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CoreLogic Mortgage Fraud Database Keeps Growing

By MortgageOrb.com

One of the major challenges in battling mortgage fraud is that most lenders don't share information with each other regarding fraud activity. This, in turn, actually gives the fraudsters an advantage, in that each time they come up with a new scheme, they can bounce from lender to lender, easily defrauding each one because they are not collectively aware of what is occurring. By the time a lender uncovers a new scheme and reports it to authorities, it is often too late - by then, another half dozen or more lenders have already fallen victim to the same scam.

CoreLogic, however, is playing a major role in helping to address this lack of communication. In 2009, the residential property information, analytics and services provider launched its proprietary Mortgage Fraud Consortium database, which keeps lenders abreast of current and emerging fraud trends in the loan origination cycle.

But like any crime database, the Mortgage Fraud Consortium's effectiveness largely relies on lender participation rates. The ability to collect and analyze as much information as possible about current fraud trends is the key to the Consortium's success.

Recently, the Mortgage Fraud Consortium passed the 100 million loan application landmark, CoreLogic reports. The loan-level application and fraud-outcome data are contributed by lenders in return for aggregated information used to help detect and prevent mortgage fraud.

"As mortgage fraud patterns adapt and evolve, the collaborative environment of our consortium allows members to gain a broader understanding of what's driving the latest schemes," says Susan Allen, vice president of product management for CoreLogic, in a release. "The 100 million loan applications now included in the Mortgage Fraud Consortium database further expand our ability to identify trends in specific fraud conditions, such as owner occupancy, short sale fraud and undisclosed debt."

The CoreLogic Mortgage Fraud Consortium uses the data gathered to generate predictive fraud models, develop industry- and lender-level benchmarking standards, and identify common fraud characteristics and adaptations in schemes.

According to the latest CoreLogic Mortgage Fraud Report, the findings of which are mined directly from the Consortium database, fraud risk among U.S. mortgage applications declined 5.6% in the second quarter of 2013, compared to the second quarter of 2012, with fraudulent residential mortgage loan applications totaling an estimated $5.3 billion nationally.

The data collected through the Mortgage Fraud Consortium helps power CoreLogic's LoanSafe product suite and enables alerts that help members ensure all mortgage liabilities are disclosed, which can support regulatory compliance. With access to data that validates the existence of mortgage debts, lenders are better able to strengthen compliance efforts associated with the qualified mortgage and ability-to-repay rules, as well as adherence to investor quality control expectations.

According to CoreLogic, the Consortium database now represents nearly 80% of U.S. residential mortgage activity. Fourteen of the top 20 residential lenders in the country contribute data to and participate in the Consortium.

For more, **click here**.