

Trust Assignment Fraud Letter to SEC

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403 South Sapodilla Avenue
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April 15, 2010
Mary L. Schapiro, Chairman
Robert S. Khuzami, Director, Division of Enforcement
Securities & Exchange Commission
100 F Street, NE
Washington, D.C. 20549
enforcement@sec.gov

Re: Mortgage-Backed Trusts Missing Critical Documents

Dear Chairman Schapiro and Director Khuzami::

This is a report of suspected fraud involving mortgage-back securities. Certain mortgage-backed trusts have been using forged and fraudulent mortgage assignments in foreclosure actions in Florida, and throughout the United States.

These assignments are most often produced by employees of Lender Processing Services, Inc., ("LPS"), a mortgage default management company located in Jacksonville, FL. LPS produced several million Mortgage Assignments, using its own employees to sign as if they were officers of the original lenders. The fraud includes:

- Mortgage assignments with forged signatures of the individuals signing on behalf of the grantors, and forged signatures of the witnesses and the notaries;
- Mortgage assignments with signatures of individuals signing as corporate officers for corporations that never employed them in any such capacity;
- Mortgage assignments prepared and signed by individuals as corporate officers of mortgage companies that had been dissolved by bankruptcy years prior to the Assignment;
- Mortgage assignments prepared with purported effective dates unrelated to the date of any actual or attempted transfer (and in the case of trusts, years after the closing date of the trusts);
- Mortgage assignments prepared on behalf of grantors who had never themselves acquired ownership of the mortgages and notes by a valid transfer, including numerous such assignments where the grantor was identified as "Bogus Assignee for Intervening Assignments;" and
- Mortgage assignments notarized by notaries who never witnessed the signatures that they notarized.

Trust officers used these fraudulent mortgage assignments to conceal the fact that the trusts are missing critical documents, namely, the mortgage assignments that were supposed to have been delivered to the trusts at the inception of the trust.

These trusts suffered the following economic harm:

The Trusts paid substantial fees to the Trustees for Document Custodial Services including fees for obtaining and retaining a Mortgage Assignment for each of the properties in the trust. The

Assignment was supposed to have been “in recordable form” – that is, legally sufficient to allow the Trustee to foreclose in the event of default. These services were never provided. In each trust identified herein, many if not all of the Mortgage Assignments were never obtained, or were obtained and lost.

Because the Assignments were not obtained and/or retained, the Trusts incurred significant additional expenses:

- i) each Trust paid, and will continue to pay, hundreds of thousands of dollars in fees to mortgage servicers, document preparation companies and law firms to prepare and record “Replacement Assignments” including Assignments that were prepared with false information regarding dates and signers;
- ii) each Trust paid, and will continue to pay, hundreds of thousands of dollars in fees to the default management company and to law firms retained by the mortgage servicing companies and/or default management company (usually, Lender Processing Services) to litigate the issue of the standing of the trust to file the foreclosure action because the Assignment to the Trust that established standing was missing or never obtained.

In many cases, because the Assignments were not obtained and/or retained, the Trust could not successfully foreclose when loans in the Trust defaulted. In many cases, where the Trust has successfully foreclosed, it had no legal right to do so and the Trust has been or will be exposed to claims for wrongful foreclosure by former homeowners and claims of fraud by subsequent purchasers. In many cases, where mortgage servicing companies or law firms representing the Trust attempted to collect amounts due from defaulting homeowners of properties in the trust, the debt collection activities violated the Federal Fair Debt Collection Practices Act because the Trust had no right to pursue collection or foreclosure where it lacked a valid Assignment.

In many cases, particularly where the loan originator is a mortgage company that is no longer in existence, it may not be possible to ever obtain a valid Assignment to the Trust. Long after the Trustees and Servicers became aware that critical documents, the Assignments, were missing, the Trustees and Servicers failed to disclose that information to the Certificate Holders and to the SEC.

Attached hereto are examples of fraudulent Assignments. Many (over 100,000) of these are signed by Linda Green. From an examination of the signatures, it is apparent that many different employees signed the name Linda Green.

