From: s 22 [redacted]
Sent: Monday, 27 July 2026 12:19 PM
To: s 22 [redacted]
Subject: FW: REQUEST FOR ADVICE: Mortgage fraud (By COB Wednesday 18 March) [SEC=OFFICIAL:Sensitive]

~~OFFICIAL: Sensitive~~

FYI: Original request for advice from agencies on mortgage fraud issue.

~~OFFICIAL: Sensitive~~

From: s 22 [redacted]
Sent: Monday, 16 March 2026 4:19 PM
To: s 22 [redacted] @austrac.gov.au; s 22 [redacted] @asic.gov.au>; s 22 [redacted] @apra.gov.au>; economiccrime@homeaffairs.gov.au
Cc: s 22 [redacted] @apra.gov.au; s 22 [redacted] @TREASURY.GOV.AU>; s 22 [redacted] @austrac.gov.au; s 22 [redacted] @homeaffairs.gov.au>
Subject: REQUEST FOR ADVICE: Mortgage fraud (By COB Wednesday 18 March)

Hello APRA, ASIC, AUSTRAC, and Home Affairs colleagues,

The Treasury has been asked to brief one of our Ministers this week on emerging concerns about systemic mortgage application fraud activity. We are seeking your assistance on relevant input/background.

- *We understand this issue was initially identified by the CBA but has since also been confirmed or is being investigated as an issue affecting other banks.*

Can you please provide advice on the following to assist us in briefing the Minister?

- Your agency's understanding of the issue (i.e. key developments, concerns)
- What actions your agency is currently taking to address the issue, including advice on timeframes. Please include advice on any planned briefing, including timing.
- A high-level summary of any relevant laws/regulatory frameworks which may have been breached
- Any additional context which should be considered.

Grateful if you can please respond with advice on the above by **COB this Wednesday, 18 March** to facilitate meeting briefing timeframes.

- Should this request sit with another contact/team in your agency, grateful if you could please forward them this request and advise the best contact for further engagement.

Please feel free to reach out if you have any questions or concerns.

Kind regards,

s 22 [redacted]

s 22 — **Analyst**
Retail Banking & Currency Unit, Banking & Credit Branch
Financial System Division
s 22

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Langton Crescent, Parkes ACT 2600
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The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

From: s 22
Sent: Monday, 27 July 2026 12:23 PM
To: s 22
Subject: FW: REQUEST FOR ADVICE: Mortgage fraud (By COB Wednesday 18 March) [EXTERNAL] [SEC=OFFICIAL:Sensitive]
Attachments: 20260326 Redacted copy - TSY for information brief on recent mortgage application fraud.docx; AUSTRAC input to Treasurer's brief - Mortgage fraud - 18 March 2026 - AUSTRAC - 23521817.docx

~~OFFICIAL: Sensitive~~

FYI: Advice from AUSTRAC on mortgage fraud issue and redacted copy of consolidated brief (requested by Austrac).

~~OFFICIAL: Sensitive~~

From: s 22 @austrac.gov.au>
Sent: Tuesday, 24 March 2026 1:02 PM
To: s 22 @TREASURY.GOV.AU>; s 22 @austrac.gov.au>
Cc: s 22 @TREASURY.GOV.AU>
Subject: RE: REQUEST FOR ADVICE: Mortgage fraud (By COB Wednesday 18 March) [EXTERNAL] [SEC=OFFICIAL:Sensitive]

~~OFFICIAL: Sensitive~~

~~OFFICIAL:Sensitive~~

Much appreciated, thanks s 22 !

