



MISSOURI SENATE

JEFFERSON CITY

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Engler Passes Significant Measures Against Mortgage Fraud in Senate

JEFFERSON CITY –Sen. Kevin Engler, R-Farmington, today announced that Senate Bill 1059, a bill he sponsored, has received final approval from the Senate. The bill would create civil and criminal penalties for mortgage fraud. Mortgage fraud boosts the price of a property to become inflated so that consumers end up paying more than the value of the property.

“We have to make it clear that Missouri will not tolerate fraud in this industry,” said Sen. Engler. “Mortgage fraud places a burden on the real estate market and creates additional expenses for consumers.”

This summer, Sen. Engler chaired the Senate Interim Committee on Consumer and Financial Protection. The panel examined ways for the state to combat deceptive practices such as mortgage fraud. Mortgage fraud often includes illegally inflating property appraisals, concealing a second mortgage from a primary lender, or concealing a borrower’s identity.

Mortgage fraud is one of the fastest growing crimes in the country. According to the FBI, mortgage fraud has grown 400% over the past four years and in 2007 Missouri was listed in the top ten in the country in mortgage fraud. Many believe mortgage fraud is a contributing factor to the state of the housing market. Engler says that fraud in this industry affects everyone, not just the bad actors.

“Mortgage fraud is a significant factor in prices and interest rates of homes,” Engler stated. “All homeowners end up having to pay for the lack of enforcement of mortgage fraud. I’m confident that this bill gives us the tools to protect against this crime and in turn help the housing market.”

The bill now moves to the House for approval.

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