

BIG BANK FRAUD

Wrongful Foreclosure

part 1:

Non-disclosed Securitization

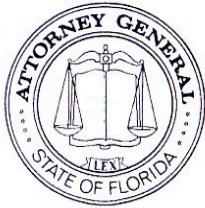
by: Margaret Carswell

Introduction

In earlier years, under the traditional mortgage model, a homeowner borrowed money from a single bank and then paid back the same bank... Nowadays, a single mortgage loan may be sold dozens of times between various banks across the country.

Further, the financial industry now commonly bundles the rights to thousands of individual loans into a mortgage-backed security (MBS). The securitization process is complicated and requires several properly executed transfers. If at any point the required legal steps are not followed to the letter, then the ownership of the mortgage loan could fall into question.

From the Congressional Oversight Panel
November 2010 Report on Mortgage Irregularities



Office of the Attorney General
Economic Crimes Division



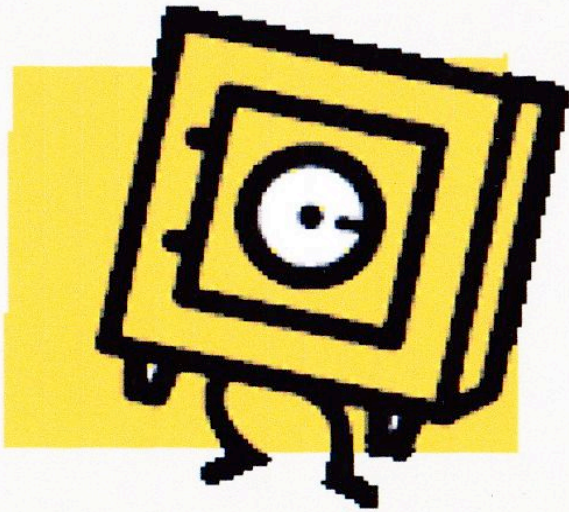
**UNFAIR, DECEPTIVE
AND UNCONSCIONABLE
ACTS IN
FORECLOSURE CASES**

PREPARED BY: JUNE M. CLARKSON, THERESA B. EDWARDS AND RENE D. HARROD

Green stripe indicates pages from Florida AG's Report of 1/4/11 3

The History of Mortgages in America

- Bankers used to take the original note and mortgage and secure it in the bank vault.



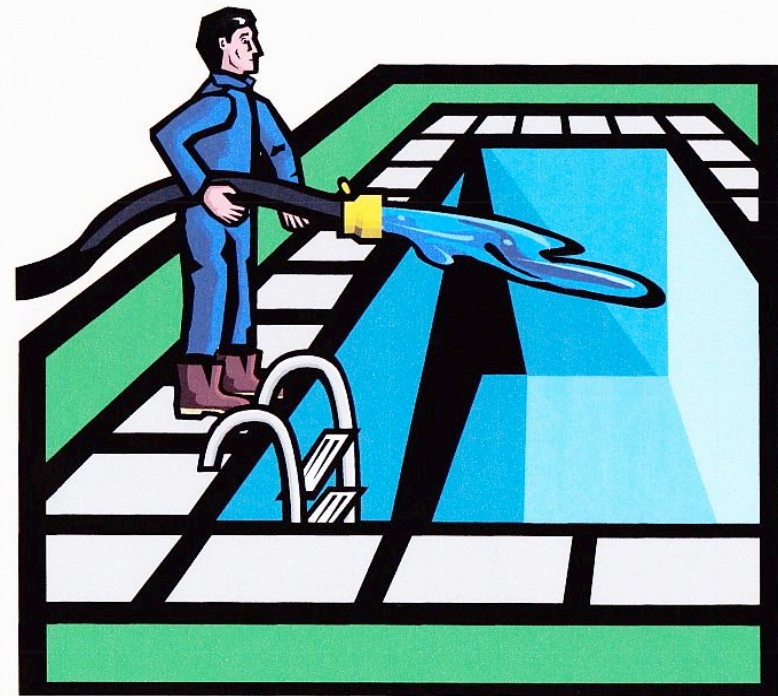
Mortgage-Backed Trusts

- As the mortgage industry grew, bankers began securing the notes in mortgage-backed trusts
- Trusts are a bundle of 5,000 notes secured by mortgages
- A bundle of notes may contain 5,000 notes and mortgages with a face value of \$1.5 Billion



