

Why Foreclosures are Happening Illegally, without Correct Documentation: Background

Note: The information provided in this summary was obtained by, and used with permission from, Lynn E. Szymoniak, Esq. who has collected evidence supporting allegations below. A summary of his credentials can be found at www.szymoniakfirm.com.

In the past ten years, hundreds of **thousands of residential mortgages were bundled together** (often in groups of about 5,000 mortgages). The notes in each trust have a face value of approximately \$1.5 billion. Investors buy shares of each bundle (trust). This process is called **securitization**. (See *Flow Chart*).

Each such bundle of residential mortgages was given a name, such as "Soundview Home Loan Trust 2006 OPT-2." The **name indicates information about the particular trust** such as the year it was created (2006) and its contents.

When each of these trusts was made, the securities company responsible for the securitization (often Financial Assets Securities Corporation in Greenwich, Connecticut) **was supposed to have obtained mortgage assignments showing that the trust had acquired each mortgage and note from the previous owner**, which was most often the original lender. The trust documents **specify that the mortgages, notes and assignments in "recordable form" will have been obtained by the trust**. Most mortgage-backed trusts included the following or equivalent language regarding Assignments:

"Assignments of the Mortgage Loans to the Trustee (or its nominee) **will not be recorded in any jurisdiction, but will be delivered to the Trustee in recordable form, so that they can be recorded in the event recordation is necessary in connection with the servicing of a Mortgage Loan.**"

Trustees take very few actions relating to the individual properties in the trust. Typically, the **bank acting as a trustee for a mortgage-backed trust hires a mortgage servicing company to deal with issues involving the individual mortgages in the trust**. The mortgage servicing companies in turn **hire a "default management company" to foreclose** when a homeowner defaults on payments on a loan that is part of the trust.

Deutsche Bank is the most common name in the business of being a Trustee for Mortgage-Backed trusts. Other banks very active in this role of Trustee include **Wells Fargo, U.S. Bank, Citibank, Bank of New York, JP Morgan Chase and HSBC**.

For example, Deutsche Bank National Trust Company ("DBNTC") has been involved in the majority of foreclosure actions filed in thousands of counties in America since 2007. In these foreclosure actions, DBNTC is usually acting as the trustee for a mortgage-backed securitized trust.

In tens of thousands of foreclosure cases filed by Deutsche Bank National Trust Company as trustee for a mortgage-backed trust, Deutsche Bank **has not produced the mortgage, note or Assignment** and instead has filed pleadings claiming that the original mortgage and note were inexplicably lost. In these cases, Deutsche Bank uses specially prepared Mortgage Assignments to indicate that they have the right to foreclose.

These documents were often prepared by clerical employees of **Docx**, LLC, a subsidiary company of **Lender Processing Services (LPS)**, the **default management company**. Hundreds of thousands of other Mortgage Assignments came from the LPS office in Dakota County,

Minnesota, Jacksonville, FL, and Alpharetta, GA (Docx, LLC was recently closed down).

In thousands of other cases, the law firms hired to foreclose used the employees of the law firms to sign as officers of Mortgage Electronic Registration Systems to illegally create the documents necessary for foreclosure. These employees signed as officers of the Grantors, when they are actually working for the Grantees.

On several hundred thousand Assignments, the individuals signing as officers of the grantor were actually clerical employees of Lender Processing Services, the mortgage default management company hired by the mortgage servicing company working for the grantee.

On several hundred thousand Assignments, the very same individuals signed as officers of both the grantor and grantee.

In all of these hundreds of thousands of cases, no Assignment actually took place on the date stated and no consideration was paid by the grantee to the grantor despite the representations in the Assignments. Most significantly, no disclosure was ever made to the Court in the foreclosure or bankruptcy case or to the homeowners in default that the original Assignments to the Trust were never made – or were lost – or were defective and that the recently-filed Assignments were specially made to facilitate foreclosures years after the property was transferred to the trust.

Using Deutsche Bank National Trust Company as an example (DBNTC most often uses American Home Mortgage Servicing Inc. for mortgage servicing):

The Assignments relied upon by Deutsche Bank to foreclose are in one of the following forms:

- a)** Mortgage Electronic Registration Services (MERS) is identified as the grantor and American Home Mortgage Servicing, Inc. is identified as the grantee; within days (or minutes), a second Assignment is filed, identifying American Home Mortgage Servicing, Inc. as the grantor and Deutsche Bank National Trust Company as trustee for the trust as the grantee;
- b)** a mortgage company no longer in existence is identified as the grantor and American Home Mortgage Servicing, Inc. is identified as the grantee; within days (or minutes), a second Assignment is filed, identifying American Home Mortgage Servicing, Inc. as the grantor and Deutsche Bank National Trust Company as trustee for the trust as the grantee;
- c)** a mortgage company no longer in existence is identified as the grantor and Deutsche Bank National Trust Company as trustee is identified as the grantee;
- d)** American Home Mortgage Servicing, Inc., purporting to be the “successor-in-interest” to Option One Mortgage Company, is identified as the grantor and Deutsche Bank National Trust Company as trustee is identified as the grantee;
- e)** Sand Canyon Corporation, formerly known as Option One Mortgage Company, is identified as the grantor and Deutsche Bank National Trust Company as trustee is identified as the grantee, with no further explanation of how both American Home Mortgage Servicing and Sand Canyon have authority to act for Option One Mortgage.

An examination of the signatures on these Assignments shows that many are forgeries, with several different people signing the names Linda Green, Tywana Thomas, Korell Harp, Jennifer Ohde, Linda Thoresen and many of the other names used on several million mortgage assignments, as reported in the article “Compare These Signatures.” Many of these same individuals use at least a dozen different job titles as reported in the article, “An Officer of Too Many Banks.” These articles are available at www.frauddigest.com.