

Washington, DC -- Yesterday, U.S. Rep. Michael Arcuri (NY-24) voted in support of the Fraud Enforcement and Recovery Act which will increase the ability of the U.S. Justice Department to prosecute large banks and mortgage lenders that commit fraudulent and illegal business practices.

“This legislation will protect us from the big banks and lenders that went unregulated for far too long,” **Arcuri said**, “I will continue to stamp out fraud in every area in order to prevent deceitful and greedy corporations from taking advantage of the American public.”

The number of mortgage fraud cases has tripled over the past three years. The legislation approved by the House of Representatives would provide additional funding for government regulatory agencies to handle this increased caseload. These government agencies will also have the ability to apply federal fraud laws to mortgage lenders across the country that operated outside of the scope of federal law for years.

“In order to crack down on big banks and mortgage lenders that take advantage of unsuspecting homebuyers, we need to have the necessary people in place,” **Arcuri continued**. “This lack of oversight has allowed big banks and lenders to prey on the average consumer by offering unfair and illegal mortgages, which contributed to the economic crisis the country continues to work through today.”

The Fraud Enforcement and Recovery Act (S.286) passed the House of Representatives with bi-partisan support. The legislation specifically targets fraudulent banks and mortgage lenders that received money under the Troubled Asset Relief Program (TARP). The federal government will be able to prosecute any corporation found to have improperly used TARP funds, or economic stimulus funds.

This legislation also creates a bi-partisan, independent commission, called the Financial Markets Inquiry Commission, to study the causes of the economic crisis and to act as an advisory group to Congress to prevent this sort of crisis from ever happening again.

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