---

s 22 | Manager
Executive & Ministerial
Office of the CEO
s 22
MB:
executive.ministerial@austrac.gov.au
@AUSTRAC **W:** www.austrac.gov.au

~~OFFICIAL:Sensitive~~

~~OFFICIAL: Sensitive~~

From: s 22 @TREASURY.GOV.AU>
Sent: Tuesday, 24 March 2026 12:01 PM
To: s 22 @austrac.gov.au>
Cc: s 22 @TREASURY.GOV.AU>; s 22 @austrac.gov.au>
Subject: RE: REQUEST FOR ADVICE: Mortgage fraud (By COB Wednesday 18 March) [EXTERNAL][SEC=OFFICIAL:Sensitive]

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~~OFFICIAL: Sensitive~~

Hi s 22 ,

Per your earlier request, please see attached a copy of the consolidated brief points from the recent Treasury mortgage fraud briefing

- s 47C, s 47E(d)

My thanks again to your team and the Policy, Intel and Reg teams for your earlier input.

Kind regards,

s 22

s 22 — **Analyst**
Retail Banking & Currency Unit, Banking & Credit Branch
Financial System Division
s 22

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~~OFFICIAL: Sensitive~~

~~OFFICIAL:Sensitive~~

From: s 22
Sent: Thursday, 19 March 2026 10:57 AM
To: s 22 @austrac.gov.au>
Subject: RE: REQUEST FOR ADVICE: Mortgage fraud (By COB Wednesday 18 March) [EXTERNAL] [SEC=OFFICIAL:Sensitive]

Good morning s 22 ,

Thank you for your advice and input, it's very much appreciated.

We'll look to incorporate this into the brief and may be in touch if there are any further queries.
I note your request for a copy of the consolidated brief and will follow up once this is finalised, subject to internal confirmation.

Kind regards,

s 22

s 22 — **Analyst**
Retail Banking & Currency Unit, Banking & Credit Branch
Financial System Division
s 22

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Langton Crescent, Parkes ACT 2600
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From: s 22 @austrac.gov.au>
Sent: Wednesday, 18 March 2026 4:10 PM
To: s 22 @TREASURY.GOV.AU>
Cc: s 22 @austrac.gov.au>; s 22 @austrac.gov.au>; s 22 @austrac.gov.au>; economiccrime@homeaffairs.gov.au; s 22 @apra.gov.au; s 22 @TREASURY.GOV.AU>; s 22 @homeaffairs.gov.au>
Subject: RE: REQUEST FOR ADVICE: Mortgage fraud (By COB Wednesday 18 March) [EXTERNAL] [SEC=OFFICIAL:Sensitive]

You don't often get email from executive.ministerial@austrac.gov.au. Learn why this is important

~~OFFICIAL: Sensitive~~

~~OFFICIAL:Sensitive~~

Hi s 22 ,

AUSTRAC's briefing points are attached. Please note, the Background section is not public information.
Appreciate if we can have a copy of the consolidated brief for our visibility please.

Thank you,
s 22 .

s 22 | Manager
Executive & Ministerial
Office of the CEO
s 22
MB:
executive.ministerial@austrac.gov.au
X@AUSTRAC **W:** www.austrac.gov.au

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~~OFFICIAL: Sensitive~~

From: s 22 TREASURY.GOV.AU>
Sent: Tuesday, 17 March 2026 10:55 AM
To: s 22 @austrac.gov.au>
Subject: RE: REQUEST FOR ADVICE: Mortgage fraud (By COB Wednesday 18 March) [EXTERNAL][SEC=OFFICIAL:Sensitive]

~~OFFICIAL:Sensitive~~

~~OFFICIAL: Sensitive~~

Hi s 22 ,

Thank you for your advice, we're very grateful for your team and the Policy, Intel and Reg teams' assistance on this matter.

Thanks and kind regards,

s 22

s 22 — **Analyst**
Retail Banking & Currency Unit, Banking & Credit Branch
Financial System Division
s 22

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~~OFFICIAL:Sensitive~~

From: s 22 @austrac.gov.au>
Sent: Tuesday, 17 March 2026 7:36 AM
To: s 22 @TREASURY.GOV.AU>; s 22 @austrac.gov.au>; s 22 @austrac.gov.au>
Cc: s 22 @apra.gov.au; s 22 @TREASURY.GOV.AU>; s 22 @homeaffairs.gov.au>; s 22 @austrac.gov.au>; economiccrime@homeaffairs.gov.au
Subject: RE: REQUEST FOR ADVICE: Mortgage fraud (By COB Wednesday 18 March) [EXTERNAL] [SEC=OFFICIAL:Sensitive]

~~OFFICIAL: Sensitive~~

~~OFFICIAL:Sensitive~~

No worries, s 22 . The Executive & Ministerial team will coordinate some points from AUSTRAC's Policy, Intel and Reg teams for you.

s 22 .

