



Mortgage & Real-Estate Fraud

What Arkansas Lawmakers Should Know

Prepared by the Mortgage Bankers Association of Arkansas

The Problem: Fraud Is Evolving — and Harder to Detect

Mortgage and real-estate fraud has changed dramatically in recent years. Modern scams rely on impersonation, digital deception, and manufactured urgency. These schemes often look legitimate, professional, and familiar, making them difficult to detect. Victims are not careless — they are targeted.

Common Mortgage & Real-Estate Scams Impacting Arkansans

Phone Spoofing & Impersonation: Scammers falsify caller ID numbers to appear as banks, mortgage lenders, title companies, or government agencies. Consumers are pressured to act quickly regarding a supposed problem with a loan, escrow account, or payoff.

Fake Social Media & Online Advertisements: Fraudulent ads promise guaranteed approvals, foreclosure relief, government-sounding programs, or reverse mortgage cash. These ads often use stolen logos, fake reviews, and polished websites.

Fake Loan Payoffs & Wire Fraud: Borrowers receive fraudulent payoff statements or altered wiring instructions. Funds are wired and immediately stolen, often at or just before closing.

Reverse Mortgage Scams (Targeting Seniors): Bad actors misrepresent costs and terms, pressure seniors to act quickly, and strip home equity unnecessarily.

Identity-Based Mortgage Fraud: Criminals use stolen personal information to apply for loans, redirect payments, or alter servicing records. Damage is often discovered only after credit harm occurs.



Protecting Consumers & Strengthening Awareness

What Consumers Can Do to Protect Themselves

Slow Down: Urgency is a major red flag. Legitimate lenders do not threaten or rush consumers.

Verify Independently: Before sending money or personal information, consumers should hang up, look up the company independently, and call back using a known, trusted phone number.

Be Skeptical of Online Offers: Warning signs include guaranteed approvals, no documentation requirements, and unverified government programs.

Confirm Wiring Instructions Verbally: Always confirm wiring instructions by phone with a known, trusted contact using previously verified contact information.

Work With Licensed Professionals: Mortgage professionals are licensed and searchable through the Nationwide Multistate Licensing System (NMLS). Consumers should be cautious of untraceable or online-only operators.

Why This Matters

Mortgage and real-estate fraud is a consumer protection issue that disproportionately impacts seniors, first-time homebuyers, and working families. Education and awareness remain among the most effective tools to reduce harm.

Mortgage Bankers Association of Arkansas – Legislative Committee | Consumer Protection Advocacy