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## **TEXAS MAN PROSECUTED IN WESTERN DISTRICT OF LOUISIANA FOR ILLEGAL LOAN SCHEME**

### *Defendant diverting loan payments to pay personal loan*

Lafayette, Louisiana . . . U.S. Attorney Donald W. Washington announced that **JARVIS FONTENETTE**, age 36, from Sugarland, Texas pled guilty in federal court today before United States District Judge Richard T. Haik to mail fraud.

From March 1999 through May 2000, FONTENETTE was employed as a loan originator for Southern Mortgage Company, located in Lafayette, Louisiana. Southern Mortgage Company was engaged in the business of brokering home loan applications to various mortgage lenders located in the United States. FONTENETTE's duties as an employee of Southern Mortgage Company included assembling and preparing the necessary documents for borrowers seeking loans to purchase homes. FONTENETTE had a home loan from New South Federal Savings Bank. FONTENETTE began inserting New South as a creditor into the loan documents for unsuspecting borrowers, making it appear that the borrower had an outstanding debt at New South. FONTENETTE would then intercept checks issued to New South during loan closings and

divert them to make payments to his personal home loan.

Today's plea is the result of investigations conducted by the Federal Bureau of Investigation.

Sentencing will be scheduled for a later date to be determined by the court. FONTENTETTE faces a term of imprisonment of not more than 20 years, a fine of up to \$250,000, and a term of supervised release of not more than 5 years following confinement. Sentencing in federal court is determined by the discretion of federal judges and the governing statute. Parole has been abolished in the federal system.

The case is being prosecuted by Assistant United States Attorney Stephanie A. Finley.

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