---

s 22 | Manager, Executive & Ministerial
s 22
@AUSTRAC **W:** www.austrac.gov.au

Australian Government
AUSTRAC

~~OFFICIAL:Sensitive~~

~~OFFICIAL: Sensitive~~

From: s 22 @TREASURY.GOV.AU>
Sent: Monday, 16 March 2026 4:19 PM
To: s 22 @austrac.gov.au>; s 22 @asic.gov.au>; s 22 @apra.gov.au>; economiccrime@homeaffairs.gov.au
Cc: s 22 @apra.gov.au; s 22 @TREASURY.GOV.AU>; s 22 @austrac.gov.au>; s 22 @homeaffairs.gov.au>
Subject: REQUEST FOR ADVICE: Mortgage fraud (By COB Wednesday 18 March) [EXTERNAL][SEC=OFFICIAL:Sensitive]

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Kind regards,

s 22

s 22 — **Analyst**
Retail Banking & Currency Unit, Banking & Credit Branch
Financial System Division
s 22

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this e-mail by error please notify the sender immediately by reply e-mail and delete all copies of this transmission together with any attachments.

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~~OFFICIAL:Sensitive~~

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Please note that your email address is known to AUSTRAC for the purposes of communicating with you. The information transmitted in this e-mail is for the use of the intended recipient only and may contain confidential and/or legally privileged material. If you have received this information in error you must not disseminate, copy or take any action on it and we request that you delete all copies of this transmission together with attachments and notify the sender. This footnote also confirms that this email message has been swept for the presence of computer viruses.
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Please Note: The information contained in this e-mail message and any attached files may be confidential information and may also be the subject of legal professional privilege. If you are not the intended recipient, any use, disclosure or copying of this e-mail is unauthorised. If you have received this e-mail by error please notify the sender immediately by reply e-mail and delete all copies of this transmission together with any attachments.

****
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****

From: s 22
Sent: Monday, 27 July 2026 12:27 PM
To: s 22
Subject: FW: Mortgage fraud (Requesting contact details for correspondence to AUSTRAC) [EXTERNAL] [SEC=OFFICIAL:Sensitive]

~~OFFICIAL: Sensitive~~

FYI: Later correspondence to agencies (Austrac) on the subsequent letter from the Treasurer to agencies (a bit of a misfire as I didn't actually need to reach out to them at that point).

~~OFFICIAL: Sensitive~~

From: s 22
Sent: Thursday, 16 April 2026 2:10 PM
To: s 22 @austrac.gov.au>
Cc: s 22 @austrac.gov.au>; s 22 @TREASURY.GOV.AU>; s 22 @austrac.gov.au>
Subject: RE: Mortgage fraud (Requesting contact details for correspondence to AUSTRAC) [EXTERNAL] [SEC=OFFICIAL:Sensitive]

Hi s 22 ,

Thank you for your prompt advice.

My apologies, in hindsight I realise that we would have these details on hand from prior correspondence but grateful for the confirmation and email address.

Kind regards,

s 22

s 22 — **Analyst**
Retail Banking & Currency Unit, Banking & Credit Branch
Financial System Division
s 22

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From: s 22 @austrac.gov.au>
Sent: Thursday, 16 April 2026 1:42 PM
To: s 22 @TREASURY.GOV.AU>
Cc: s 22 @austrac.gov.au>; s 22 @austrac.gov.au>; s 22 @TREASURY.GOV.AU>; s 22 @austrac.gov.au>
Subject: RE: Mortgage fraud (Requesting contact details for correspondence to AUSTRAC) [EXTERNAL] [SEC=OFFICIAL:Sensitive]

~~OFFICIAL: Sensitive~~

~~OFFICIAL:Sensitive~~

Hi s 22

The AUSTRAC CEO's contact details are:

Mr Brendan Thomas
AUSTRAC CEO
PO Box K534
Haymarket NSW 1240

Email: s 22 @austrac.gov.au (grateful if our E&M address could also be copied in).

