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News Release

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St. Paul woman charged in mortgage fraud scheme

MINNEAPOLIS—Late the past Friday afternoon a 29-year-old St. Paul woman was charged with participating in a scheme to defraud mortgage lenders out of more than \$5 million. Lindsey Rae Loyear was charged via an Information with one count of conspiracy to commit mortgage fraud.

Allegedly from 2006 through October of 2008, Loyear conspired with others to defraud mortgage lenders in connection with financing real estate transactions in the Twin Cities, including the purchase of Cloud 9 Sky Flats development in Minnetonka. The scheme involved the submission of false information to lenders in order to obtain mortgage loans.

As a real estate agent and mortgage broker, Loyear allegedly concealed information from potential lenders, including that she had arranged short-term loans to buyers to use as down payments and had paid cash kickbacks to buyers for purchasing the properties.

Altogether more than 130 units were sold through the scheme, and more than \$8 million was transferred to accounts, which were then used to pay kickbacks and share loan proceeds among co-conspirators.

If convicted, Loyear faces a potential maximum penalty of five years in prison. All sentences will be determined by a federal district court judge.

This case is the result of an investigation by the Federal Bureau of Investigation and the United States Postal Inspection Service. It is being prosecuted by Assistant U.S. Attorneys Robert M. Lewis and Tracy L. Perzel.

This law enforcement action is in part sponsored by the interagency Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. It includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and, with state and local partners, investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

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A defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.