FINANCIAL AND MORTGAGE INDUSTRY FRAUD

Additionally, the Department of Justice and the Securities and Exchange Commission have been active in prosecuting and settling FCA cases against financial institutions. In the past three years alone, there have been several multi-billion settlements by financial institutions to resolve allegations of fraud related to residential mortgages.

Despite the increased efforts of Department of Justice, the Securities and Exchange Commission and other federal agencies, taxpayer dollars continue to be vulnerable to fraud in the financial and mortgage industries.

Major types of fraud in the financial industry include:

- **Mortgage Fraud** - financial institutions can be held liable for a number of fraudulent practices related to the origination, underwriting, and sale of mortgages, including concealing the risks of mortgage-related products from investors.
- **Fraudulent underwriting practices**
- **Fraudulent FHA Certifications-** financial institutions may be held liable for improperly endorsing ineligible residential mortgages for federally backed insurance.
- **Selling defective mortgages to Fannie Mae or Freddie Mac**
- **TARP Fraud** – The Trouble Asset Relief Program or "TARP" was created by the federal government after the financial crisis of 2008 to provide capital to struggling financial institutions.

The FCA and the SEC Whistleblower Program are critical tools used by the federal government and whistleblowers to combat fraud by financial institutions.

If you would like to speak to one of our attorneys about a potential whistleblower matter, please email us at wbinfo@ktmc.com or call us at (610) 667-7706. All case evaluations are confidential and free.