PACIFIC BAY LENDING GROUP
15030 La Mirada Blvd., La Mirada, CA 90638
Tel: 714-367-5125 | NMLS ID 192103

14. LOAN FRAUD STATEMENT

Mortgage Broker acknowledges and agrees that Mortgage Broker bears responsibility for all actions of Mortgage Broker's employees or licensees. The Mortgage Broker is responsible for the content and quality of each application and each loan request submitted to the Lender. The submission of a loan application, which contains false information, may constitute a crime.

TYPES OF LOAN MISREPRESENTATION & FRAUD

1. Submission of inaccurate or misleading information, including false statements on loan application(s) and falsifications of documents purporting to substantiate credit, employment, deposit and asset information, personal information including identity, ownership/non-ownership of real property, etc.
2. Forgery including partially or predominantly accurate information.
3. Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated in the security instrument.
4. Lack of due diligence by broker/loan officer/processor, including failure to obtain all information required by the application and failure to request further information as dictated by borrower's response to other questions.
5. Unquestioned acceptance of information, or documentation, which is actually known, should be known, or should be suspected as inaccurate.
   a. Simultaneous or consecutive processing of multiple owner-occupied loans from one applicant on multiple properties, or from one applicant supplying different information on each application.
   b. Allowing an applicant or interested third party to "assist" with the processing of the loan.
6. Mortgage Brokers' nondisclosure of relevant information.

Mortgage Broker acknowledges that fraud or material misrepresentation may result in the remedies stated in the Agreement and the consequences listed below. The price paid by those who participate in loan fraud is even more costly.

CONSEQUENCES TO MORTGAGE BROKER

1. Criminal prosecution.
2. Loss or suspension of Real Estate Broker License
3. Loss of Lender access due to exchange of information between Lenders, mortgage insurance companies, including submission of information to investors (FHLMC/FNMA), police agencies, and California Department of Real Estate.
4. Civil action commenced by Lender.
5. Civil action by applicant/borrower or other parties to the transaction.
6. Loss of approval status with Lender.

I have carefully read the foregoing and fully understand Lender's position on loan fraud.

Company:____

Principal Officer/Broker of Record name:____________________________

__________________________ ________________

(Signature) **(Date)**