

# Coronavirus-Related Fraud Prevention: Tips and Resources



The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is a wide-ranging statute enacted on March 27, 2020, to address the health, economic, and societal impacts of the COVID-19 pandemic. At more than 300 pages, the Act is coupled with three other pieces of emergency legislation and provides \$2.4 trillion in economic relief to individual citizens, loans for businesses, support for hospitals and other medical providers, and economic relief for impacted businesses and industries. This legislation and other programs provide assistance to homeowners and renters, and to assist those in greatest need.

However, the trillions of dollars in economic relief appear to have incentivized those who seek to harm homeowners, mortgage borrowers, and renters through housing scams, loan modification and relief scams, and other forms of mortgage fraud.

## Mortgage Borrowers and Renters

### BE ON THE LOOKOUT FOR:

- ❖ Calls, emails, and text messages from individuals claiming to work for Fannie Mae or Freddie Mac, banks or mortgage companies, mortgage servicers, non-profits, or government officials, who offer lower interest rates, foreclosure relief, delayed payment terms, or other loan modifications. **If you receive a phone call that you think is suspicious, HANG UP! Should you choose to respond to such individuals, provide no personal information and do not offer to send money. Request the caller's name and contact information and report the call to us.**
- ❖ Unsolicited contact from individuals claiming to be affiliated with your bank, mortgage company, servicer, landlord, or management company. **If you receive a phone call that you think is suspicious, HANG UP! Should you choose to respond to such individuals, provide no personal information and request the individual's name and contact information and report the call to us.**
- ❖ Phone calls, emails, and text messages from individuals providing false information to make their communications appear to be legitimate. For example, your caller ID could show that the caller is your bank or Freddie Mac, but that may not be the case. **If you receive a phone call that you think is suspicious, HANG UP! Should you choose to respond to such**

**If you think you have evidence of mortgage fraud, housing, or relief scams, contact our hotline at 1-800-793-7724 or file a complaint online at [www.fhfa.org/ReportFraud#hotlineform](http://www.fhfa.org/ReportFraud#hotlineform)**

**individuals, provide no personal information and request the individual's name and contact information and report the call to us.**

- ❖ Offers for you to pay up-front by cash, check, or wire transfer for mortgage relief or rental assistance, that arrive by calls, emails, or text messages. **Because no legitimate relief program requires up-front payments, such offers are likely SCAMS. If you receive such an offer, do not respond, provide no information and provide no up-front money. Instead, ask for the offeror's name and contact information and report the offer to us. You can also report the scam to the Federal Trade Commission, at [FTC.GOV/COMPLAINT](https://www.ftc.gov/complaint).**
- ❖ Unsolicited contact from persons reporting to be affiliated with your bank or mortgage company, landlord, or management company. **Provide no information. Request the person's name and contact information, and verify whether the contact is legitimate by contacting your bank, mortgage company, landlord, or management company through a phone number on a recent bill or statement.**
- ❖ Unsolicited offers for mortgage or rental-related assistance. **Protect yourself and your family by insisting on obtaining and reviewing written materials explaining the proposed assistance, asking questions, and verifying whether the offer is legitimate.**
- ❖ Offers from individuals who seek to purchase your home and provide information about the consequences of loan forbearance. **Protect yourself and your family by insisting on obtaining and reviewing written materials explaining the proposed offer and consequences of loan forbearance, asking questions, and verifying the legitimacy of the information.**

**REPORT SUSPECTED FRAUD, SCAMS, OR MISCONDUCT**

Contact the [FHFA Office of Inspector General online](#) or call the hotline at 1-800-793-7724

## **OBTAIN MORE INFORMATION AND ASSISTANCE**

You can find additional coronavirus-related fraud-prevention resources as well as mortgage help online and by telephone at:

- ❖ FHFA – [Mortgage Help for Homeowners Impacted by the Coronavirus](#)
- ❖ Consumer Financial Protection Bureau – [Guide to Coronavirus Mortgage Relief Options](#)
- ❖ Fannie Mae – [Beware of Scams](#) or 1-800-2FANNIE
- ❖ Freddie Mac – [Our COVID-19 Response](#) or 1-800-FREDDIE (select option 2)

If you have additional questions, contact your mortgage servicer (listed on a recent mortgage statement) for assistance.

## Individuals Working in the Mortgage Industry

### BE ON THE LOOKOUT FOR:

- ❖ Appraisal fraud by individuals misusing flexible appraisal alternatives;
- ❖ Application fraud by individuals exploiting borrower employment verification flexibility;
- ❖ Forbearance and foreclosure-rescue related fraud;
- ❖ Fraud related to property inspection and maintenance for delinquent properties; and
- ❖ Possible misappropriation of escrow funds.

### REPORT SUSPECTED FRAUD, SCAMS, OR MISCONDUCT

Contact the [FHFA Office of Inspector General online](#) or call the hotline at 1-800-793-7724 in addition to statutory and regulatory reporting requirements

### OBTAIN MORE INFORMATION AND ASSISTANCE

The Financial Crimes Enforcement Network (FinCEN) has issued information for financial institutions about COVID-19:

- ❖ [FinCEN Encourages Financial Institutions to Communicate Concerns Related to the Coronavirus Disease 2019 \(COVID-19\) and to Remain Alert to Related Illicit Financial Activity](#); and
- ❖ [FinCEN Provides Further Information to Financial Institutions in Response to the Coronavirus Disease 2019 \(COVID-19\) Pandemic](#)

Fannie Mae and Freddie Mac have posted additional fraud-prevention resources for individuals in the mortgage industry that are available online from:

- ❖ [Fannie Mae – Mortgage Fraud Prevention](#)
- ❖ [Freddie Mac – Client Resource Center](#)