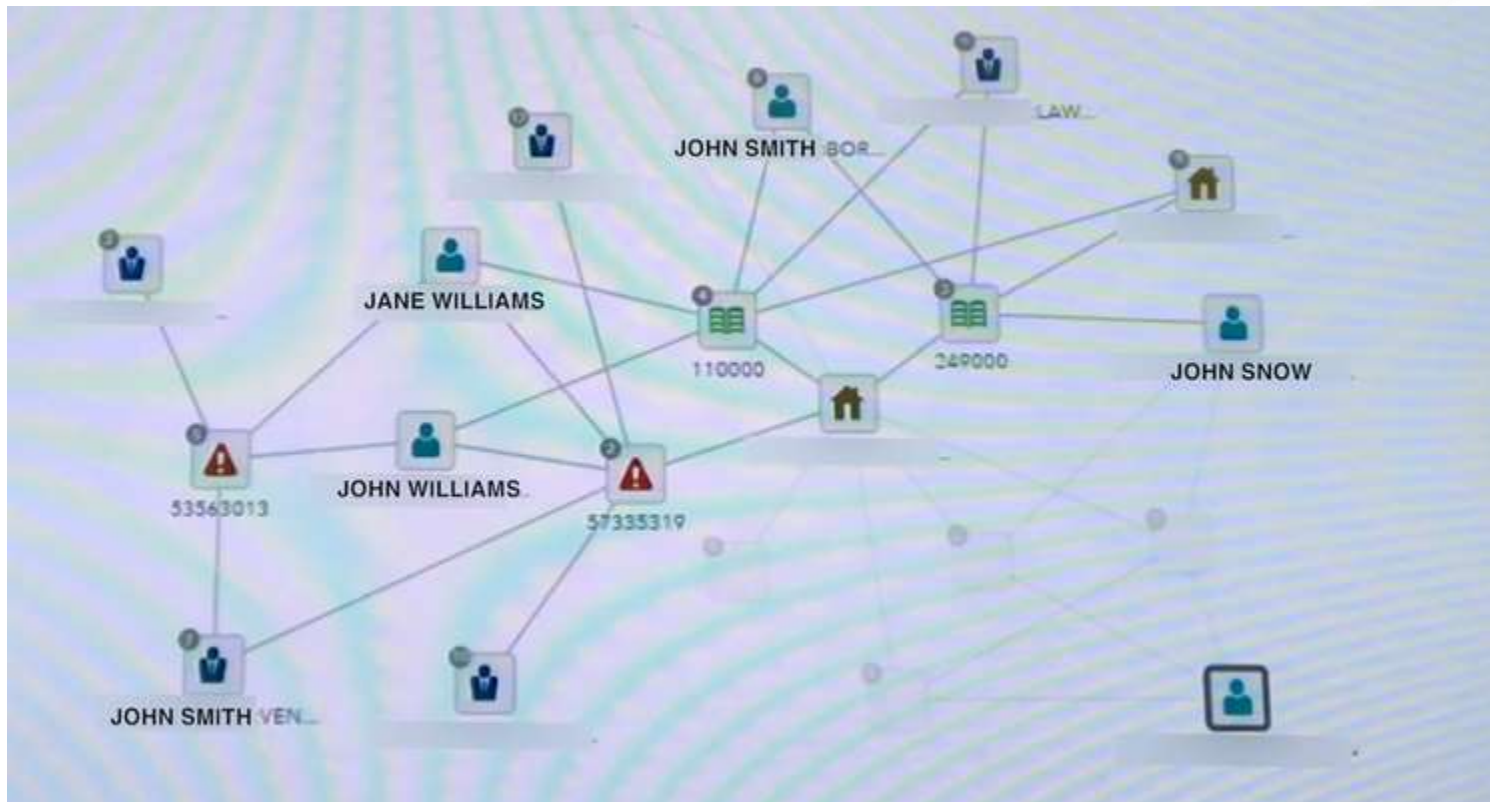




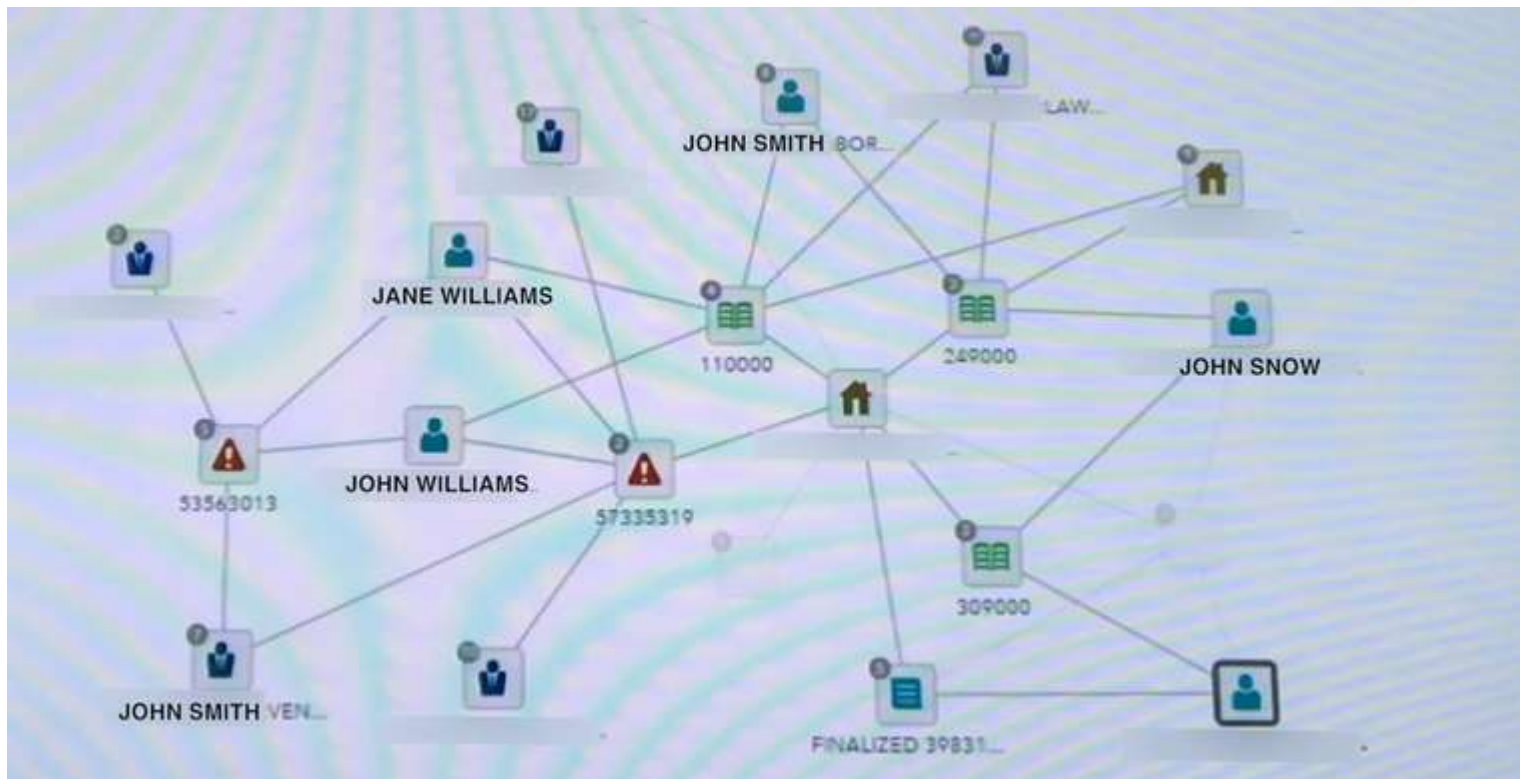
