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[TECHNOLOGY'S ROLE IN DETECTING REAL ESTATE FRAUD](#)

If you read this blog with any regularity, you may have noticed that **I'll be speaking at next month's Joint NPRRA-REIPA Conference** in San Antonio, TX, about technology's growing influence in detecting real estate and mortgage fraud. With nearly every major newspaper in the country, along with industry trade publications and blogs like mine, covering the surge in real estate and mortgage fraud-related activity, it's a no brainer that tech firms are rushing to market with solutions they claim can detect the warning signs of fraudulent real estate transactions. Carlsbad, California-based **BasePoint Analytics**--an early provider of 'scientific fraud scoring' software for the banking industry--says it now helps mortgage lenders by applying 'lessons learned' in banking's fight against credit card fraud in the fight against mortgage fraud. As a result of using BasePoint's '**FraudMark**' software, the company says real estate industry insiders are able to protect against fraud while keeping their mortgage offerings more affordable. BasePoint may be onto something here. To combat credit card fraud, the nation's banks essentially went through a 4-step 'fraud detection solution evolution' that spanned nearly 30 years. Those steps included:

1. Reactive Investigations: Banks manually investigated customer reports and tips from other institutions and law enforcement officials.
2. Exception Reporting: Banks used computers to track common indicators of risk, such as the number and amount of transactions in a day.
3. Analytical Prevention: Using advanced scientific pattern recognition software, banks were able to provide early warnings of potentially fraudulent activity.
4. Optimized Fraud Sciences: Banks optimized scores and rules to obtain the greatest profit while keeping fraud at a minimum.

The result of banking's investment in this process has been a 70 percent reduction in credit card fraud. As we know all too well, fraudsters and scammers have expanded their focus to include real estate, where complex underwriting processes and a competitive lending market enable them to steal