Please let me know if you need further information.

Kind regards
s 22

s 22
Executive and Ministerial Adviser

s 22

@AUSTRAC **W:** www.austrac.gov.au

Australian Government
AUSTRAC

~~OFFICIAL:Sensitive~~

~~OFFICIAL: Sensitive~~

From: s 22 @TREASURY.GOV.AU>
Sent: Thursday, 16 April 2026 1:10 PM
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Cc: s 22 @austrac.gov.au>; s 22 @austrac.gov.au>; s 22 @TREASURY.GOV.AU>

Subject: RE: Mortgage fraud (Requesting contact details for correspondence to AUSTRAC) [EXTERNAL][SEC=OFFICIAL:Sensitive]

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~~OFFICIAL: Sensitive~~

Hi s 22 ,

I hope this email finds you well.

Thank you for coordinating the response to my request for advice on emerging mortgage fraud concerns last month. Following ministerial briefing we are preparing correspondence on behalf of the Treasurer to the Heads of AUSTRAC and other relevant regulatory agencies on the matter.

Are you able to provide any advice on relevant contact details to facilitate proper direction of the correspondence?

Grateful for your advice, ideally before 2pm tomorrow, to facilitate correspondence.

Please feel free to reach out if you have any questions about this request.

Thanks and kind regards,

s 22

s 22 — **Analyst**
Retail Banking & Currency Unit, Banking & Credit Branch
Financial System Division
s 22

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~~OFFICIAL:Sensitive~~

From: s 22
Sent: Monday, 16 March 2026 4:19 PM
To: s 22 @austrac.gov.au; s 22 @asic.gov.au>; s 22

s 22 [redacted]@apra.gov.au>; economiccrime@homeaffairs.gov.au
Cc: s 22 [redacted]@apra.gov.au; s 22 [redacted]@TREASURY.GOV.AU>; s 22 [redacted]@austrac.gov.au; s 22 [redacted]@homeaffairs.gov.au>
Subject: REQUEST FOR ADVICE: Mortgage fraud (By COB Wednesday 18 March)

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- Any additional context which should be considered.

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Please feel free to reach out if you have any questions or concerns.

Kind regards,

s 22 [redacted]

s 22 [redacted] — **Analyst**
Retail Banking & Currency Unit, Banking & Credit Branch
Financial System Division
s 22 [redacted]

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FOR INFORMATION - Mortgage application fraud - emerging issues and implications

KEY POINTS

- Recent media reporting has raised concerns about suspected fraudulent mortgage applications affecting major banks, with the Commonwealth Bank of Australia (CBA) identifying around $1 billion in suspect home loans and other lenders also examining related exposure.
- Your office has requested briefing on this issue, including its potential scale, impacts and the responses from relevant regulators and agencies.

s 37(2)(b), s 47E(d), s 47C

[redacted]

- Treasury will continue to engage with regulators to identify any issues arising from these matters that may warrant Government action.

Factual background

- On 27 February 2026, the Australian Financial Review (AFR) reported that the CBA had identified concerns about fraudulent home loan applications affecting around $1 billion in loans and had referred matters to the police and relevant regulatory agencies.

s 47G(1)(a), s 47G(1)(b), s 45

[redacted]

s 47G(1)(a), s 47G(1)(b), s 45

[redacted]

- Major lenders are now working with the Australian Transaction Reports and Analysis Centre (AUSTRAC) and sharing information through the Fintel Alliance to determine the extent of any broader exposure. AUSTRAC convened an information-sharing meeting with the 10 largest lenders earlier this week.

