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ALLENTOWN MORTGAGE CO.'s FORMER MANAGER SENTENCED FOR FRAUD

PHILADELPHIA – Joel Tillett, 36, of Whitehall, PA, was sentenced today to four years in prison and ordered to pay restitution of \$979,562.20 in connection with a mortgage fraud conspiracy. Tillett, the former general manager of Madison Funding, Inc., a now-defunct Allentown mortgage loan origination company, pleaded guilty on May 14, 2013 to conspiracy and to uttering and publishing false documents to obtain a loan insured by the Department of Housing and Urban Development (HUD). The fraud conspiracy caused mortgage lending businesses to issue millions of dollars' worth of loans that were based on false information.

Between October 2006 and at least June 2008, Tillett conspired to defraud mortgage lenders by submitting loan applications that contained false information about the borrowers which was often supported by falsified, forged, and altered documents. The mortgage lenders, which included Washington Mutual Inc., Countrywide Home Loans, Mortgage IT, International Mortgage Corporation, and Security Atlantic Mortgage Company, relied on the fraudulent representations and provided Madison Funding's clients with millions of dollars in loans to purchase real estate. Each funded loan generated thousands of dollars' worth of commissions to Madison Funding and its employees. Many of those loans have since defaulted and some of them were insured by the Federal Housing Administration ("FHA"), which was an agency within HUD. Fannie Mae incurred losses of \$1.2 million after purchasing approximately 65 mortgages that were originated at Madison Funding during the time frame of the scheme.

In addition to the prison term, U.S. District Court Judge Harvey R. Bartle ordered three years of supervised release. Tillett must also pay a \$200 special assessment.

The case was investigated by the Department of Housing and Urban Development Office of the Inspector General, the Federal Deposit Insurance Corporation Office of Inspector General, and the Federal Housing Finance Agency Office of Inspector General. It is being prosecuted by Assistant United States Attorney Mark B. Dubnoff.

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