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Florida first in mortgage fraud in Q1

Market reports indicate mortgage fraud increased by 42 percent nationwide with Florida at the top of its list. Close to a quarter of all fraudulent mortgages occurred in the state of Florida, as reported by the Mortgage Asset Research Institute.

California ranked a close second, with Illinois, Maryland and Michigan coming in with a three-way tie for third.

The MARI based its report on data submitted by its subscribers containing information about loans which originated in the first quarter of this year and have now been characterized as counterfeit. Counterfeit cases ranged from misrepresentation of income, employment history, debt and assets. In Maryland, 69 percent of its cases contained falsification of tax returns and financial statements.

The Mortgage Bankers Association reported that mortgage fraud has accounted for \$1 billion in losses over the last decade.

The bar has been raised as lenders have increased credit standards to combat the rising foreclosure rate, which in turn has increased the rate of reported fraud. Critics lay the blame on the industry for its negligent activity as it continued to lend to extremely risky home buyers as the market exploded, adding fuel to an already blazing fire.