



Multi-Closing Alert Program (MCAP)

Avoid Multiple-Lien Fraud Schemes

As home equity rises, and additional liens are taken out on a property, the time delay in lien recordings (the gap between the actual closing of the loan and it being reflected on a credit report) leaves home equity lenders exposed to the possibility of “shotgunning” or multiple lien fraud. Multiple lien fraud on a single property can result in significant losses for each lender - especially for those not in a first lien position.

From the organized crime schemes that shotgun five lenders on the same property and abandon the property, to opportunistic homeowners who get two home equity loans to access additional cash, multi-closing fraud losses are often 100% of the loan amount. An individual can easily extract \$1-2 million on a single \$250,000 residence, providing ample incentive to attempt the fraud.

Proactive Alert Systems Help Protect Against Multiple Lien Fraud

CoreLogic developed the Multi-Closing Alert Program™ to help lenders combat this issue. By joining forces with other lenders, you can use the combined power of data from the industry’s largest lenders to help stop multi-lien fraud in its tracks.

Using MCAP to Detect Multiple Lien Fraud is Simple:

- ▶ Lenders submit daily batch files listing their closing document preparation activity
- ▶ CoreLogic analyzes the files to identify scenarios in which multiple lenders are moving to close on the same property
- ▶ Participants receive daily notifications indicating the results of the analysis.

If multi-lien activity is detected, the relevant lenders are alerted and provided with the pertinent loan-level detail, together with the contact information for the participants involved.

Product Highlights

Leverage data from the industry’s largest lenders to combat multi-lien fraud

Protect your business from potential losses due to “shotgunning”

Detected more than 1,800 “shotgunning” cases since 2007

Prevented over \$264 million in multi-lien fraud since 2007

Receive daily notifications of possible multi-lien activity

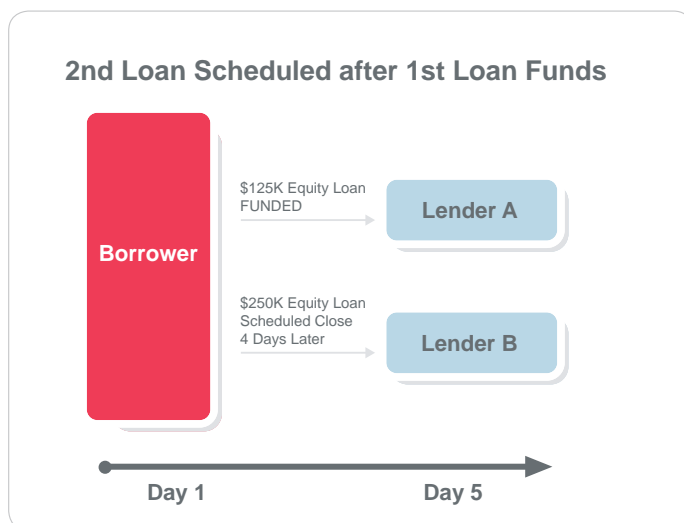
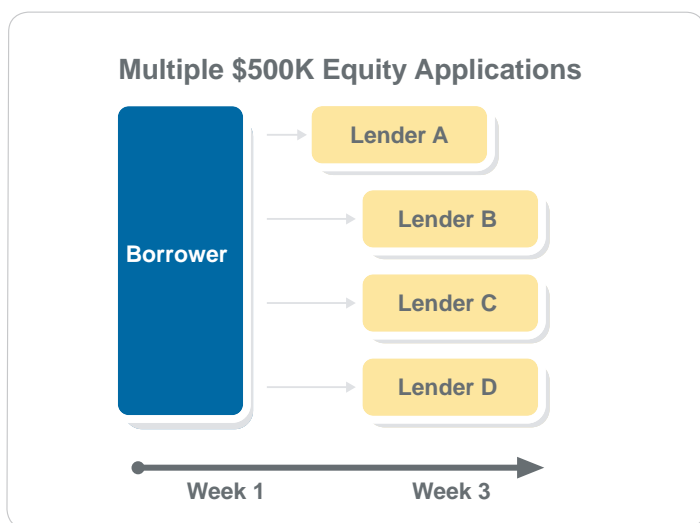
To understand how your firm can protect itself against multiple lien fraud, consider these real-life instances of fraud detected through the Multi-Closing Alert Program:

\$2 Million Saved in Multi-Lender Attempt

- ▶ Borrower applies for \$500k equity loan from Lender A
- ▶ Lender A receives program alert three weeks later of three additional \$500k equity loan applications on the same property in process at other lenders
- ▶ Lender A contacts borrower, who first denies making other applications and wants to close loan with Lender A, then offers to put other lenders in third position
- ▶ Lender A and the other lenders deny loans due to nondisclosure of multiple loans in process

Rate Shopping” Proves to be Confirmed Fraud

- ▶ Borrower equity loan of \$125k booked and funded through Lender A
- ▶ Lender B schedules close four days later of \$250k equity loan on same property
- ▶ Lender B receives program alert of Lender A’s funded loan
- ▶ Lender B contacts borrower, who said she was rate shopping but still wanted the loan
- ▶ Lender B contacts the borrower who claims they were just rate shopping. Using MCAP, Lender B can confirm that the other loan has already closed and denies the loan due to misrepresentation



The Multi-Closing Alert Program is open to lenders of all sizes. Since the program's inception in 2007, lenders have successfully prevented \$264 million in potentially fraudulent multi-close situations.

For more information, contact a CoreLogic representative at 866-774-3282, or visit corelogic.com