

Interthinx National Mortgage Fraud Risk Index Now at Highest Level since 2009

AGOURA HILLS, Calif., Feb. 26, 2013 (SEND2PRESS NEWSWIRE) – Interthinx, a leading provider of comprehensive risk mitigation solutions for the financial services industry, has released its quarterly “Mortgage Fraud Risk Report,” covering data collected in the fourth quarter of 2012.

According to the most recent analysis, overall risk nationwide increased 16 percent over the previous quarter and 9 percent over fourth-quarter 2011. The overriding source of the increase can be traced to a large increase in property valuation fraud risk. Despite a dip in third-quarter 2012, the overall Index has been trending up since the beginning of 2012 and is now at the highest level observed since the inception of this report in second-quarter 2009.

Other notable findings in the most recent report include:

* Florida and Nevada remain the riskiest states, with the Sunshine State retaining its position at the top after usurping Nevada last quarter. Florida has at least three Metropolitan Statistical Areas (MSAs) in the top ten riskiest lists for overall, ZIP codes, property valuation, and occupancy fraud.

* California and its metros remain at high risk, though to a lesser degree than has been observed in the past. Although California metros are still well represented in all of the top ten type-specific lists, the state fell to eighth riskiest this quarter, the lowest it has been since the inception of this report.

* Fraud risk has dropped significantly in many western states over the past year – as typified by a 20 percent drop in risk in Arizona since the fourth quarter of 2011, which fell to seventh place after spending several years in the top three. Conversely, fraud risk has jumped in the eastern United States, most notably in Illinois and Ohio, which are now ranked fifth and sixth riskiest, respectively.

* The large increase in this quarter’s Index value was primarily driven by a 25 percent surge in property valuation fraud risk. This is due to significant increases in risk nationwide and particularly in recovering MSAs in Florida and California, where significant investor activity is creating rapid price changes and opportunities for value manipulation.

The full report is available at http://www2.interthinx.com/MFRR_2012Q4 .

“Although most of the ‘usual suspects’ that typically dominate the ‘Mortgage Fraud Risk Report’ remain, there is a decided ‘head east’ trend as states

like Illinois and Ohio jump up the ranks of the riskiest and show a marked increase in property valuation fraud risk, especially in markets with high levels of investor activity,” said Mike Zwerner, senior vice president of Interthinx. “Being aware of these broad-based trends enables our industry to make more informed operating decisions and helps educate those with an interest in our industry.”

“Clearly, this report illustrates the reality that the mortgage industry is driven by trends at the state and metropolitan levels and that the will to commit mortgage fraud is not abating – it is simply shifting strategy to meet opportunity,” added Jeff Moyer, president of Interthinx.

The “Mortgage Fraud Risk Report” is an Interthinx information product created by an internal team of fraud experts. This is the fifteenth time Interthinx has released its quarterly report. The report provides deeper insight into current fraud trends through the analysis of more than 12 million loan applications amassed from the industry’s use of the Interthinx FraudGUARD® loan-level fraud detection tool.

For more information about Interthinx and its “Mortgage Fraud Risk Report,” visit <http://www.Interthinx.com/> .

About Interthinx:

Interthinx, a Verisk Analytics (NASDAQ:VRSK) subsidiary, provides essential products and services to mitigate risk in the mortgage and retail lending marketplace. Interthinx offers solutions in mortgage fraud and verification, property valuation, compliance, quality control, loss mitigation, retail loan loss forecasting, and capital planning that are used by the nation’s top financial institutions. Interthinx helps its clients minimize risk, increase operational efficiencies, satisfy regulator demands, manage data verification, and remain compliant. For more information, visit www.interthinx.com or call 1-800-333-4510.

News issued by: Interthinx



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Original Story ID: 2013-02-0226-001 (8546) :: Interthinx-National-Mortgage-Fraud-Risk-Index-Now-at-Highest-Level-since-2009_2013-02-0226-001

Original Keywords: Mortgage Fraud Risk Report, property valuation fraud, Jeff Moyer, Florida fraud, California fraud, Nevada fraud, Verisk Analytics, Inc., NASDAQ: VRSK, Interthinx, Mike Zwerner Interthinx Agoura Hills California AGOURA HILLS, Calif.

Alternate Headline: Property Valuation Fraud Risk Up 25 Percent Q4-2012, says latest Mortgage Fraud Risk Report from Interthinx

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Original Shortcode for Story: <http://goo.gl/rWbi0>