

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA :
 :
-vs : No. 3: CR-14- :
 :
MARTIN SACCI, :
 :
Defendant :

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

COUNT 1

1. At all times material to this Information, the United States Department of Housing and Urban Development (HUD) was a department and agency of the United States Government.

2. The Federal Housing Administration (FHA) was a constituent agency of HUD and administered, among other programs, the Single Family Mortgage Insurance Program. Through this program, the FHA would insure mortgage lenders against loss in the event of default by the borrower.

3. Certain lenders were designated by HUD as “Direct Endorsement Lenders” with the authority to independently endorse mortgage loans for FHA insurance, provided the lender complied with underwriting guidelines for the mortgage loans. Guidelines included a requirement that the lender independently verify the claimed assets, income, and liabilities of the borrower to determine the borrower’s creditworthiness, generally by obtaining written verifications from banks, employers, landlords, and other sources.

4. Prospective buyers seeking an FHA-insured mortgage were required to make a certain minimum cash investment in the property they wished to purchase. At all times material to this matter, borrowers were required to make a minimum cash investment of no less than three percent of the home's purchase price. No portion of the three percent investment could be borrowed from any source under HUD and FHA regulations then prevailing, including specifically through loans from the seller or other parties to the purchase. Such prohibited loans are commonly referred to as "side loans."

5. Once reviewed, verifications were maintained in a FHA Direct Endorsement file for transmittal to HUD.

6. Aurora Financial Group, Incorporated, was a Direct Endorsement Lender maintaining a branch office in Hoboken, New Jersey. Defendant Martin Sacchi was a "mortgage solicitor" for Aurora Financial Group and was registered as a "mortgage solicitor" with the state of New Jersey.

7. In or about January 2008, in Monroe County and within the Middle District of Pennsylvania and elsewhere, the defendant,

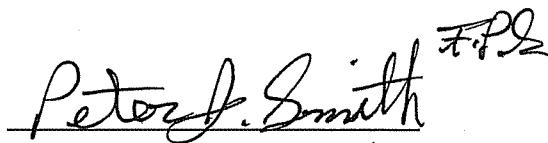
MARTIN SACCHI,

aiding and abetting David Sacchi and others, and aided and abetted by David Sacchi and others, did, with the intent to defraud, knowingly and voluntarily make a false report and statement to and for the Department of Housing and Urban Development, specifically, a false certification on Form HUD-1 and HUD/VA Addendum that no "side loans" had been made in relation to a residential mortgage for a Long Pond, Pennsylvania property insured by the Federal Housing Administration and the Department of Housing and Urban Development, well knowing and believing the document was false in

that a "side loan" had been made in relation to the mortgage.

All in violation of Title 18, United States Code, Sections 1012 and 2.

DATE: 1-9-14

Handwritten signature of Peter J. Smith in cursive, with the initials "F.P.S." written above the signature.

PETER J. SMITH

United States Attorney