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Eastern District of California**

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FORMER SAN DIEGO COUNTY LOAN PROCESSOR AGREES TO CIVIL SETTLEMENT FOR MORTGAGE FRAUD SCHEME

SACRAMENTO, Calif. — The United States has settled an investigation against Encinitas-based mortgage loan processor Loan Tech Inc. and its president, Emily Kaye-Eddie, seeking damages and civil penalties for a 2008-2009 mortgage fraud scheme that caused losses to the Federal Housing Administration, United States Attorney Benjamin Wagner announced today.

"Targeting fraudsters in the residential real estate industry has been one of this office's top priorities," U.S. Attorney Wagner said. "Today's settlement is another success in our fight against the mortgage fraud schemes that resulted in devastating consequences for homeowners and communities in this region."

James Todak, Special Agent In Charge of HUD's Office of the Inspector General, said: "The mortgage landscape has shifted; thus we are watching very carefully and are poised to take action against bad performing FHA loan processors. This civil settlement with Loan Tech shows our commitment to protecting the FHA program and its important use of government funds."

Kaye-Eddie and the now-defunct Loan Tech processed and submitted applications for FHA-insured mortgage loans that included false statements, including fraudulent rental agreements falsely stating, unbeknownst to the borrowers, that the borrowers were receiving rental income when they were not. Without the falsely documented rental income, the borrowers would not have qualified for FHA-insured loans. The homes were in the Eastern District of California in Sacramento, West Sacramento, and Williams. All but one of the loans have been delinquent at some point, and two of the homes have gone into foreclosure.

Under the settlement announced today, Loan Tech and Kaye-Eddie have agreed to pay \$75,000 to settle the dispute, and have also agreed to a 10-year exclusion from participating in the origination of loans secured by FHA or HUD. The defendants deny liability.

The case is the product of an investigation by HUD's Office of Inspector General. Assistant United States Attorney Colleen M. Kennedy prosecuted the case in conjunction

with the President's Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys' offices and state and local partners, it is the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state, and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. For more information on the task force, please visit **www.StopFraud.gov**.

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