



Written by [R. Cort Kirkwood](#) on October 9, 2025

New York AG Letitia James Indicted for Mortgage Fraud

A federal grand jury indicted far-left Democratic Attorney General Letitia James of New York for mortgage fraud today.

The indictment, technically for bank fraud and making false statements, concerns a property in Norfolk, Virginia, that James would use as a second residence. Instead, she used it as a rental investment property, the indictment alleges.

The penalty would not be jail time, but instead forfeiture of the property to the federal government.

That property isn't the only one that has invited federal scrutiny. In April, in a criminal referral to the Justice Department, the Federal Housing Finance Agency (FHFA) accused James of falsifying records for two other properties. One of the allegations goes back to 1983.



AP Images
Letitia James

New York State Attorney General Letitia James indicted on one count of bank fraud and one count of false statements to a financial institution. <https://t.co/b03rDSpd4B>

— U.S. Attorney EDVA (@EDVAnews) [October 9, 2025](#)

The Indictment

On or about August 17, 2020, the indictment alleges, James bought a three-bedroom property at 3121 Peronne Avenue in Norfolk for some \$137,000, and financed it with the loan of \$109,600.

The federal Fannie Mae mortgage agency backed the loan written by OVM Financial.

A second home rider “required JAMES, as the sole borrower to occupy and use the property as her secondary residence, and prohibited its use as a timesharing or other shared ownership arrangement or agreement that requires her either to rent the property or give any other person any control over the occupancy or use of the property,” the [five-page indictment says](#):

Despite these representations, the Peronne Property was not occupied or used by JAMES as a secondary residence and was instead used as a rental investment property, renting the property to a family of (3).

The “misrepresentation,” the indictment alleges, allowed favorable loan terms and other benefits that saved James almost \$20,000 through the life of the note.

James’s application for home insurance “indicated ‘owner-occupied non-seasonal use,’ further



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misrepresenting the intended use of the property,” the indictment alleges.

Her tax returns also misrepresented her use of the property, the [indictment alleges](#):

JAMES filed Schedule E tax form(s), under penalties of perjury, treating the Peronne Property as rental real estate, reporting fair rental days, zero personal use days, thousand(s) of dollars in rents received, and claiming deductions for expenses relating to the property, further contradicting the second home classification.

James’s misrepresentation, the indictment alleges, exposed First Savings Bank, which acquired the loan, to risk.

[Zillow estimates](#) the value of the property at \$235,300, an increase of 71 percent since James bought it, should it sell for that price.

The two-count indictment, again, accuses James of [bank fraud](#) and false statements.

James “did knowingly execute and attempt to execute a scheme and artifice to defraud OVM Financial and First Savings Bank, financial institutions, and to obtain moneys, funds, and credits owned by and under the custody and control of OVM Financial and First Savings Bank by means of false and fraudulent pretenses, representations, and promises.”

James made the [false statements](#) to the lenders “in that JAMES represented and affirmed in uniform residential loan applications and related documents that the Peronne Property would be used as a secondary residence, when in truth and fact, as JAMES then knew, the property was intended and used as an investment property with no intended or actual personal occupancy or use by her.”

Other Allegations

But this indictment might not be James’s only legal trouble.

An FHFA criminal referral from chief William Pulte accused James of falsifying a mortgage application for a home in Norfolk. Why James is so interested in Norfolk is unclear, but anyway, “in a Fannie Mae/Freddie Mac Form 3047 and in mortgage documents, she reaffirmed this would be her primary residence, despite being a statewide public office holder in the state of New York at that same time and primarily residing in the state of New York,” [wrote Pulte](#):

In fact, a building permit issued on her New York property on July 15, 2024 lists her New York property as the “JAMES RESIDENCE” and states “Remain Occupied.”

As well, Pulte alleged, James falsified documents related to a building in Brooklyn, New York. The five-unit building, James claimed in mortgage documents, had only four, all the better to receive more favorable mortgage terms.

In 1983, [Pulte alleged](#), “James and her father signed mortgage documents that stated that they were husband and wife in order to secure a home mortgage.”

Shifty Schiff

James isn’t the only top Democrat suspected of mortgage fraud.

[Another of Pulte’s targets](#) in a criminal referral to DOJ is far-left U.S. Senator Adam Schiff of California.



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Schiff “has, in multiple instances, falsified bank documents and property records to acquire more favorable loan terms, impacting payments from 2003-2019 for a Potomac, Maryland-based property,” [Pulte alleged](#).

“According to a Fannie Mae/Freddie Mac Form 3021, [Schiff and his wife] affirmed this would be their primary/principal residence,” Pulte wrote. The refinanced the home four times, again as a principal resident, “despite being an elected official representing the state of California at the same time.”

In a 2020 refinancing, Schiff listed the property as his secondary residence, Pulte alleged:

However, according to media reports, over that same time frame Mr. Schiff took a homeowner’s tax exemption on a condo that he owns in Burbank, California, also claiming that home as his primary residence for a \$7,000 reduction off the 1% property tax. And in 2023, a spokesperson for Mr. Schiff asserted that “Adam’s primary residence is Burbank, California, and will remain so when he wins the Senate seat.”

Pulte alleged possible violations of federal wire, mail, and bank fraud statutes, as well as lying to financial institutions.



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