Sales & Servicing of Trusts

- These Trusts were packaged as Residential Mortgage-Backed Securities (“RMBS”) and could be sold to investors in bite-sized pieces
- The rules for the operation of these RMBS trusts were set forth in “Pooling and Servicing Agreements”



EXECUTION VERSION

WaMu ASSET ACCEPTANCE CORP.,

as Depositor

and

WASHINGTON MUTUAL BANK,

as Servicer

and

LASALLE BANK NATIONAL ASSOCIATION,

as Trustee

and

CHRISTIANA BANK & TRUST COMPANY,

as Delaware Trustee

POOLING AND SERVICING AGREEMENT

\$1,100,051,573.81

WaMu Mortgage Pass-Through Certificates Series 2007-OA1 Trust

WaMu Asset Acceptance Corp.

WaMu Mortgage Pass-Through Certificates

Series 2007-OA1

Cut-Off Date: January 1, 2007

This is the cover page of
the Pooling and Servicing
Agreement (PSA)
for the REMIC Trust into
which Homeowner's Note
was bundled.

The Travels of a RMBS bundle

- Trust bundles travel from:
 - The Lender
 - To the Depositor
 - To the Securities Company
 - To the Trustee



When it doesn't work quite right . . .



- Sometimes a note or a mortgage gets lost.



How Fair is This?

- We (the borrowers) trusted them (the lenders).
- We signed a contract which we had no ability to negotiate, no opportunity to read and that we wouldn't have understood at any rate.
- We faithfully met what we believed to be our monthly obligation.
- Then the name of the lender changed, again and again...
- We started hearing fantastical stories of how the lenders hadn't loaned us their own money; that they securitized the mortgage note part of our contract and sold these multiple times to unsuspecting investors; and that the original lending companies were purchased and repurchased until almost all of them were owned by the Big Four Banks.
- In this way the Big Banks siphoned off more and more of the currency (within a monetary system where these same banks control the supply of money) until the currency supply became scarce and many of us were then unable to meet what we thought was our contractual obligation.

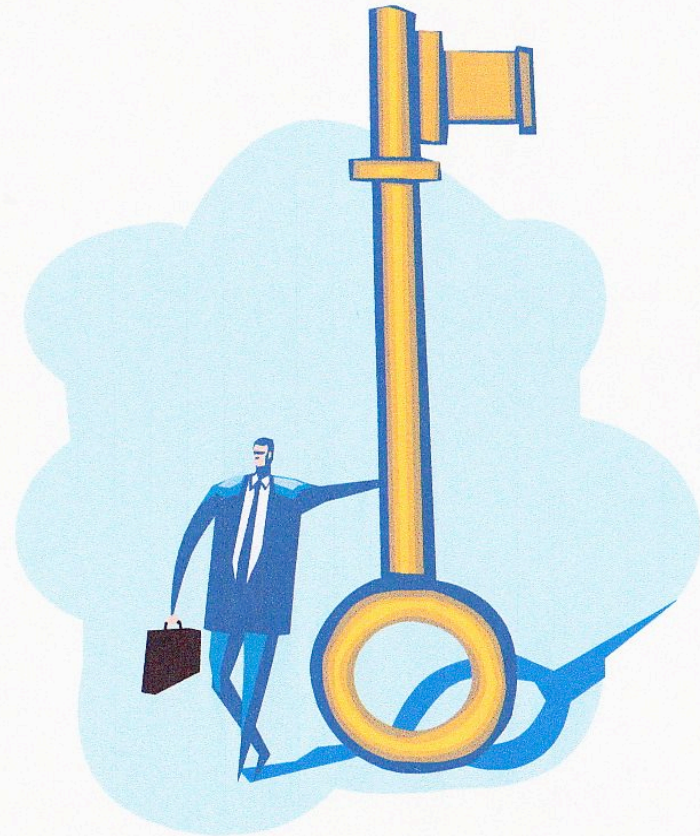
- The Big Banks knew this would happen (they created the situation) and so they took out Credit Default Swaps (insurance) betting on the failure of our obligations.
- Some Big Bank we never contracted with announced it was going to take our home from us unless we paid them ever increasing sums of money.
- We asked them to prove they were the party to which we were contractually obligated.
- They said they didn't have to prove anything.
- Using the legal authority that comes through three small words buried in a contractual document we never understood (ie. power of sale), they steal our homes without even having to get court approval, thus depriving us of our Constitutional Due Process rights.
- How fair is this?
- Bottom line: **We trusted them. They betrayed us.**

