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## **National Notary Association Issues Consumer Tips to Protect Against Mortgage Fraud**

*FBI and NNA collaborate on the heels of FBI warning  
that mortgage fraud has become "epidemic"*

**Los Angeles, California (October 21, 2004)** – To assist with the FBI's efforts to promote mortgage fraud awareness, the NNA has published a list of "***Tips to Protect Yourself From Mortgage Fraud at Closing.***" The tips alert consumers to aspects of the typical closing that are susceptible to mortgage fraud.

Federal officials and mortgage banking industry representatives have recently identified mortgage fraud as a significant problem nationwide with the potential to rival the country's S&L crisis of the 1980's.<sup>1</sup> Notarization is an effective weapon against mortgage fraud because it verifies identity, proves willingness and awareness on the part of the signer, authenticates signatures, and creates an auditable evidence trail for prosecution. In addition, the notarial seal is an authenticating tool that is used by law enforcement in detecting cases of document tampering.

The NNA, the nation's leading professional organization dedicated to the promotion and support of Notaries, has also issued to the FBI a five-page document that describes the use of notarization in deterring, detecting, and prosecuting forgery and other forms of identity crimes. The document states that notarizations are readily available to law enforcement agencies as part of ongoing criminal investigations.

"We view our NNA notaries as 'Guardians of Property Rights' because they are uniquely suited to protect consumers and businesses from fraud through their roles as professional identity screeners and impartial witnesses" said Tim Reiniger, Executive Director of the NNA. "Our Notaries are trained and have access to the most up to date information on proper documentation and witnessing. Working with a Notary gives a consumer the security and peace of mind that his/her property and identity rights are being protected."

The NNA is often called on to explain and promote Notarial Best Practices to industry and law enforcement. The NNA's "Model Notary Act" has formed the basis of Notarial laws and statutes across the country. More info on the role of the Notary in protecting against mortgage fraud, including the NNA's Model Notary Act and consumer alert warning "***Tips to Protect Yourself From Mortgage Fraud at Closing***" can be found on the NNA's website at NationalNotary.org.

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<sup>1</sup> <http://www.cnn.com/2004/LAW/09/17/mortgage.fraud/>

## **TIPS TO PROTECT YOURSELF FROM MORTGAGE FRAUD AT CLOSING**

- 1) Start on the right foot. Make sure the name on your application matches the name on your primary form of identification. The notarization at the closing table may be delayed, and possibly denied, if these names don't match.
- 2) Know and understand the terms of your mortgage. Bring all your loan information with you to the closing so that you can compare the list of loan terms, the loan type and the interest rate information on the documents with the loan terms that you agreed to when the documents were drawn.
- 3) Be prepared. Don't assume that your lender has captured all of your personal information accurately. Check your application information against the final loan documents to ensure that the information is correct and complete.
- 4) Never sign any loan documents that contain blanks. The documents should not be notarized if there are blanks. Blanks in your document make you vulnerable to fraud.
- 5) Know your right of rescission period and if it applies to your loan. If you have a rescission period you will have three days in which to cancel the deal. Understand that if you exercise your right to rescind, there may be other risks you hadn't anticipated, like losing your locked in mortgage rate.
- 6) Know what you're signing. The Notary's role is to be an impartial, third-party witness. Notaries know very little about the contents of your loan package and will not be able to answer questions related to the specifics of your loan. If you have any concerns about your loan, these should be clarified with your loan officer before you sign your documents.
- 7) Make sure that you and your Notary are in the same room at the same time when the document is being signed. You must appear in person in front of a Notary to have your signature notarized, even if the documents have been exchanged electronically throughout the process.
- 8) Work only with a Notary who can communicate directly with you in your own language. Do not depend on an interpreter who may have a motive for misrepresenting the document. Ask for a bilingual Notary if you speak a language other than English.
- 9) Use a professional Notary who has been trained by the National Notary Association and keeps current on important developments in fraud prevention and detection through NNA membership. It is risky to rely on an untrained Notary.

### **About The National Notary Association**

The National Notary Association (NNA), America's professional Notary organization, develops and promotes notarial standards and best practices for the nation's Notaries. The organization is committed to furthering the practice, professionalism and ethical standards of the Notary profession. For more information about the National Notary Association call 800-US NOTARY (800-876-6827) or visit [www.NationalNotary.org](http://www.NationalNotary.org).

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