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Mortgage origination fraud and the global economic crisis

A criminological analysis

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PDF

Abstract

Research Summary

The study outlined in this article analyzed the responses of 23 subjects previously and currently employed in the subprime lending industry to understand the implications and role of white-collar crime in the contemporary subprime mortgage crisis and to document the rationalizations that offenders use to explain their involvement in mortgage-related crimes. The subjects represented five sectors of the primary mortgage market, including brokerage, lender, escrow, title, and appraisal offices. Secondary sources of data for the study included media accounts, government reports, and industry studies. The research findings detail accounts of mortgage frauds in the subprime lending industry that resulted from inadequate regulation, the indiscriminate use of alternative loan products, and the lack of accountability in the industry.

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