

Federal Reserve Bank of San Francisco  
101 Market Street, San Francisco, California 94105

March 15, 2010

To State Member Banks, Bank  
Holding Companies, Financial Holding  
Companies, and Foreign Bank Offices  
in the Twelfth Federal Reserve District

**FFIEC Issues 2009 Mortgage Fraud White Paper: The Detection and Deterrence of Mortgage Fraud Against Financial Institutions**

The Federal Financial Institutions Examination Council (FFIEC), on behalf of its members, released an updated edition of its white paper on February 16, 2010 on mortgage fraud detection and deterrence. The white paper defines various types of fraud, gives examples of how individuals commit fraud, provides a list of red flags, and outlines best practices. It also includes hyperlinks to more complete discussions. The latest edition, *The Detection and Deterrence of Mortgage Fraud Against Financial Institutions: 2009 Mortgage Fraud White Paper*, substantially updates *The Detection, Investigation, and Deterrence of Mortgage Loan Fraud Involving Third Parties: A White Paper* issued in February 2005.

The red flags outlined in the latest white paper are indicators of possible mortgage fraud or of the risk of potential exposure to mortgage fraud. The red flags are not evidence or proof of such fraud. The best practices illustrate how to detect and prevent mortgage fraud at regulated institutions and avert the losses that can result. The white paper does not establish any new examination policies or procedures, nor does it impose new requirements on regulated financial institutions.

**Additional Information**

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact:

Federal Reserve Bank of San Francisco  
Banking Supervision and Regulation  
(415) 974-2923

**Attachment:** [The Detection and Deterrence of Mortgage Fraud Against Financial Institutions: 2009 Mortgage Fraud White Paper](#)