

Protect Your Pockets: Choosing a Qualified Mortgage Originator

One of the biggest investments a person can make is buying a home. In this process, potential homeowners often work with mortgage originators who have to be licensed with the State of Indiana. One of the most common instances of mortgage fraud is unlicensed mortgage originators. It's imperative for home buyers to do their homework and avoid falling victim to unscrupulous mortgage originators. Take these steps to help ensure your mortgage originator is licensed and qualified to guide your investment strategies:

- ✓ Do your research. Check to see if your mortgage originator is licensed by using the searchable databases at www.IndianaInvestmentWatch.com or by calling our office at 1-800-223-8791.
- ✓ Get everything in writing and keep copies of all documents you provide to your mortgage originator.
- ✓ Get a complete good faith estimate of closing costs.
- ✓ Be aware and ask questions. If the person hesitates to answer your questions, walk away.

Red Flags of Mortgage Fraud

Up-front fees: You'll be expected to pay for certain third-party fees such as an appraisal or for your credit score, but mortgage originators licensed with the Indiana Securities Division cannot legally accept any fees for their services until closing the loan.

Falsified income: An unscrupulous originator may encourage borrowers to falsify their income on the mortgage application. This is fraud. If buyers can't document their sources of income, they may be trying to purchase a property beyond their means.

Over-appraised residential real estate: This occurs when an unscrupulous loan broker, real estate appraiser and/or real estate agent collude to get a property appraised at a value grossly above its market value.

Case Study

Fraudster: Jason Keigley

Scam: Originated and closed loans but wasn't licensed to do so. In one case he established a reverse mortgage for an elderly couple who was later hit with foreclosure as a result of Keigley's failure to fulfill the obligations of the reverse mortgage.

Counties: Hendricks, Marion

Sentence: 11.5 years in jail

Report any suspicious and/or fraudulent activity to the Indiana Securities Division by calling 1-800-223-8791 or filing a complaint online at www.IndianaInvestmentWatch.com. You can also visit our website for first-time home buyer tips and more information on avoiding fraud.



The Office of the
Indiana Secretary of State
Securities Division

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