

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; specifying certain trust funds for
13 deposits of federal funds or private donations funds for
14 the task force; providing an effective date.

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

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

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

26 WHEREAS, establishing statewide and regional task forces to
27 coordinate investigations of and solutions to mortgage fraud

28 | will help combat and reduce the effect of mortgage fraud, NOW,
 29 | THEREFORE,

31 | Be It Enacted by the Legislature of the State of Florida:

33 | Section 1. Statewide Mortgage Fraud Task Force.--

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

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

40 | (a) The Statewide Mortgage Fraud Task Force shall be
 41 | composed of the following 21 members:

42 | 1. The Lieutenant Governor or the Lieutenant Governor's
 43 | designee.

44 | 2. The Attorney General or the Attorney General's
 45 | designee.

46 | 3. The executive director of the Department of Law
 47 | Enforcement or the executive director's designee.

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

51 | 5. The chair of each regional task force.

52 | 6. Seven representatives from the business community, the
 53 | Florida Credit Union League, the Florida Bankers Association,
 54 | the Florida Association of Mortgage Brokers, the Florida Real
 55 | Estate Commission, the appraisal community, and the title

56 insurance industry, as designated by the chair.

57 7. Three citizens chosen by the chair.

58 (b) The Attorney General or the Attorney General's
59 designee shall serve as the chair of the Statewide Mortgage
60 Fraud Task Force and the executive director of the Department of
61 Law Enforcement or the executive director's designee shall serve
62 as the vice chair.

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

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

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

73 (b) Coordinate and initiate statewide or regional mortgage
74 fraud investigations through the statewide prosecutor or local
75 state attorneys.

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

82 (d) In conjunction with the state agencies responsible for
83 determining training needs and establishing training standards

84 for law enforcement officers, state attorneys, and regulatory
85 personnel, identify and make recommendations relating to
86 equipment and training. This shall including continued training
87 for state licensure or certification. In making these
88 recommendations, which shall be aimed at ensuring that the needs
89 of this state with regard to preparing, equipping, and training
90 law enforcement officers, state attorneys, and regulatory
91 personnel to combat mortgage fraud are identified and addressed,
92 the task force shall identify all resources and funding sources
93 that may be available to support and fund such efforts.

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

98 (f) Make recommendations to the Legislature regarding
99 detection, monitoring, prediction, and control of mortgage fraud
100 in this state.

101 (4) The Attorney General shall designate three mortgage
102 fraud operational regions, and a regional mortgage fraud task
103 force shall be established within each region. The three regions
104 shall be established by dividing the state into a northern
105 region, a central region, and a southern region. The Department
106 of Legal Affairs shall provide staff whose sole task is to
107 support the functions and activities of the regional task
108 forces.

109 (a) Each regional task force shall be chaired by the
110 special agent of the Department of Law Enforcement who is in
111 charge of the operational region in which the task force is

112 located. The Attorney General shall appoint one sheriff, one
 113 chief of police, and one state attorney from jurisdictions
 114 located within the region of operations. A sheriff, chief of
 115 police, or state attorney appointed to a regional task force may
 116 select a designee to serve as his or her representative.

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

120 (c) The chairs of each regional task force may appoint
 121 committees and committee chairs, as necessary, to address issues
 122 related to the various agencies and organizations represented by
 123 the members on the task force, including issues involving law
 124 enforcement agencies, regulatory agencies, business
 125 partnerships, or educational organizations. The committee chairs
 126 shall serve at the pleasure of the regional chairs.

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

129 1. Meet with local law enforcement agencies, sheriff's
 130 departments, and state attorneys to coordinate local initiatives
 131 to address mortgage fraud.

132 2. Coordinate efforts with law enforcement agencies to
 133 enforce s. 817.545, Florida Statutes, and other related state
 134 and federal laws, to ensure that the efforts are not fragmented
 135 or unnecessarily duplicative.

136 3. Coordinate training for local and state personnel
 137 relating to mortgage fraud and other related state and federal
 138 laws.

139 4. Coordinate the collection and dissemination of state

140 and local investigative information relating to mortgage fraud
141 within each region of operation.

142 5. Incorporate other objectives reasonably related to the
143 goal of enhancing the state's ability to detect, prevent, and
144 respond to mortgage fraud within or affecting the state. Each
145 regional task force shall take into account the unique
146 conditions and resources within its region.

147 (5) The nongovernmental members of the Statewide Mortgage
148 Fraud Task Force and the regional task forces shall serve on a
149 voluntary basis without compensation for their services, but are
150 entitled to reimbursement for per diem and travel expenses as
151 provided in s. 112.061, Florida Statutes. All expenses for
152 nongovernmental members shall be reimbursed from the Federal
153 Grants Trust Fund or the Grants and Donations Trust Fund located
154 within the Department of Legal Affairs.

155 (6) Federal funds for the Statewide Mortgage Fraud Task
156 Force shall be deposited into the Federal Grants Trust Fund
157 located within the Department of Legal Affairs. Private
158 donations for the Statewide Mortgage Fraud Task Force shall be
159 deposited into the Grants and Donations Trust Fund located
160 within the Department of Legal Affairs. These funds shall be the
161 exclusive means for funding the Statewide Mortgage Fraud Task
162 Force.

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