

## **"Asset Rental" and "Verification of Employment" Programs Draw Scrutiny**

*by Kenneth R. Harney*

Who needs money in the bank to buy a house and qualify for a mortgage? Apparently not everybody, at least according to recent email pitches sent to mortgage brokers around the country. You don't need your own money on deposit -- you can "rent" somebody's else's deposits, and have them verified to lenders as your own.

Sound dubious, if not downright dishonest? Here's what email hypes to brokers pitched earlier this month under the headline, "Asset Rental."

"The Asset Rental program is a terrific tool which enables you to 'save' clients you would otherwise lose due to the inability to show sufficient assets."

The email promotion described how the concept works. The home buyer with insufficient bank deposits pays the sponsoring firms -- listed on the email and attachments as Independent Global Financial Services, Inc of Las Vegas, Nev., and Morgan Sheridan, Inc. of Mesquite, Nev. -- 5 percent of the amount of bank assets desired for the first month, and 1.75 percent of the assets in any subsequent months. If you need \$100,000 on deposit, in other words, you pay \$5,000 up-front. If you need \$500,000, you pay \$25,000.

For its part, according to an attachment carrying Independent Global Financial Services's name, the firm will "hold cash funds and/or other assets in a sub-account (under IGFS's master account) in your name. You will not have access to use these funds and/or other assets for collateral, withdrawal, electronic probing, etc. IGFS will verify your funds and/or other assets to any inquirer that you authorize."

The same email pitch noted a "popular" companion service which "can help you 'save' clients who can't verify the required employment data." An attachment allowed interested mortgage brokers to fill out whatever monthly income and annual income totals their clients desired. Once payment was received, the sponsors would "verify" a home buyer's employment and income to lenders or others.

Home mortgage industry leaders who received or saw copies of the emails immediately began investigations. "This is very disturbing," said William Matthews, vice president of the Mortgage Asset Research Institute, an anti-fraud organization that works with most of the major mortgage lenders and banks nationwide.

The FBI may also be on the case. A spokesman for the FBI's Las Vegas field office, David Schrom, confirmed that it had been sent "information" about the asset rentals and employment verification program from headquarters in Washington DC. But Schrom said it is his agency's "standard policy" not to "confirm or deny" that the agency is investigating any specific firms.

Asked for comment about the programs, Allen Paule, who is listed in corporate filings with the Nevada Secretary of State as the "registered agent" for both IGFS and

Morgan Sheridan, Inc., said "somebody hijacked our website," and denied that his firms offer such services. Paule confirmed that the signatory to the emails, a Loren Gastwirth, vice president-marketing, is employed by Morgan Sheridan. Paule also confirmed that IGFS, Morgan Sheridan and other firms share overlapping corporate ownership and management.

One of the apparent principals in Morgan Sheridan, a Paul Gastwirth, is listed on the website of Vault Financial Services, Inc. as president of IGFS, "a company specializing in asset rentals and enhanced credit facilities for individuals and companies worldwide."

A spokeswoman for the bank identified as holding the IGFS accounts for asset rental purposes, Charlotte, NC.-based Wachovia Bank, said investigators for the bank "are looking into the situation" but had no immediate comments.

As additional information on "asset rentals" becomes available, look for updates in [Realty Times](#). In the meantime, be aware that any home buyer or mortgage broker or realty agent who falsifies information in an application for a mortgage loan could be subject to criminal prosecution and severe penalties if found guilty.

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