

FundingShield - Q2 - Fraud Analytics Report

FundingShield released its Q2 2026 Wire Fraud Risk Report showing 45.32% of transactions across a \$120.7B+ monitored portfolio carried wire/title defects.

NEWPORT BEACH, CA, UNITED STATES, July 13, 2026 /EINPresswire.com/ -- [FundingShield](#), the leader in wire and title fraud prevention, today released its [Q2](#) 2026 Wire Fraud Analytics & Risk Report, revealing that 45.32% of

transactions within a \$120.7B+ monitored portfolio, spanning residential, commercial real estate, non-QM, and securitized collateral, were flagged for issues posing significant wire and title fraud risk. Each problematic loan carried an average of 2.3 issues per transaction, and the composition of that risk shifted meaningfully this quarter, moving beyond instruction-level defects into identity and payoff-level fraud.

Key Risk Metrics: Quarter-over-Quarter Comparison (Q2 2026 vs. Q1 2026):

CPL Issues: 9.11%

CPL Validation Issues: -3.75%

Insurance Issues: -4.31%

The quarter's breakdown showed 47.45% CPL-related discrepancies, 6.45% wire instruction defects, and 1.44% licensing irregularities, alongside a new and growing category: identity and payoff-fraud flags, driven by deepfake seller impersonation and mortgage payoff schemes.

Within this environment, FundingShield's real-time verification and remediation tools served as a stabilizing infrastructure layer, extending naturally from validating wire and title data to confirming the identity behind a transaction, the next layer of exposure fraud tactics moved into this quarter. Institutions relied on FundingShield to reduce exposure, maintain transaction integrity, and generate logged, auditable records supporting downstream accounting, audits, loan sales, and refinancings.

Entering Q2, wire and title fraud impacting borrowers, lenders, servicers, and sellers drew



industry-wide attention at national mortgage banking, private credit, and settlement/title conferences, exactly the gap between detection and damage that FundingShield's model targets by flagging mismatches between communicated data (text, email, phone), systems of record (LOS, POS, Title, banking portals), and their sources. Deepfake-driven impersonations, reported by Inman with reference to Fidelity National Financial, reinforced the same lesson at the identity layer, while the FBI's IC3 continued flagging AI-enabled fraud as an accelerating category (Inman — "How Deepfakes And Deed Fraud Crash Real Estate Deals," inman.com, June 4, 2026).

Private credit real estate fraud events between the U.S. and U.K. markets hinged on inadequate underwriting diligence or investor disclosures, reinforcing demand for auditable risk management tools. Non-QM, DSCR, and private credit lending activity remained strong, and Apollo Global Management's Q2 commentary described private credit building toward standardized data and daily pricing so buyers can trust asset cleanliness before trading, the same verification principle FundingShield has applied at the closing table for years, now demanded further up the chain (Apollo Global Management — "Increasing Transparency and Tradability in Private Credit," apollo.com). Q1's pressure came from compliance; Q2 added capital markets and a changing borrower base demanding the same verified data, for commercial and protective reasons, respectively.

Insurance costs tied to mortgage and title transactions also rose in Q2, pressure clients are increasingly offsetting through fewer undetected defects and lower claims frequency. Fitch Ratings reports cyber insurance premiums rising again after two years of decline as insurers face harder-to-predict AI-related losses, while WTW reports carriers reevaluating pricing, limits, and deductibles amid rising BEC, social engineering, and AI-enabled deception exposure, particularly for lenders, title and settlement companies, law firms, and servicers holding PII and third-party funds (Fitch Ratings — U.S. Cyber Insurance Premiums Increase, fitchratings.com; WTW — Fidelity and Crime: A Look Ahead to 2026, wtwco.com). This is precisely the exposure FundingShield's model is built to reduce: by verifying source-level data and flagging counterparty and payoff risk before funds move, FundingShield gives clients the auditable controls carriers now underwrite against, lowering both loss frequency and coverage cost.

"AI is accelerating both innovation and fraud. The growth of our platform, our expanding partnership network, and increasing industry adoption underscore a simple reality: in a world of AI-driven fraud and growing regulatory expectations, independently verified data has become the new foundation of trust," said [Ike Suri](#), CEO of FundingShield.

Q2 marks a turning point rather than a continuation of Q1's pressures. A record share of Gen Z, first-time, FHA-heavy borrowers entered the market at the same moment FHA delinquencies climbed, mortgage payoff fraud losses grew, and deepfake-enabled seller impersonation moved from theoretical to active. Findings across more than \$120.7B+ of monitored transactions revealed vulnerabilities extending beyond wire and licensing accuracy into identity and payoff risk. The broader threat environment is not easing: AI-enabled bad actors are widening uncertainty across mortgages, securities, and trading, and a private credit market racing toward

daily pricing and secondary liquidity has pushed institutions to seek the same verified, source-level data FundingShield has always provided.

As identity-driven fraud, payment manipulation, title fraud, and transparency demands continue to converge, lenders are increasingly adopting FundingShield's embedded cybersecurity and data-validation infrastructure, a real-time, source-data framework that identifies, prevents, and remediates fraud while supporting risk management and regulatory compliance. The plug-and-play, scalable nature of these solutions has delivered significant ROI for clients, positioning FundingShield as a critical operational layer embedded within source systems ahead of key decision points, in a market where both fraud tactics and the demand for verified data are accelerating.

Rising cyber, crime, and fidelity insurance costs, driven by increasing fraud, social engineering, and funds-transfer losses, are pushing organizations to move from post-loss recovery to proactive risk prevention. By identifying and mitigating wire, title, settlement, and payment risks before funds are disbursed, FundingShield helps clients reduce both capital exposure and reliance on increasingly costly insurance coverage.

Ike Suri, Chairman and CEO of FundingShield, serves on the boards of the California MBA, MISMO, the MBA Risk Committee, and the MBA Fraud Committee. He also co-hosts the industry's leading mortgage technology conference, Mortgage Innovators, which showcases and fosters innovative companies and solutions shaping the future of the sector. He also serves on the Advisory Board of the UT Dallas Naveen Jindal School of Management and is regularly quoted across major industry and financial publications, The Wall Street Journal, National Mortgage News, HousingWire, Bloomberg.

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