Job Titles attributed to Green include the following:

- Vice President, Loan Documentation, Wells Fargo Bank, N.A., successor by merger to Wells Fargo Home Mortgage, Inc.;
- Vice President, Mortgage Electronic Registration Systems, Inc., as nominee for American Home Mortgage Acceptance, Inc.;
- Vice President, American Home Mortgage Servicing as successor-ininterest to Option One Mortgage Corporation;
- Vice President, Mortgage Electronic Registration Systems, Inc., as nominee for American Brokers Conduit;
- Vice President & Asst. Secretary, American Home Mortgage Servicing, Inc., as servicer for Ameriquest Mortgage Corporation;
- Vice President, Option One Mortgage Corporation;
- Vice President, Mortgage Electronic Registration Systems, Inc., as nominee for HLB Mortgage;
- Vice President, American Home Mortgage Servicing, Inc.;

- Vice President, Mortgage Electronic Registration Systems, Inc., as nominee for Family Lending Services, Inc.;
- Vice President, American Home Mortgage Servicing, Inc. as successor-in-interest to Option One Mortgage Corporation;
- Vice President, Argent Mortgage Company, LLC by Citi Residential Lending Inc., attorney-in-fact;
- Vice President, Sand Canyon Corporation f/k/a Option One Mortgage Corporation;
- Vice President, Amtrust Funsing (sic) Services, Inc., by American Home Mortgage Servicing, Inc. as Attorney-in-fact; and
- Vice President, Seattle Mortgage Company.

Other LPS employees similarly used job many different job titles and claimed to be officers of many different mortgage companies on Mortgage Assignments. Korell Harp and Tywana Thomas used a variety of conflicting job titles on Assignments of Mortgages in 2008 and 2009, holding themselves out to be officers of numerous different banks and mortgage-related entities, often using numerous conflicting titles in the same week.

Titles attributed to Korell Harp include Vice President of American Home Mortgage Servicing, Inc. as successor-in-interest to Option One Mortgage Corporation; Vice President of American Brokers Conduit; Vice President of Argent Mortgage Company, LLC; and Vice President of Mortgage Electronic Registration Systems, Inc.

Titles attributed to Tywana Thomas include Assistant Vice President of Option One Mortgage Corporation, Assistant Vice President of American Home Mortgage Servicing, Assistant Vice President of Mortgage Electronic Registration Systems, Assistant vice President of Argent Mortgage Company, LLC, Assistant Vice President of Deutsche Bank National Trust Company, Assistant Vice President of Sand Canyon Corporation and Assistant Vice President of American Home Mortgage Acceptance.

Regarding the Attachments,

**SECTION ONE – DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE
AMERICAN HOME MORTGAGE ASSETS TRUSTS**

Section One includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to showing mortgages transferred to American Home Mortgage Assets Trusts

**SECTION TWO – DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE
AMERICAN HOME MORTGAGE INVESTMENT TRUSTS**

Section Two includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to showing mortgages transferred to American Home Mortgage Investment Trusts

**SECTION THREE – DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE
HARBORVIEW MORTGAGE LOAN TRUSTS**

Section Three includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to HarborView Mortgage Loan Trusts

**SECTION FOUR – DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE
SOUNDVIEW HOME LOAN TRUSTS**

Section Four includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to Soundview Home Loan Trusts

**SECTION FIVE – DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE
AMERIQUEST MORTGAGE SECURITIES TRUSTS**

Section Five includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to Ameriquest Mortgage Securities Trusts

SECTION SIX – DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE ARGENT SECURITIES TRUSTS

Section Six includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to Argent Securities Trusts

SECTION SEVEN – DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE GSAA HOME EQUITY TRUSTS

Section Seven includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to GSAA Home Equity Loan Trusts

SECTION EIGHT – DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE HS1 ASSET SECURITIZATION TRUSTS

Section Eight includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to HS1 Asset Securitization Trusts

SECTION NINE – DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE IXIS REAL ESTATE TRUSTS

Section Nine includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to Ixis Real Estate Trusts