- The latest event follows revelations about the 'Penthouse Syndicate' in August 2025, which allegedly obtained fraudulent loans of about $150 million from the National Australia Bank (NAB). It appears that this caused CBA to intensify its review of lending practices, contributing to the identification of the current matter.

  – The two matters in close succession may indicate broader problems with fraudulent loans by sophisticated and organised groups.

s 37(2)(b), s 47E(d), s 47C

[redacted]

Mortgage brokers and referral arrangements

- The CBA fraud matter has highlighted the possible role of mortgage brokers and bank referral programs in facilitating suspect applications.

- These channels were subject to adverse findings as part of the 2018–2019 *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry* (Banking Royal Commission).

  – Subsequent broker regulatory reforms (e.g. best interest duty, removal of conflicted remuneration) and strengthening of laws around false loan applications and documentation appeared to have largely addressed past concerns (see *Financial Sector Reform (Hayne Royal Commission Response—Protecting Consumers (2019 Measures)) Act 2020)*. Treasury will engage with ASIC to determine if the alleged involvement of brokers in these matters are isolated incidents.

  – ASIC has taken past action regarding referral / introducer programs involving persons engaging in credit assistance without appropriate credit licencing or authorisation under consumer credit laws (e.g. securing a $15 million penalty against NAB in 2020 and a $10 million penalty against Australia and New Zealand Bank in March 2023).

  – Most banks had discontinued or scaled back loan referral programs due to fraud and reputational concerns. Renewed problems with this channel may result in further winding back of these programs by lenders and renewed focus by ASIC.

The role of AI

- The only known indications of the use of AI in this matter to fabricate supporting loan documentation are limited to commentary in the media.
  - We should learn more as regulators' investigations progress.

- We have received anecdotal advice from industry that the fraudulent documentation they are observing remains largely produced by 'traditional' methods.
  - However, it is clear that AI has the strong potential to aid in the creation of false documentation to support fraudulent loans, and this should continue to be monitored.

Legal frameworks

- There does not appear to be any obvious gaps in the law, with a range of overlapping regulatory frameworks applying to the alleged conduct.
  - That said, there may be some opportunity to support income verification processes through improved access to Australian Taxation Office (ATO) datasets (see further below).

- Under the *National Consumer Credit Protection Act 2009* (NCCP Act) responsible lending obligations, <u>all lenders</u> of <u>consumer credit</u> have obligations to make reasonable enquiries about the consumer's financial circumstances and take reasonable steps to verify these. They cannot just rely on materials provided by borrowers as being correct.

- The Australian Prudential Regulation Authority (APRA) Prudential Standard 220 requires <u>all banks</u> to have prudent policies and processes to mitigate credit risk in respect of <u>all types of loans</u>, including appropriate credit risk assessment and approval practices. This explicitly includes taking reasonable steps to verify income and cash flows, commitments and indebtedness and repayment history and capacity.

- The NCCP Act and *Australian Securities and Investments Commission Act 2001* (ASIC Act) contain laws prohibiting the making of false statements and misleading conduct in relation to credit applications, the former in relation to consumer credit and the latter in relation to any credit facility. The Criminal Code also included laws relating to false statements under a law of the Commonwealth. These laws can apply to both borrowers and referrers.

- State criminal laws include prohibitions on false statements, dishonesty in relation to property and in relation to fraud. These laws can apply to both borrowers and referrers.

- Under the NCCP Act, mortgage brokers are obliged to act in the best interest of their customers.

- The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act) obliges designated entities (including lenders) to:
  - identify, mitigate and manage the risk of their products or services being used for money laundering or terrorism financing,

  - identify and verify their customers, and
  - report certain matters.

- From 1 July 2026, AML/CTF obligations will extend to certain services provided by accountants, lawyers, conveyancers, real estate professionals and trust and company service providers.
  - Referral program participants allegedly involved in the CBA fraud included accountants and lawyers.