# Scenario 1



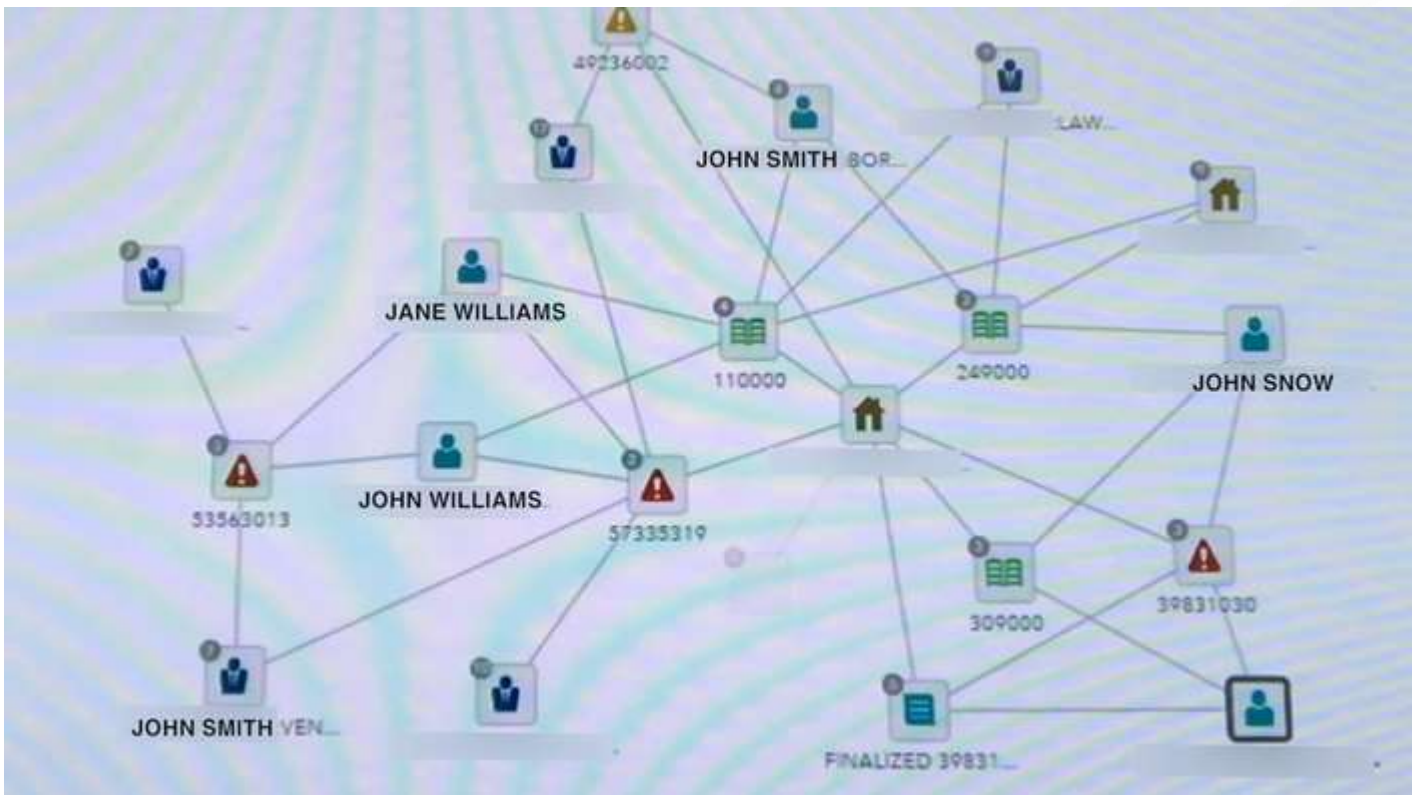
# Scenario 1



# Scenario 1



# Scenario 1



# Scenario 2

