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PRESS RELEASE

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TITLE COMPANY OWNER PLEADS GUILTY TO SCHEME TO PAY KICKBACKS TO MORTGAGE BROKERS

SARAH FAWAZ, 39, of Dearborn, pleaded guilty to conspiracy to commit wire fraud in connection with a company she owned, Metro West Title Company, announced United States Attorney Barbara L. McQuade.

McQuade was joined in the announcement by Jeffrey Frost, Special Agent in Charge, United States Secret Service, and Keith Hohimer, Special Agent in Charge of the Small Business Administration-Office of Inspector General.

According to the Information filed with the court, mortgage lenders rely upon title companies to verify that the title of the property used as collateral is clear, to determine whether any liens on the property have been paid in full, to prepare closing documents, and to distribute loan proceeds. Title companies are required to document loan disbursements on a form commonly known as a HUD-1. The Real Estate Procedures Act (RESPA) prohibits the payment of referral fees by title companies to mortgage brokers.

Beginning in February 2007, Fawaz participated in a conspiracy to pay kickbacks to mortgage brokers in return for the mortgage brokers bringing business to Metro West Title Company. Fawaz intentionally failed to report the payment of the kickbacks on the HUD-1 form. Lenders relied on the incomplete information in the HUD-1 forms when disbursing loan proceeds. During the course of the scheme Fawaz obtained between $200,000 and $400,000.

Conspiracy to commit wire fraud carries a maximum penalty of five years imprisonment and a fine of up to $250,000.

A sentencing hearing will be set by United States District Court Judge Patrick J. Duggan.

The investigation of this case was conducted by special agents of the United States Secret Service and the United States Small Business Administration, Office of Inspector General. Assistant United States Attorney Philip A. Ross is prosecuting the case.