



Department of Justice



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Eastern District of Texas

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Dallas Former Mortgage Broker Guilty of Fraud

SHERMAN, Texas – A 55-year-old Dallas former mortgage broker has pleaded guilty to federal charges in connection with a mortgage fraud scheme in the Eastern District of Texas, announced U.S. Attorney John M. Bales.

Jose Antonio Caballero pleaded guilty to defrauding the Department of Housing and Urban Development and Federal Housing Administration today before U.S. District Judge Amos L. Mazzant.

According to information presented in court, Caballero owned and operated American Processing Center, providing assistance to homeowners with mortgage loan modification programs, including the Home Affordable Modification Program. Between March 2011 and December 2011, Caballero worked with homeowners in Mesquite, Texas to obtain an extension and renewal of a loan and mortgage on their residence on Bayberry Drive, which was insured by the Department of Housing and Urban Development. In the process, Caballero falsified documents, including a Statement of Hardship Letter, a Monthly Income Expense Worksheet, and a Making Home Affordable Program Request for Modification and Affidavit. Caballero did so knowing the documents were fraudulent and for the purpose of defrauding the federal agencies.

Caballero also engaged in similar conduct with respect to 20 other properties located in Carrollton, Dallas, Farmers Branch, Fort Worth, Garland, Grand Prairie, Irving, Little Elm, Mesquite, and Rowlett, some of which were secured by Fannie Mae and Freddie Mac.

Caballero faces up to two years in federal prison at sentencing. A sentencing date has not been set.

This law enforcement action is part of President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

This case was investigated by the Department of Housing and Urban Development, Office of Inspector General, and the Federal Housing Finance Agency, Office of Inspector General and prosecuted by Assistant U.S. Attorney Christopher A. Eason.

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