II

111TH CONGRESS
1ST SESSION

S. 365

To establish in the Department of Justice the Nationwide Mortgage Fraud Task Force to address mortgage fraud in the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 3, 2009

Mr. NELSON of Florida introduced the following bill; which was read twice and referred to the Committee on the Judiciary

---

A BILL

To establish in the Department of Justice the Nationwide Mortgage Fraud Task Force to address mortgage fraud in the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Nationwide Mortgage Fraud Task Force Act of 2009’’.

SEC. 2. NATIONWIDE MORTGAGE FRAUD TASK FORCE.

(a) ESTABLISHMENT.—There is established in the Department of Justice the Nationwide Mortgage Fraud Task Force (hereinafter referred to in this section as the

"Task Force") to address mortgage fraud in the United States.

(b) SUPPORT.—The Attorney General shall provide the Task Force with the appropriate staff, administrative support, and other resources necessary to carry out the duties of the Task Force.

(c) EXECUTIVE DIRECTOR.—The Attorney General shall appoint one staff member provided to the Task Force to be the Executive Director of the Task Force and such Executive Director shall ensure that the duties of the Task Force are carried out.

(d) BRANCHES.—The Task Force shall establish, oversee, and direct branches in each of the 10 States determined by the Attorney General to have the highest concentration of mortgage fraud.

(e) MANDATORY FUNCTIONS.—The Task Force, including the branches of the Task Force established under subsection (d), shall—

(1) establish coordinating entities, and solicit the voluntary participation of Federal, State, and local law enforcement and prosecutorial agencies in such entities, to organize initiatives to address mortgage fraud, including initiatives to enforce State mortgage fraud laws and other related Federal and State laws;

(2) provide training to Federal, State, and local law enforcement and prosecutorial agencies with respect to mortgage fraud, including related Federal and State laws;

(3) collect and disseminate data with respect to mortgage fraud, including Federal, State, and local data relating to mortgage fraud investigations and prosecutions; and

(4) perform other functions determined by the Attorney General to enhance the detection of, prevention of, and response to mortgage fraud in the United States.

(f) OPTIONAL FUNCTIONS.—The Task Force, including the branches of the Task Force established under subsection (d), may—

(1) initiate and coordinate Federal mortgage fraud investigations and, through the coordinating entities established under subsection (e), State and local mortgage fraud investigations;

(2) establish a toll-free hotline for—

(A) reporting mortgage fraud;

(B) providing the public with access to information and resources with respect to mortgage fraud; and

(C) directing reports of mortgage fraud to the appropriate Federal, State, and local law enforcement and prosecutorial agency, including to the appropriate branch of the Task Force established under subsection (d);

(3) create a database with respect to suspensions and revocations of mortgage industry licenses and certifications to facilitate the sharing of such information by States;

(4) make recommendations with respect to the need for and resources available to provide the equipment and training necessary for the Task Force to combat mortgage fraud; and

(5) propose legislation to Federal, State, and local legislative bodies with respect to the elimination and prevention of mortgage fraud, including measures to address mortgage loan procedures and property appraiser practices that provide opportunities for mortgage fraud.

(g) DEFINITION.—In this section, the term ''mortgage fraud'' means a material misstatement, misrepresentation, or omission relating to the property or potential mortgage relied on by an underwriter or lender to fund, purchase, or insure a loan.

○