

## Mortgage Fraud News Release

*Edmonton...* Mortgage fraud is becoming a serious problem in Alberta. The Edmonton and Calgary Real Estate Boards and the Alberta Mortgage Brokers Association, want you to be aware of the dangers of becoming involved in fraudulent “get rich quick” real estate schemes.

Mortgage scam artists are becoming more numerous out there and they are looking to recruit buyers who have good credit and are attracted to quick, high return investment opportunities. Mortgage fraud is facilitated by providing false or misleading information on a loan application, signing documents that contain false information and artificially inflating the value of a property.

Mortgage fraud is an offence under the Criminal Code of Canada.

To protect yourself from being an unsuspecting partner in mortgage fraud, make sure you are using licensed real estate and mortgage brokers who are registered under the Real Estate Act in Alberta.

Licensed real estate and mortgage brokers are regulated by a code of conduct that is enforced by the Real Estate Council of Alberta. Getting involved in mortgage scams can damage your credit rating; your current and future employment prospects; and your professional designation.

Albertans should pay attention to these red flags to avoid being victims of mortgage fraud:

- Someone offers you a fee to use your name and credit information to obtain a mortgage.
- You are encouraged to include false information on a loan application.
- The loan amount on the mortgage is significantly higher than the value of the property.
- The mortgage has been refinanced several times and in each instance, the amount of the mortgage has increased!
- The seller or investment advisor discourages you from seeing or inspecting the property you are offering to purchase.
- You are asked to participate in real estate investment schemes that require you to apply for a high ratio mortgage.

The Calgary and Edmonton real estate boards and the Alberta Mortgage Brokers Association are recommending to their members the distribution of this tip sheet to their clients.

A tip sheet on mortgage fraud is available at the following websites:

- [www.amba.ca](http://www.amba.ca)
- [www.ereb.com](http://www.ereb.com)
- [www.creb.com](http://www.creb.com)
- [www.gov.ab.ca/gs/information/publications/tipsheets](http://www.gov.ab.ca/gs/information/publications/tipsheets)
- [www.reca.ca](http://www.reca.ca)

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