



**U.S. Department of Justice**

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**FOR IMMEDIATE RELEASE  
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**NEWS RELEASE**  
***FEDERAL GRAND JURY RETURNS  
INDICTMENT CHARGING UTAH COUNTY COUPLE  
IN ALLEGED MORTGAGE FRAUD SCHEME***

SALT LAKE CITY – A federal grand jury returned an eight-count indictment Wednesday afternoon charging Portia R. Louder, age 40, and Chad Louder, age 41, both of Highland, with criminal violations of federal law in connection with what the indictment alleges was a scheme to profit from loans fraudulently obtained from mortgage lenders.

Portia R. Louder is charged in the indictment with three counts of false statements to financial institutions; three counts of wire fraud; and one count of money laundering. Chad Louder is charged with two counts of false statements to financial institutions.

“Prosecuting mortgage fraud cases continues to be a priority in our office. It’s a problem that has cost banks, borrowers, and homeowners in Utah tens of millions of dollars. As today’s indictment demonstrates, we will continue to aggressively prosecute those individuals we believe have exploited the mortgage and real estate process for their own personal gain,” Acting U.S. Attorney Carlie Christensen said.

“Multi-million dollar schemes, such as the one alleged in today’s indictment, contributed to the collapse of the housing market. The FBI is committed to investigating this type of egregious fraud. This indictment charging the Louders alleges they fraudulently obtained millions of dollars by providing false information to lenders, sellers, and others. Through the hard work of the FBI, the IRS, the United States

Attorney's Office, and others who have contributed to the investigation, this couple now faces serious federal charges," FBI Special Agent in Charge David J. Johnson said.

"Mortgage fraud falls within the scope of IRS Criminal Investigation because it is a financial crime. Our agents use money laundering statutes to investigate individuals who profit from such illegal activity which has played a major role in almost crippling this nation's banking system," Jeanne Killoran, Acting Special Agent in Charge of the Las Vegas Field Office of IRS Criminal Investigation.

According to the indictment, the defendants targeted expensive homes for purchase. They looked for homes being sold by owners and often those not listed on the Multiple Listing Service. This way, the indictment alleges, the defendants could, through the substitution of nominees and straw parties, raise the purchase price of a home without the lender's learning of the sales price set by the owner.

The indictment focuses on three homes in Alpine, Draper, and Highland. According to the indictment, Portia R. Louder purchased or directed the purchase of these homes. As a part of the scheme, after finding a home she wished to purchase or have purchased, she offered to purchase the home at or near the seller's asking price. Then she would tell the seller or have someone tell the seller that there was a new buyer for the property who would purchase the property for substantially more than the original sales price, but the original seller would get only the price agreed upon between the seller and Portia R. Louder or her nominee.

Portia R. Louder typically used a straw party or nominee to form a joint venture with the original seller of a property. The joint venture, acting at the direction of Portia R. Louder, would become entitled to a payment from the loans eventually obtained at an artificially inflated price.

Portia R. Louder, according to the indictment, commissioned appraisals on properties even though she often was not listed as the purchaser or the seller. The indictment alleges she paid as much as \$5,000 for an appraisal even though an appraisal on an average home would often cost \$500 or less, and an appraisal on a high end home often cost about \$1,500. From 2006 through 2007, the indictment alleges she paid about \$380,000 to appraisers.

By concealing the initial sales price, the defendants were able to artificially increase the prices of the homes disclosed to lenders. According to the indictment, the sellers of the property in Alpine received \$1,340,000 in June 2006 and the transaction closed for \$2,205,000. The sellers of the property in Highland received \$1,500,000 in July 2006 and the transaction closed for \$2,500,000. The sellers of a property in Draper received \$1,115,000 at closing in December 2007 and the transaction closed for \$2,400,000.

The indictment alleges a variety of false and fraudulent ways Portia R. Louder recruited straw purchasers, including the defendant Chad Louder, as well as others, to submit applications to obtain mortgages on the properties listed in the indictment.

The indictment includes a notice of intent to seek criminal forfeiture in the amount of \$3,900,000 million in currency received and diverted by Portia R. Louder in connection with the conduct alleged in the indictment. Prosecutors are seeking \$2,450,000 million from Chad Louder.

Summonses will be issued to the Louders to appear in federal court for an initial appearance on the charges. The potential maximum penalty for false statements to a financial institution is up to 30 years with a potential fine of \$1 million. Wire fraud carries a potential penalty of up to 20 years in prison and money laundering is up to 10 years in prison. These counts have potential fines of up to \$250,000.

Indictments are not findings of guilt. Defendants charged in indictments are presumed innocent unless or until proven guilty in court.

The case is being investigated by the FBI, IRS Criminal Investigation, the Utah Mortgage Fraud Task Force, and the Utah Department of Commerce's Division of Real Estate.

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