

PRESS RELEASE

Self-proclaimed “Short Sale Queen” and associates indicted in federal mortgage fraud scheme

Tuesday, December 3, 2024

For Immediate Release

U.S. Attorney's Office, Eastern District of Texas

PLANO, Texas – Three Texas women have been charged with federal violations related to a mortgage fraud scheme in the Eastern District of Texas, announced U.S. Attorney Damien M. Diggs.

Nicole Espinosa, also known as Short Sale Queen, 35, of Plano; Stephanie Smith, also known as Stephanie Parks, 44, of Midlothian; and Selena Baltazar-Hill, 28, of Dallas, were indicted by a federal grand jury on November 20, 2024, and charged with federal violations related to a mortgage fraud scheme in the Eastern District of Texas. The two-count indictment charges them with conspiracy to commit wire fraud affecting a financial institution and conspiracy to submit false statements to a federally insured financial institution. The defendants have been arrested and are scheduled to appear before U.S. Magistrate Judge Aileen Goldman Durrett on December 4, 2024.

According to information presented in court, beginning in 2017, Espinosa, Smith, and Baltazar, along with others, are alleged to have operated a mortgage fraud scheme using various companies, including Short Sale Queen, L.L.C. The defendants researched and located properties that were in the pre-foreclosure short sale process and approached the homeowners about listing the properties for sale. After signing a listing agreement with the homeowners, the defendants submitted various fraudulent documents to financial institutions and mortgage companies for the purpose of freezing or halting the foreclosure process. Such documents included falsified purchase agreements from purported “buyers,” as well as altered “proof of funds” letters showing the “buyers” had the means to purchase the property. Based on these representations, the financial institutions halted foreclosure proceedings, waived fees collection, and unknowingly allowed the defendants time to find a real buyer, or in other instances, cancel the deal when they could not locate a legitimate buyer. All told, the defendants are alleged to have fraudulently submitted documents for at least 88 properties totaling over \$8 million in sales, obtained at least \$390,000 in commissions and processing fees, and caused at least \$2.5 million in losses to these financial institutions.

If convicted, the defendants each face up to 30 years in federal prison.

This case is being investigated by the Department of Housing and Urban Development, Federal Housing Finance Agency, and Department of Veterans Affairs. This case is being prosecuted by Assistant U.S. Attorney Anand Varadarajan.

A federal indictment is not evidence of guilt. All defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

Updated December 3, 2024