SECTION 10 – DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE LONG BEACH MORTGAGE TRUSTS

Section Ten includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to Ameriquest Long Beach Mortgage Trusts

SECTION 11 – DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE MORGAN STANLEY ABS CAPITAL 1 TRUSTS

Section Eleven includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to Morgan Stanley ABS Capital 1 Trusts

SECTION 12 – DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE NOVASTAR MORTGAGE FUNDING TRUSTS

Section Twelve includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to Novastar Mortgage Funding Trusts

SECTION 13 – DEUTSCHE BANK NATIONAL TRUST CO. AS TRUSTEE SAXON ASSETS SECURITIES TRUSTS

Section Thirteen includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to Saxon Assets Securities Trusts

SECTION 14 – DEUTSCHE BANK NATIONAL TRUST CO. AS TRUSTEE OTHER TRUSTS WITH MISSING ASSIGNMENTS

Section Fourteen includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to WAMU 2005-AR2, QUEST 2005-X1

SECTION 15 – DEUTSCHE BANK TRUST CO. AMERICAS AS TRUSTEE MISCELLANEOUS TRUSTS

Section Fifteen includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to: MSIX 2006-1, MORGAN STANLEY, MSAC, 2007-NC3, MSHEL 2007-1, MSHEL 2007-2, 2007-3, MERITAGE 2005-2, JP MORGAN ACQUISITION TRUST, IMAC SECURED ASSETS CORP, GSR MORT. LOAN TRUST, BCAP LLC TRUST, CARRINGTON, SERIES 2005 OPT2

SECTION 16 – BANK OF NEW YORK AS TRUSTEE AMERICAN HOME MORTGAGE INVESTMENT TRUST 2004-4

Section Sixteen includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to American Home Mortgage Investment Trust 2004-4.

SECTION 17 – CITIBANK, N.A. AS TRUSTEE AMERICAN HOME MORTGAGE ASSETS TRUSTS & INVESTMENT TRUSTS

Section Seventeen includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to American Home Mortgage Assets Trusts.

SECTION 18 – CITIBANK, N.A. AS TRUSTEE BEAR STEARNS ALT-A TRUSTS

Section Eighteen includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to Bear Stearns ALT-A Trusts

SECTION 19 – CITIBANK, N.A. AS TRUSTEE STRUCTURED ASSET MORTGAGE INVESTMENT TRUSTS

Section Nineteen includes Mortgage Assignments prepared by LPS Employees purporting to show mortgages transferred to Structured Asset Mortgage Investment Trusts

SECTION 20 – CITIBANK, N.A. AS TRUSTEE WAMU TRUSTS & BNC MORTGAGE LOAN TRUST

Section Twenty includes Mortgage Assignments prepared by LPS Employees purporting to show mortgages transferred to WAMU Trusts and BNC Mortgage Loan Trusts

SECTION 21 – HSBC BANK, N.A. AS TRUSTEE DEUTSCHE ALT-A & ALT-B SECURITIES TRUSTS

Section Twenty-One includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to Deutsche Alt-B Securities Mortgage Loan Trust, Series 2006-AB3; Deutsche Alt-A Securities Mortgage Loan Trust, Series 2006-AR5

SECTION 22 – HSBC BANK, N.A. AS TRUSTEE ACE SECURITIES CORP. HOME EQUITY LOAN TRUST; SG MORTGAGE SECURITIES TRUST, OPTION ONE MORTGAGE LOAN TRUST

Section Twenty-Two includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to ACE Securities Corp. Home Equity Loan Trust, Series 2006-OP1; and SG Mortgage Securities Trust Series 2006 OPT2; and Option One Mortgage Loan Trust Series 2007-HL1

SECTION 23 – JPMORGAN CHASE BANK, N.A. AS TRUSTEE STRUCTURED ASSET MORTGAGE INVESTMENTS TRUST

Section Twenty-Three includes Mortgage Assignments prepared by LPS EMPLOYEES purporting to show mortgages transferred to Structured Asset Mortgage Investments II, Inc., Series 2006-AR5.