The Good News:

In their frenzy to siphon off all the money, they became sloppy...

IMPORTANT: The Key

- The key to the problems regarding foreclosures of mortgages are the **ASSIGNMENTS** of mortgage.



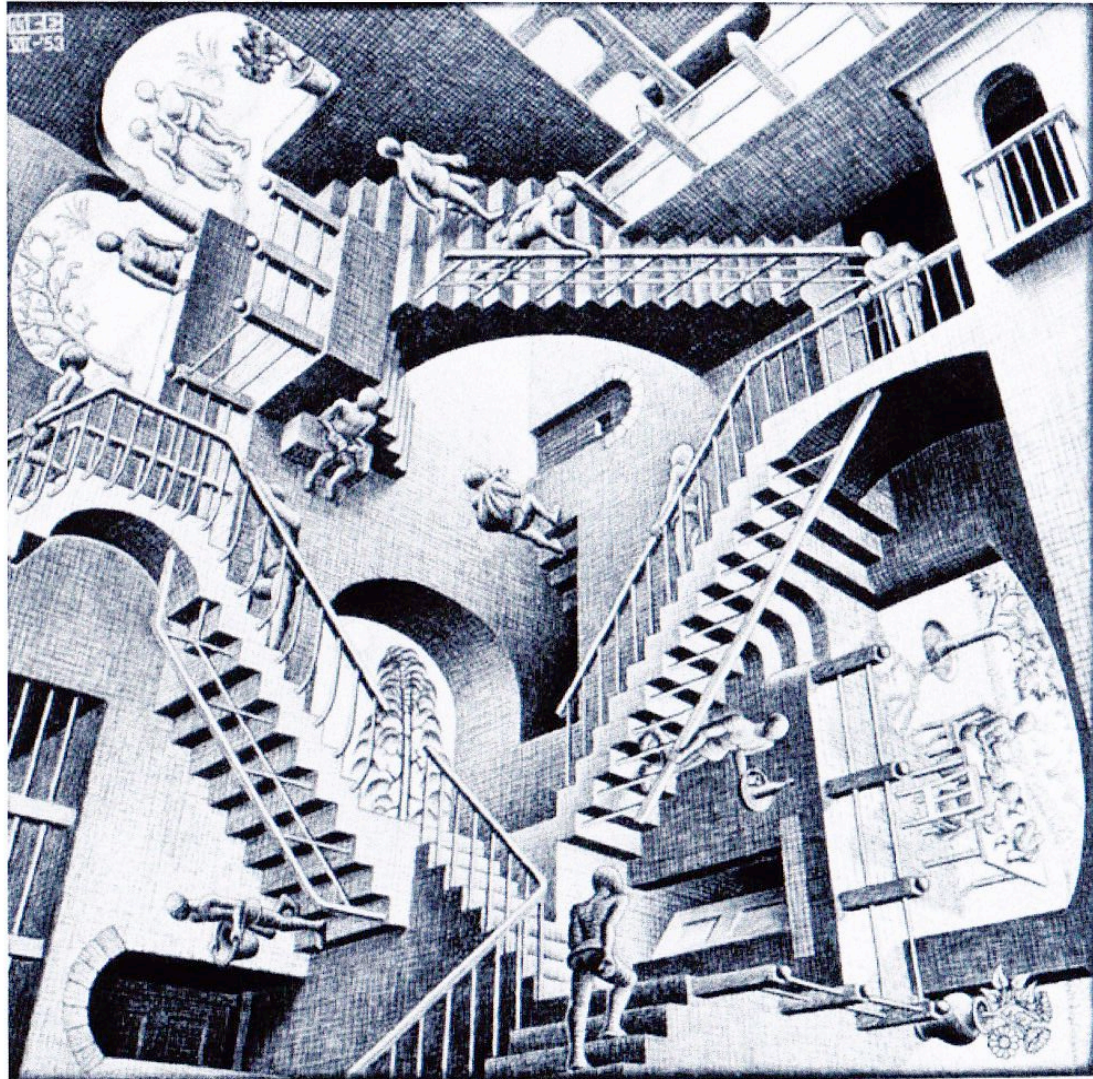
What if there is no valid assignment?

