



Mortgage Fraud Brief

Quarterly Mortgage Fraud Insights

The CoreLogic® National Mortgage Application Fraud Risk Index (Index) for Q4 2022 is 127, up 3.6% from the prior quarter. The year-over-year trend is down 7% from Q4 2021, when the Index stood at 137.

Overall application volumes continued their decline in Q4. Purchase share remains high at 75% of transactions. As was the case last quarter, government-backed purchase share increased again, from 15% to 17% of applications.

We analyzed our most predictive alerts that had moderate increases from September to December and see trends in identity, income, transaction, and occupancy risk areas.

- **Identity:** More applications with limited or inconsistent borrower consumer data history.
- **Income:** Increase in incomes that appear inflated compared to property value and signs of income-fitting (adjusting income to meet DTI thresholds).
- **Occupancy:** Increased reverse occupancy alerts, indicating possible use of false projected rental income.
- **Transaction:** Higher levels of distressed properties and transactions with multiple high risk elements.

One alert that increased significantly was the alert for repeat applications for the same borrower, property, and lender. This alert firing rate was up 20%. We encourage our lenders to reference the prior loan application when this alert fires to ensure any changes to qualifying information between the two applications are well-supported.

Highest Fraud Risk Metros

METRO NAME	POPULATION*	Q4 2022 FRAUD RISK RANK	Q3 2022 FRAUD RISK INDEX	Q4 2022 FRAUD RISK INDEX	QUARTER OVER QUARTER, Q3 2022 to Q4 2022
Miami-Fort Lauderdale-Pompano Beach, FL	6,173,008	1	308	310	1%
Poughkeepsie-Newburgh-Middletown, NY	678,527	2	245	275	12%
New Haven-Milford, CT	851,948	3	196	259	32%
Stockton, CA	767,967	4	226	237	4%
New York-Newark-Jersey City, NY-NJ-PA	19,124,359	5	213	223	5%
Bridgeport-Stamford-Norwalk, CT	942,426	6	201	220	10%
New Orleans-Metairie, LA	1,272,258	7	205	209	2%
Los Angeles-Long Beach-Anaheim, CA	13,109,903	8	191	205	7%
Houston-The Woodlands-Sugar Land, TX	7,154,478	9	192	191	-1%
Providence-Warwick, RI-MA	1,623,890	10	156	180	15%
McAllen-Edinburg-Mission, TX	875,200	11	166	176	6%
San Francisco-Oakland-Berkeley, CA	4,696,902	12	161	171	6%
Springfield, MA	695,654	13	109	170	56%
Riverside-San Bernardino-Ontario, CA	4,678,371	14	152	168	10%
Chicago-Naperville-Elgin, IL-IN-WI	9,406,638	15	142	164	15%

CoreLogic Mortgage Fraud Solutions

CoreLogic is the industry's trusted provider for mortgage risk mitigation solutions. With the nation's largest mortgage application database, patented risk analytics and team of mortgage fraud experts, CoreLogic knows how to identify and lower the risk of mortgage fraud. [Learn more.](#)

The Mortgage Fraud Risk Index

The Mortgage Fraud Risk Index is calculated from the aggregation of individual loan application fraud risk scores during the previous quarter. Score compilations are calculated for the 100 highest-populated Core Based Statistical Areas (CBSA) in the US, and the 15 CBSAs with the highest Fraud Risk for the most recent quarter are shown in rank order.

For more information, visit corelogic.com or call 866-774-3282

The CoreLogic Mortgage Fraud Brief analyzes the collective level of loan-application fraud risk the mortgage industry is experiencing as measured quarterly by the CoreLogic Mortgage Application Fraud Risk Index, which is based on residential mortgage loan applications processed by CoreLogic LoanSafe Fraud Manager™. For information on our Mortgage Application Fraud Index Methodology, email loansafe@corelogic.com.

The top 100 CBSAs for fraud risk are available to members of the CoreLogic Mortgage Fraud Consortium and can be downloaded from the [LoanSafe Connect™](#) Resource page.

** Top 100 CBSAs are determined by population. 2019 resident total population estimate from U.S. Census Bureau Population Division March 2020 release.*

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