

**Course Title: Fraud in Real Property Transactions: Identification and Avoidance
NM Course #21010191**

Description: Fraud in real property transactions has reached epidemic proportions over the past decade. Real estate brokers need to recognize the signs, learn from the many prosecutions over the past decade, and learn to avoid complicity or worse. This course looks at a number of prosecutions and scenarios from the past decade, revealing the plots and strategies used to create frauds, particularly those frauds perpetrated against lenders. The course focuses on those “red flags” which can lead to or identify a fraud.

Learning Objectives:

- L1: Students will know and recognize the essential elements of fraud, from both legal and congressional sources.**
- L2: Students will understand where most fraud allegations come from, and why (lenders and LTV ratio computations)**
- L3: Students can demonstrate areas of complication, “red-flags,” where fraud can develop in their transactions**
- L3: Students will be able to demonstrate numerous fraud schemes, for avoidance**
- L5: Students can evaluate the proper procedures for fraud avoidance and complicit actions**
- L5: Students can evaluate the need for the proper use of allies to avoid fraud involvement**

The following will be the means used in assessing whether the Learned Objectives have been met: Q+A=questions and answers; CS = case study; L = lecture, PP = power point; GD = group discussions

Timed Outline

0-15	Class introduction and review objectives; the definition of fraud from congressional sources; fraud in 1907 in the Oklahoma panhandle	L; CS
15-30	The 5 elements of Fraud from legal definitions	PP; L

30-45 L	SARs reports as an indicator of the fraud epidemic; the volumes of money involved	PP;
45-60	What's included in frauds: identity theft; falsehoods on loan applications; money laundering; notary fraud; flipping; flopping; funds POC; forgery fraud	PP; CS; Q+A
60-75	Exploring case studies: Amerifunding (Denver); Midtowne Restoration (KC); Bevan Cox; Historical trends leading to the development of the explosion of fraud; New Mexico cases	PP; CS
75-90	Congressional definition of mortgage fraud; loan-to-value ratios fraud involving funds passed between the parties; case study from Denver of second-loan fraud	PP; CS
90-105	Common fraud for property; case study from Santa Fe; Fraud for Profit; 80-% of all loan fraud involves collusion from industry insiders	PP; CS
105-120	Fraud for other criminal purposes; case study of the Noble Group; The role of appraisers; case study of Ralph Roberts	PP; CS
120-135 Q+A	The classic flip; red flags to see it coming; Straw buyers and red flags; fraud in down payment assistance programs	PP;
135-150	Flopping: California case study	CS; Q+A
150-165 Q+A	Foreclosure Trust; Reverse Mortgage fraud; short sale fraud	CS; PP;
165-180 Q+A	Red flags: buyer's sources of funds; purchase price changes; new construction; straw buyers	PP; CS;
180-195 Q+A	Red flags: POCs, Chattel property; commission adjustments	PP;
195-210 Q+A	New Mexico Mortgage Consultant Fraud Prevention Act	PP; CS;
210-225 Q+A	Repair concessions and handling or repair funds	PP: CS;
225-240 Q+A	Websites to explore; Summary and review objectives	PP;