- A valid assignment transfers the ownership of the mortgage and allows the assignee of the assignment to begin a foreclosure action.
- Only the holder/owner of the note and mortgage can institute a foreclosure action if the homeowner stops making their mortgage payments.

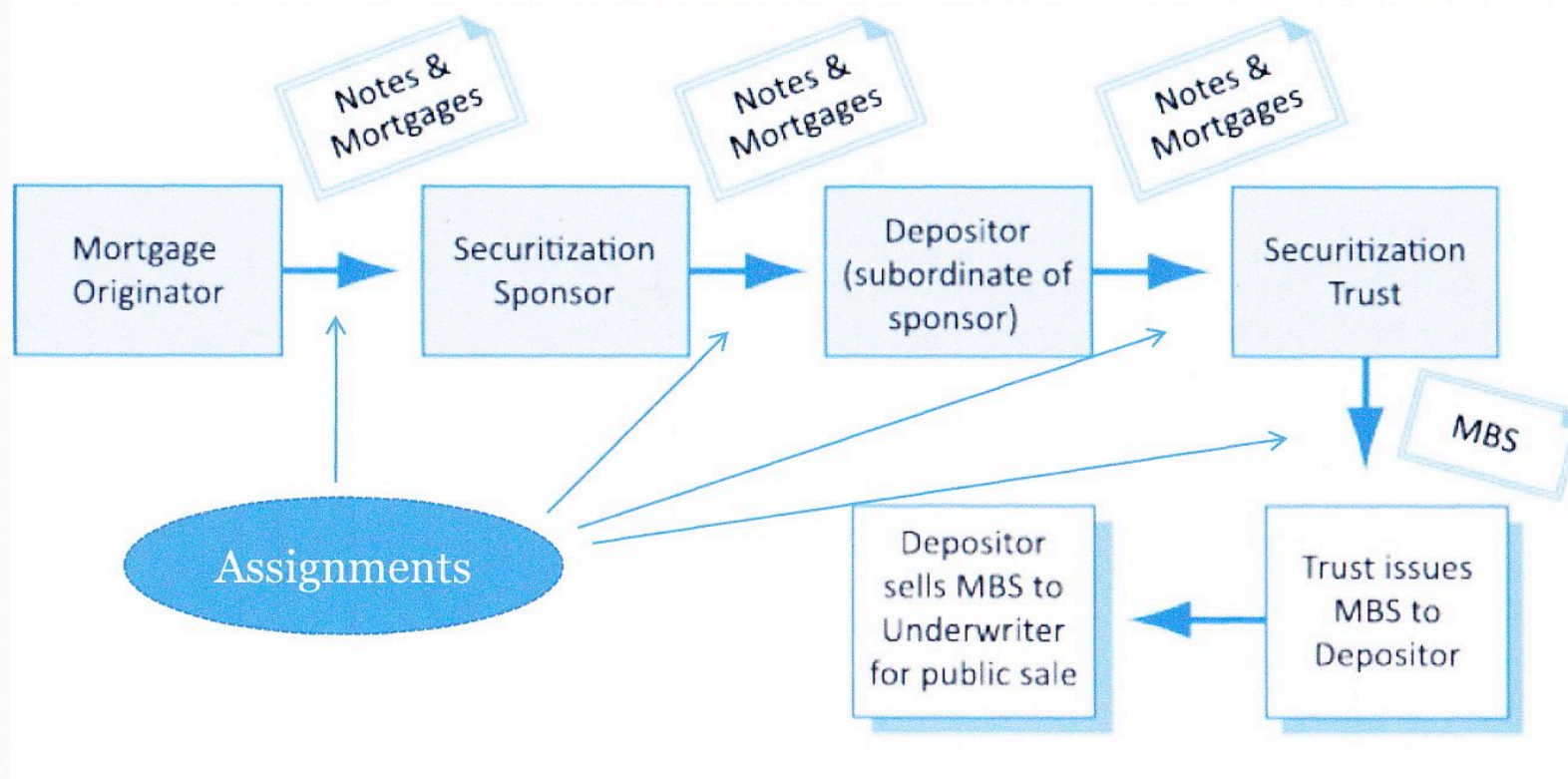


If the mortgage is not properly assigned....

the result is chaos.



