



## ***FRAUD POLICY***

**Senior Freedom Inc. (SFI) has a zero tolerance policy on loan fraud!**

**THE SUBMISSION OF A LOAN APPLICATION CONTAINING FALSE INFORMATION IS A CRIME!**

### **Examples of Loan Fraud**

- Submission of inaccurate information, including false statements on loan application(s) and/or falsification of documents purporting to substantiate credit, employment, deposit and asset information, personal information including identity, ownership/non-ownership of real property, etc.
- Forgery of partially or predominately accurate information.
- Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated in the security instrument.
- Lack of due diligence by loan officer/interviewer/processor, including failure to obtain all information required by the application and failure to request further information as dictated by borrower's response to other questions.
- Unquestioned acceptance of information or documentation which is known, should be known, or should be suspected inaccurate
- Simultaneous or consecutive processing of multiple owner-occupied loans from one applicant.
- Allowing an applicant or interested third party to assist with the processing of the loan.
- Branch's non-disclosure of relevant information.
- Manager/Employee opening any bank or credit accounts in the name of Senior Freedom Inc.
- Manager/Employee cashing any check made payable to Senior Freedom Inc., or any third party vendor.
- Manager/Employee accepting direct payment from a borrower for any reason.

### **Consequences to the individual committing fraud (Borrower or Loan Officer)**

- Criminal Prosecution
- Financial responsibility (either initially or in the form of repayment/indemnity to the plaintiff(s) who were affected by the loan fraud)
- Loss of lender access due to exchange of information between lenders, mortgage insurance companies including submission of information to investors, police agencies, Department of Savings and Mortgage Lending, and the Department of Real Estate.
- Civil action by Senior Freedom Inc.
- Civil action by applicant/borrower or other parties to the transaction

- Employment Termination.
- Loss of professional license

### Consequences to Borrower

- Acceleration of debt. Borrower shall also be in default if borrower, during the loan application process, gave materially false or inaccurate information or statements to lender (or failed to provide lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning borrower's occupancy of the property as a principal residence. Note: Foreclosure as a result of loan fraud means the borrower will not have the benefit of reinstatement in order to cure the default; the borrower must pay off the loan in full prior to the sale date of the property.

In addition, the borrower may be subject to the following consequences:

- Criminal prosecution.
- Civil action by Senior Freedom Inc.
- Civil action by other parties to transaction, such as seller or real estate agent/broker.
- Adverse effect on credit history.

I have read the foregoing and understand SFI's position on Loan Fraud and hereby agree to conduct myself according to the policy set forth.

\_\_\_\_\_  
Signature of loan Originator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

Senior Freedom Inc.  
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