



# SENATOR MATT BARTLE

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## Protecting Missourians from Identity Theft and Mortgage Fraud

Living in the age of technology, we have a world of information right at our fingertips. Unfortunately, this also means that other people can have our personal information right at their fingertips. This session we passed [HB 1384](#), which helps protect Missourians from becoming identity theft victims and losing any of their hard-earned money.

The Federal Trade Commission estimates that 8.3 million Americans were victims of identity theft in 2005 and 1.8 million were targets of “new account fraud” where thieves steal personal information to open new accounts in their victims’ names. The growing number of identity theft victims highlights the need to update our law and to protect Missourians and their assets.

One safeguard we created is a credit freeze option, which is placed on a victim’s credit file at his or her request and prevents anyone from trying to receive credit, loans or services in the victim’s name without permission. By freezing your credit, identity thieves are unable to apply for new credit in your name or buy goods and services with your credit card or other financial information. The freeze would be free if the victim files a police report, otherwise it could cost \$10.

The ability to freeze your credit will help you if you are a victim of identity theft to avoid fighting for years to reverse fraudulent charges and the damages they can cause to your credit profile. Plus, it puts the individual in control, so when you are ready to make a purchase, credit agencies can lift the freeze and have it cleared within 15 minutes.

Fraud is not limited to identity theft. Another issue in the spotlight recently is the increase in mortgage fraud — especially in Missouri, which is one of the top 10 states for mortgage fraud. To help solve the problem, we passed [HB 2188](#), which makes committing mortgage fraud a crime in Missouri and allows local prosecutors to go after these criminals. Currently, only the FBI is able to prosecute offenders.

Mortgage fraud often includes illegally inflating property appraisals, concealing a second mortgage from a primary lender, or hiding a borrower’s identity. This ultimately contributes to higher loan costs and more restrictive lending practices for all consumers.

House Bill 2188 creates civil and criminal penalties for residential mortgage fraud. The legislation makes it a Class C felony to use any device or scheme to defraud; to make an untrue statement or omit information; to receive any portion of the purchase, sale or loan proceeds in connection with a real estate arrangement involving fraud; and to influence appraisals in certain circumstances. Class C felony charges in Missouri can bring a sentence of up to seven years in prison. The bill also creates additional penalties for real estate professionals who commit the crime of mortgage fraud. As experts in the industry, they are held to a higher standard because they can have considerable influence over an unsuspecting consumer.

If you have any comments or questions about this week’s column or any other matter involving state government, please do not hesitate to contact me. You can reach my office by e-mail at [matt\\_bartle@senate.mo.gov](mailto:matt_bartle@senate.mo.gov) or by phone at (888) 711-9278. My web address is <http://www.senate.mo.gov/bartle>.

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