Use of taxation data to verify income

- Consumer's tax data held by the ATO presents a substantial opportunity to improve the efficiency and quality of lending processes.
  - Some financial institutions and the Australian Small Business and Family Enterprise Ombudsman have argued that judicious sharing of government-held consumer data would improve credit assessment security and approval times.

s 47C, s 47E(d)

[redacted]

Summary of regulator responses

s 37(2)(b), s 47E(d), s 47C

[redacted]

s 37(2)(b), s 47E(d), s 47C

[redacted]

Consultation

ASIC; APRA; AUSTRAC; Department of Home Affairs; The Treasury, Data and Digital Policy Branch

Australian Government
AUSTRAC

Brief	Request for AUSTRAC input to Treasury Minister's brief

Request

The Treasury has been asked to brief one of our Ministers this week on emerging concerns about systemic mortgage application fraud activity. We are seeking your assistance on relevant input/background.

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- *What actions your agency is currently taking to address the issue, including advice on timeframes. Please include advice on any planned briefing, including timing.*
- *A high-level summary of any relevant laws/regulatory frameworks which may have been breached*
- *Any additional context which should be considered.*

Mortgage fraud

- AUSTRAC is working with the banks through its public-private partnership, Fintel Alliance. Data sharing has begun, to understand loan fraud, assess the scope of risks, and identify any broader or systemic risks.

- Fintel Alliance allows the financial intelligence unit to move quickly and build a shared understanding of the issue to assess whether there is any broader or systemic exposure across the financial system.

- Fintel Alliance allows for rapid intelligence sharing and coordinated action between government and industry, demonstrating the strength of Australia's public private partnership model.

- As inquiries continue, AUSTRAC's current understanding is that false information and documentation has been generated by third parties, possibly including mortgage referrers and accountants, which has assisted customers in obtaining loans from CBA for the purchase of properties.

    - The extent, if any, of insider threat risk is currently unknown. A further issue to be considered by AUSTRAC is what, if any, conclusions should be drawn from any failures of CBA's money-laundering controls.

Fintel Alliance engagement

- AUSTRAC's Fintel Alliance is working closely with CBA and other major banks, including those that are not Alliance members.

- Fintel Alliance is also engaging with government partners including the NSW Police, NSW Crime Commission, ACIC, APRA, ASIC and ATO, and is ensuring deconfliction with any law enforcement or regulatory actions that may occur.

- Fintel Alliance is moving fast to develop a systemic understanding of the issue from an intelligence perspective, to inform future actions by AUSTRAC or investigative partner agencies.
- Fintel Alliance has disseminated the information received from CBA and asked all recipients for their holdings on the information. This brings the data into Fintel Alliance for collaborative analysis and further development.

Background

<u>For noting only:</u>

- AUSTRAC is continuing to engage with CBA in relation to their internal investigation which will assist in understanding whether there has been any potential failure in relation to the AML/CTF risk management practices and controls that CBA had in place which increased their exposure to this criminal activity.
- AUSTRAC, APRA and ASIC have engaged regularly since CBA notified agencies of this matter. Weekly meetings with Senior Executive leaders involved in regulation of the banking sector have been established. AUSTRAC is also scheduled to meet with the Tax Practitioners Board in April 2026.
- APRA, ASIC and the Tax Practitioners Board may separately consider compliance by banks, mortgage referrers and accountants under respective laws. NSW Police is investigating criminal frauds committed against CBA.
- Fintel Alliance is working with the top ten lenders; CBA, ANZ, Westpac, NAB, Suncorp, Macquarie, Bendigo, ING, HSBC, Bank of Queensland, although not all are Fintel Alliance members. These have not been publicly listed however the banks are able to self-identify.
- Individual banks are reviewing their holdings based on information provided by CBA and disclosed by Fintel Alliance. Notices will be issued to obtain all bank holdings relevant to the matter and government partners will be asked for relevant information they hold.

Cleared By:	Dr John Moss
Position:	AUSTRAC Deputy CEO, Intelligence
Date:	18 March 2026
Phone:	s 22