

STATEMENT OF THE HONORABLE WM. LACY CLAY  
Before the  
Subcommittee on Housing and Community Opportunity  
“Mortgage Fraud and Its Impact on Mortgage Lenders”  
October 7, 2004

Good morning Chairman Ney, Ranking Member Waters, Members of the committee and witnesses.

I could not help but notice that there are several organizations present that have led this fight for years on the behalf of the consumers. I applaud the efforts of all of you. I especially want to recognize ACORN as they are such a wonderful working force in Missouri and, of course, in St. Louis.

I am pleased that we are addressing all facets of the mortgage arena when as we employ various techniques to fight fraud and abuse. Consumers, the lending industry and the markets all suffer when fraudulent schemes and activities are employed by assorted financial predators. We must continue to address these issues in these areas in order to preserve a healthy system that is getting better.

I am particularly interested in hearing more about “Operation Continued Action”, the nationwide investigation conducted by the FBI. I have been aware of the huge amounts of money that is defrauded in mortgage finance; however, I am stunned by the organization of large scale operations that engage in financial institution fraud.

Mr. Chairman, I ask unanimous consent to submit my remarks for inclusion in the record?

Thank you.