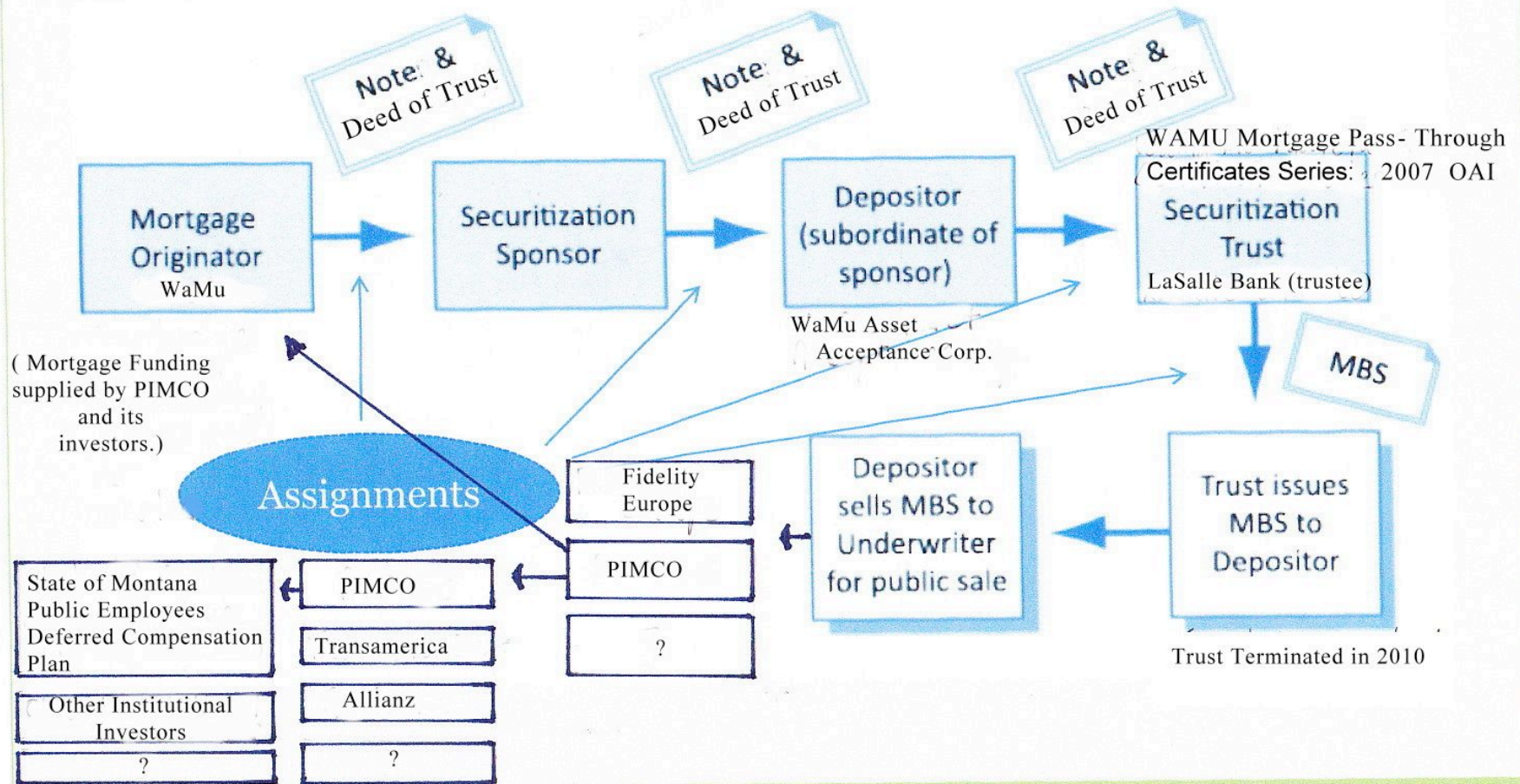
The Paperwork in Securitization Process



The Paperwork in Securitization Process

for Plaintiffs

Mortgage 2007



Source: Oversight Panel Oversight Report, Examining the Consequences of Mortgage Irregularities for Financial Stability and Foreclosure Mitigation

- The Deed of Trust, the security backing Homeowner's Note, was held by California Reconveyance Company (CRC) as trustee, on behalf of Washington Mutual Bank (WaMu), the named beneficiary.
- The Note left WaMu's possession immediately after the closing, when it was securitized.
- Therefore the Note and its collateral were immediately separated.

- CRC filed an Assignment of Deed of Trust almost three years later, assigning all its interest to Bank of America. However, the Pooling and Servicing Agreement (PSA) indicates the pool was closed on January 25, 2007, just before SEC Form 8-K was filed. No changes were permitted after the date of filing.
- The Deed of Trust and the Note remained separated, contrary to the “Important Notice” at the top of the Assignment which reads: *“After having been recorded, this Assignment should be kept with the Note and the Deed of Trust hereby assigned.”*
- The REMIC Trust was terminated October 15, 2010.
- Who holds the note? Where is the note?


Execution of the Assignments

- The Banks appointed individuals to execute the assignments

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
