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2009

1 A bill to be entitled
2 An act relating to mortgage fraud; providing legislative
3 findings; creating the Statewide Mortgage Fraud Task Force
4 within the Department of Legal Affairs; providing for
5 membership; providing duties of the statewide task force;
6 providing for the establishment of regional mortgage fraud
7 task forces; requiring that the Department of Legal
8 Affairs provide staff for the regional task forces;
9 providing for membership of the regional task forces;
10 providing duties of the regional task forces; providing
11 for reimbursement of nongovernmental members' per diem and
12 travel expenses; providing an effective date.

13
14 WHEREAS, mortgage fraud is a significant problem throughout
15 the United States and is having a particularly damaging affect
16 on mortgage investors and homeowners in this state, and

17 WHEREAS, certain types of mortgage fraud result in an
18 artificial inflation in the value of residential property, which
19 is directly correlated with an increase in the number of
20 foreclosure filings, and

21 WHEREAS, this state is ranked number one in incidents of
22 mortgage fraud and also has one of the highest foreclosure rates
23 in the nation, and

24 WHEREAS, establishing statewide and regional task forces to
25 coordinate investigations of and solutions to mortgage fraud
26 will help combat and reduce the effect of mortgage fraud, NOW,
27 THEREFORE,

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29 Be It Enacted by the Legislature of the State of Florida:

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31 Section 1. Statewide Mortgage Fraud Task Force.--

32 (1) The Legislature finds that there is a need to develop
 33 and implement a statewide strategy to address mortgage fraud
 34 within or affecting this state.

35 (2) The Statewide Mortgage Fraud Task Force is established
 36 within the Department of Legal Affairs for the purpose of
 37 combating mortgage fraud throughout the state.

38 (a) The Statewide Mortgage Fraud Task Force shall be
 39 composed of the following 21 members:

40 1. The Lieutenant Governor or the Lieutenant Governor's
 41 designee.

42 2. The Attorney General or the Attorney General's
 43 designee.

44 3. The executive director of the Department of Law
 45 Enforcement.

46 4. The Commissioner of Financial Regulation or the
 47 commissioner's designee, who must be knowledgeable about
 48 mortgage lending and related financial institutions.

49 5. The chair of each regional task force.

50 6. Seven representatives from the business community, the
 51 Florida Credit Union League, the Florida Bankers Association,
 52 the Florida Association of Mortgage Brokers, the Florida Real
 53 Estate Commission, the appraisal community, and the title
 54 insurance industry, as designated by the chair.

55 7. Three citizens chosen by the chair.

56 (b) The Attorney General or the Attorney General's

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57 designee shall serve as the chair of the Statewide Mortgage
58 Fraud Task Force and the executive director of the Department of
59 Law Enforcement shall serve as the vice chair.

60 (c) The Attorney General shall appoint an executive
61 director for the Statewide Mortgage Fraud Task Force. The
62 executive director shall carry out the tasks and duties of the
63 task force. Staffing of the Statewide Mortgage Fraud Task Force
64 shall be provided by the Department of Legal Affairs.

65 (3) The Statewide Mortgage Fraud Task Force shall:

66 (a) Collect data about and serve as a resource and
67 clearinghouse for information relating to mortgage fraud,
68 including ongoing investigations and prosecutions around the
69 state which involve mortgage fraud.

70 (b) Coordinate and initiate statewide or regional mortgage
71 fraud investigations through the statewide prosecutor or local
72 state attorneys.

73 (c) Within available resources, establish a statewide
74 toll-free telephone hotline for reporting mortgage fraud,
75 providing information and resources to the public regarding
76 mortgage fraud, and routing reports of mortgage fraud to the
77 appropriate law enforcement agencies, and prosecutorial
78 agencies, and the regional task forces.

79 (d) In conjunction with the state agencies responsible for
80 determining training needs and establishing training standards
81 for law enforcement officers, state attorneys, and regulatory
82 personnel, identify and make recommendations relating to
83 equipment and training. This shall including continued training
84 for state licensure or certification. In making these

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85 recommendations, which shall be aimed at ensuring that the needs
86 of this state with regard to preparing, equipping, and training
87 law enforcement officers, state attorneys, and regulatory
88 personnel to combat mortgage fraud are identified and addressed,
89 the task force shall identify all resources and funding sources
90 that may be available to support and fund such efforts.

91 (e) Propose legislation to eliminate and prevent mortgage
92 fraud, including measures that close loopholes in procedures for
93 making mortgage loans and prevent practices by property
94 appraisers which provide opportunities for mortgage fraud.

95 (f) Make recommendations to the Legislature regarding
96 detection, monitoring, prediction, and control of mortgage fraud
97 in this state.

98 (4) The Attorney General shall designate seven mortgage
99 fraud operational regions, and a regional mortgage fraud task
100 force shall be established within each region. The Department of
101 Legal Affairs shall provide staff whose sole task is to support
102 the functions and activities of the regional task forces.

103 (a) Each regional task force shall be chaired by the
104 special agent of the Department of Law Enforcement who is in
105 charge of the operational region in which the task force is
106 located. The Attorney General shall appoint one sheriff, one
107 chief of police, and one state attorney from jurisdictions
108 located within the region of operations.

109 (b) Each regional task force shall consist of 15 members.
110 The special agent of the Department of Law Enforcement shall
111 select 11 citizens from the region of operations.

112 (c) The chairs of each regional task force may appoint

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113 committees and committee chairs, as necessary, to address issues
114 related to the various agencies and organizations represented by
115 the members on the task force, including issues involving law
116 enforcement agencies, regulatory agencies, business
117 partnerships, or educational organizations. The committee chairs
118 shall serve at the pleasure of the regional chairs.

119 (d) Each regional task force, with oversight and direction
120 from the statewide mortgage fraud task force, shall:

121 1. Meet with local law enforcement agencies, sheriff's
122 departments, and state attorneys to coordinate local initiatives
123 to address mortgage fraud.

124 2. Coordinate efforts with law enforcement agencies to
125 enforce s. 817.545, Florida Statutes, and other related state
126 and federal laws, to ensure that the efforts are not fragmented
127 or unnecessarily duplicative.

128 3. Coordinate training for local and state personnel
129 relating to mortgage fraud and other related state and federal
130 laws.

131 4. Coordinate the collection and dissemination of state
132 and local investigative information relating to mortgage fraud
133 within each region of operation.

134 5. Incorporate other objectives reasonably related to the
135 goal of enhancing the state's ability to detect, prevent, and
136 respond to mortgage fraud within or affecting the state. Each
137 regional task force shall take into account the unique
138 conditions and resources within its region.

139 (5) The nongovernmental members of the Statewide Mortgage
140 Fraud Task Force and the regional task forces shall serve on a

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141 voluntary basis without compensation for their services, but are
142 entitled to reimbursement for per diem and travel expenses as
143 provided in s. 112.061, Florida Statutes. All expenses for
144 nongovernmental members shall be reimbursed from the Statewide
145 Mortgage Fraud Task Force Trust Fund.

146 Section 2. This act shall take effect July 1, 2009.