DEFINING ROBO-SIGNING & ITS PRACTICES
Source: Industry Expert Nye Lavalle

"The term "*robo-signing*" describes a number of manufacturing line type processes utilized in the creation, execution, witnessing, and notarization of legally necessary property, foreclosure, and bankruptcy required paper documents; e.g. notices of default, foreclosure complaints, notices of sale, assignments of mortgages and deeds of trust; satisfaction of mortgages and deeds; promissory note endorsements and allonges; affidavits of lost notes; affidavits of the amount of the indebtedness; affidavits of the amount of the alleged default in mortgage payments; and other legally required property and mortgage-related paper documents.

Robo is short for the robotic steps and processes that are controlled, directed, and automated by computer programs that contain formulas, database fields, and algorithms, many of which have been patented by foreclosure law firms, banks, servicers, and their vendors. The paper documents are executed by persons who lack the requisite authority, facts, personal knowledge, history, data and information that is otherwise required by legal regulations and evidentiary rules in both State and Federal Courts; or wherein signatures are placed on such paper documents using inanimate digital signature application software and autopens, laser printers, and photocopy machines; or wherein surrogate signers execute and place the marks or signatures on behalf of other designated authorities and have such signatures notarized as if that person was present."

"The mortgage, default, and special servicing industry and participants such as lenders, GSEs, law firms, vendors, and others who touch and manage such default, collection, foreclosure, and bankruptcy processes, have made hundreds of applications to the U.S. Patent Office wherein they detail, illustrate, and describe their proprietary patent processes whereby they seek patent protection for the automated and robotic process of executing judicial and non-judicial foreclosure actions and sales as well as bankruptcy proceedings.

"The detailed patent schematics I have already reviewed demonstrate as well as illustrate the shortcomings of the current default, foreclosure, and bankruptcy practices and procedures…."
These patents are employed by [banking] entities, its agents, servicers, vendors, and others involve in foreclosure and default servicing of mortgage loans.

"Based on my knowledge and experience and my review of the patents and patent applications I have downloaded, there are many shortfalls and failings in these automated processes wherein many of the process steps blindly accept the data and information from input or imported from other systems, without necessary audits, testing, and checks of the information, facts, data, calculation, and formulas used to create the processes. Often, much of the information, data, and records contained in these systems was assumed and imported from bankrupt and defunct companies many of which: were shut down by regulators for their fraudulent practices; entered into settlement and consent orders for fraudulent practices; or have been found by federal and state courts to be engaged in fraudulent and abusive practices.

Many reports of findings by industry expert Nye Lavalle have been sent to every major servicer, Fannie Mae, Freddie Mac, FHFA, OIG, OCC, and others.
Mr Lavalle states: "My reports and warnings to each company and especially Fannie Mae and Mr. Cymrot was that the servicers servicing Fannie Mae and Freddie Mac loans and their selected foreclosure counsel in Florida, Georgia, and other states were not only falsifying pleadings and motions, but fabricating and forging documents; encouraging and suborning perjury and false testimony; destroying evidence; assisting their servicer clients to create fraud; creating false assignments of mortgages and affidavits of lost notes and indebtedness."

Industry experts commonly speak about the fact that Fannie Mae, Freddie Mac, and MERS go to great lengths to hide and conceal the true holders in due course and the entity, trusts or owners of beneficial interests to the notes.

The ratings agencies have failed in their reviews and ratings methodologies for servicers to take into account the risks inherent in the frauds and the potential for assignee liability to investors and trustees. *They have failed to take into account the billions of dollars in missing, lost and destroyed mortgages and notes across the nation.*

The threat is that in a case of a major collapse or bankruptcy of a Wall Street firm like Bear Stearns ala LTCM derivative crisis, systemic risk among counter parties to these transactions could make the market fall like a stack of cards.

Upon such a failure, the underlying collateral that is the mortgage and/or promissory note becomes key as to that will be entitled to future payments from the borrower.

The failure to properly record assignments and perfect lien positions, only to have the underlying instrument declared lost or stolen or appear with missing assignments poses a threat to virtually every pension, mutual and trust fund that invests in these high risk securities.

In fact, one ratings analyst informed Mr. Lavalle that the entire industry is a scam and that the true sale opinion letters being written by major law and accounting firms weren't worth the paper they were written on since everyone knew that the majority of transactions were really financing of receivables since there were many side recourse agreements that the ratings firm were aware of.

It is reported by industry experts such as Mr. Lavalle and others that in 95% of the cases, the notes are claimed to be lost, stolen, or destroyed in affidavits.

Evidence also shows that in certain bankruptcies and foreclosures, more than one party has claimed an interest as a creditor.

The industry uses the servicer as the henchman, yet they are not the owners or holders in due course of the note. They are only agents, yet they are testifying and stating in state and Federal courts that they are the creditors and no other parties have an interest.