

Mortgage Fraud Brief

Quarterly Mortgage Fraud Insights

The CoreLogic® National Mortgage Application Fraud Risk Index (Index) decreased significantly, from 132 in Q2 2019 to 116 in Q3 2019. The year-over-year trend is down 23.4% from Q3 2018 (at 151). This is the second quarter of decline in fraud risk due to the lower interest rates we have seen over the last six months.

- The share of refinance transactions increased significantly to 46.6% in Q3, up from 35.5% in Q2 and 28.3% one year ago. The risk levels within nearly every segment decreased or held steady. Refinance segments showed significant risk decreases. This 64% increase in refinance share from the prior year is the largest in the history of our index and a main driver of the substantial decline in our fraud risk index. Purchase transaction risk improved by approximately 4%, likely driven by the greater home affordability brought by favorable interest rates.
- Scranton-Wilkes-Barre-Hazleton, PA, had the highest quarter-over-quarter increase in the top-15 metros at 27%. Our analysis did not reveal any pronounced trends here—as a smaller metro, it is more likely to have index fluctuations. Many of the high-risk applications were purchases in areas with high delinquencies and foreclosures.

Highest Fraud Risk Metros

CBSA NAME	POPULATION*	Q3 2019 FRAUD RISK RANK	Q2 2019 FRAUD RISK INDEX	Q3 2019 FRAUD RISK INDEX	QUARTER OVER QUARTER, Q2 2019 TO Q3 2019
Miami-Fort Lauderdale-West Palm Beach, FL	6,198,782	1	309	241	-22%
New York-Newark-Jersey City, NY-NJ-PA	19,979,477	2	243	208	-14%
Los Angeles-Long Beach-Anaheim, CA	13,291,486	3	213	179	-16%
Scranton-Wilkes-Barre-Hazleton, PA	555,485	4	138	175	27%
Cape Coral-Fort Myers, FL	754,610	5	163	157	-4%
Greensboro-High Point, NC	767,711	6	144	157	9%
Chattanooga, TN-GA	560,793	7	146	154	6%
Tampa-St. Petersburg-Clearwater, FL	3,142,663	8	197	153	-22%
Oxnard-Thousand Oaks-Ventura, CA	850,967	9	163	149	-9%
Deltona-Daytona Beach-Ormond Beach, FL	659,605	10	210	145	-31%
Baton Rouge, LA	831,310	11	128	144	13%
San Jose-Sunnyvale-Santa Clara, CA	1,999,107	12	140	141	1%
San Diego-Carlsbad, CA	3,343,364	13	166	140	-16%
Baltimore-Columbia-Towson, MD	2,802,789	14	131	138	5%
New Orleans-Metairie, LA	1,270,399	15	147	135	-8%

For more information, visit corelogic.com or call 866-774-3282.

The CoreLogic Mortgage Fraud Brief analyzes the collective level of loan-application fraud risk the mortgage industry is experiencing as measured quarterly by the CoreLogic Mortgage Application Fraud Risk Index, which is based on residential mortgage loan applications processed by CoreLogic LoanSafe Fraud Manager™. The annual Mortgage Fraud Report and Mortgage Application Fraud Index Methodology can be [found here](#).

The top 100 CBSAs for fraud risk are available to members of the CoreLogic Mortgage Fraud Consortium and can be downloaded from the [LoanSafe Connect™](#) Resource page.

* Top 100 CBSAs are determined by population. 2018 resident total population estimate from U.S. Census Bureau Population Division April 2019 release.

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CORELOGIC MORTGAGE FRAUD SOLUTIONS

CoreLogic is the industry's trusted provider for mortgage risk mitigation solutions. With the nation's largest mortgage application database, patented risk analytics and team of mortgage fraud experts, CoreLogic knows how to identify and lower the risk of mortgage fraud. Learn more at corelogic.com/solutions/mortgage-fraud-solutions.

THE MORTGAGE FRAUD RISK INDEX

The Mortgage Fraud Risk Index is calculated from the aggregation of individual loan application fraud risk scores during the previous quarter. Score compilations are calculated for the 100 highest-populated Core Based Statistical Areas (CBSA) in the US, and the 15 CBSAs with the highest Fraud Risk for the most recent quarter are shown in rank order.