



Alert!! Local homeowners and title insurance companies are being warned about possible mortgage fraud that involves bogus short sale approval letters from Bank of America. Attorneys' Title Fund Services, one of the largest title insurance underwriters in Florida, sent an alert last week, saying scammers are mimicking the lending giant's approval letters, including similar language and the bank's logo.

In response, Bank of America is asking those who receive letters to verify their authenticity by calling 866-880-1232, option 1.

Three California men were arrested last month in connection with a series of schemes targeting homes in some stage of foreclosure, authorities said.

"In some cases, the defendants used short sale approval letters that had been entirely fabricated to carry out their schemes," the U.S. Attorney's Office in Los Angeles said in a statement. "As a result, homebuyers and investors purchased homes they thought had a clear title but were actually devalued and subject to hundreds of thousands of dollars worth of liens."

In other instances, defendants assumed identities of homeowners or claimed to be working with bank employees, who would approve short sales for less than fair market value, federal law enforcement officials said in the statement. The scams allegedly resulted in more than \$10 million in losses.

One of the men, Ahmed Tariq Asghari, 32, of Sherman Oaks, Calif., was arrested in Miami Beach. It's not clear whether other banks were affected or if any of the schemes occurred in Florida, though mortgage fraud is a major problem in the Sunshine State.

In a short sale, a seller has the lender's permission to unload the home for less than what's owed on the mortgage.

Bank of America said in a statement the scams focused mostly on high-end homes. As a result, the lender wants title companies to verify approval letters on loan balances exceeding \$500,000.

But Bank of America said it will confirm any approval letter, no matter the amount of the mortgage. "We would rather be safe than sorry, and if you are suspicious about a letter, then we are concerned as well," the lender said.

The scams appear to be fueled by a breakdown in communication between a title company and the bank, said Jerron Kelley, a foreclosure defense lawyer in Boca Raton <<http://www.sun-sentinel.com/community/news/bocaraton?track=tax-bocaraton>>.

"We are aware exactly where a file stands and we're in direct communication with a negotiator at the bank, who we can always reach out to with questions," Kelley said.

Florida tops the nation in mortgage fraud, according to MortgageDaily.com. The Dallas-based trade publication said more than \$260 million worth of fraud was being investigated in the Sunshine State at the end of the first quarter of the year.

Powers@tribune.com <<mailto:Powers@tribune.com>>, 561-243-6529 or Twitter @paulowers