SECTION 24 – LASALLE BANK, N.A. AS TRUSTEE MORGAN STANLEY & BEAR STEARNS MORTGAGE LOAN TRUSTS & OTHERS

Section Twenty-Four includes Mortgage Assignments prepared by LPS Employees purporting to show mortgages transferred to Morgan Stanley Mortgage Loan Trust 2006-6AR; Morgan Stanley ABS Capital MSAC 2007-HE6; Bear Stearns Asset-Backed Securities 1, LLC, Series 2004-FR3; Series 2004-HE; 2005-HE9; 2006-HE2; 2006-HE7; 2007-HE1; Series 2007-HE5; Bear Stearns Asset-Backed Securities Trust 2005-4; Securitized Asset Investment Loan Trust, Series 2004-7.

SECTION 25 – U.S. BANK, N.A. AS TRUSTEE MASTR TRUSTS

Section Twenty-Five includes Mortgage Assignments prepared by LPS Employees purporting to show mortgages transferred to MASTR Adjustable Rate Mortgages Trust 2006-OA1; MASTR Adjustable Rate Mortgages Trust 2007-1; MASTR Asset-Backed Securities Trust 2007-HE2

SECTION 26 – U.S. BANK, N.A. AS TRUSTEE STRUCTURED ASSET INVESTMENT & STRUCTURED ASSET SECURITIES TRUSTS

Section Twenty-Six includes Mortgage Assignments prepared by LPS Employees purporting to show mortgages transferred to Structured Asset Investment & Structured Asset Securities Trusts, including Series 2005-3, 2005-10, 2006 BNC2, 2006 BNC3 and 2006 BNC6

SECTION 27 – U.S. BANK, N.A. AS TRUSTEE MISC. OTHER TRUSTS

Section Twenty-Seven includes Mortgage Assignments prepared by LPS Employees purporting to show mortgages transferred to American Home Mortgage Investment Trust 2005-4; and

GSAA Home Equity Trust 2006-9.

SECTION 28 – WELLS FARGO BANK AS TRUSTEE ABFC TRUSTS

Section Twenty-Eight includes Mortgage Assignments prepared by LPS Employees purporting to show mortgages transferred to several ABFC Trusts

SECTION 29 – WELLS FARGO BANK AS TRUSTEE MASTR ASSET-BACKED SECURITIES TRUSTS

Section Twenty-Nine includes Mortgage Assignments prepared by LPS Employees purporting to show mortgages transferred to MASTR Asset-Backed Securities Trust 2003-OPT2 and 2005-OPT1

SECTION 30 – WELLS FARGO BANK AS TRUSTEE OPTION ONE MORTGAGE LOAN TRUSTS

Section Thirty includes Mortgage Assignments prepared by LPS Employees purporting to show mortgages transferred to over 25 Option One Mortgage Loan Trusts

SECTION 31 – WELLS FARGO BANK AS TRUSTEE SECURITIZED ASSET-BACK SECURITIES and/or RECEIVABLES TRUSTS

Section Thirty-One includes Mortgage Assignments prepared by LPS Employees purporting to show mortgages transferred to six Securitized Asset-Backed Receivables Trusts

SECTION 32 – WELLS FARGO BANK AS TRUSTEE SOUNDVIEW HOME LOAN TRUSTS

Section Thirty-Two includes Mortgage Assignments prepared by LPS Employees purporting to show mortgages transferred to four SoundView Home Loan Trusts

SECTION 33 – WELLS FARGO BANK AS TRUSTEE MISC. OTHER TRUSTS

Section Thirty-Three includes Mortgage Assignments prepared by LPS Employees purporting to show mortgages transferred to other trusts that use U.S. Bank as Trustee.

Thank you for your attention to this matter. While I am concerned about the defrauded investors, particularly the pension funds that have invested in these trusts, I am also concerned about the homeowners who are losing their homes to bank/trustees who use these Assignments without disclosing the issue of the missing Trust documents.

Yours truly,
Lynn E. Szymoniak, Esq.