INCUMBENCY CERTIFICATE


I HEREBY CERTIFY that I am an Assistant Secretary of JPMorgan Chase Bank, N.A. and that the following individual, holding the title set forth opposite his/her name, is a duly elected officer of JPMorgan Chase Bank, N.A. and is authorized to sign deeds, endorsement assignments, leases, affidavits, modification and assumption agreements, substitutions of trustee, documents relating to foreclosures and bankruptcies, contracts and any other instruments that are appropriate in the ordinary course of servicing loans including but not limited to, instruments to convey, sell, assign, encumber, lease, release, discharge, disclaimer or otherwise transfer any interest in real or personal property ownership by the Company or in which the Company has a security or other interest.

Name:	Title to which appointed:
Karime Arias	Vice President
Colleen Irby	Vice President
Deborah Brignac	Vice President
Huey-Jen Chiu	Vice President
Hana Konupelt,	Vice President
Shelonda Anderson	Vice President
Barbara Batten	Vice President
Sharon Beatty	Vice President
Blake Beltz	Vice President
Jennifer Benton	Vice President
Rodger Berry	Vice President
Elizabeth Boulton	Vice President
Tracey Brown	Vice President
Diane Michelle Buckelew	Vice President
Robyn Carbonell	Vice President
Jonathan Courson	Vice President
Margaret Dillon	Vice President
Joanne Dyson	Vice President
Jimmie Edwards	Vice President



2008 60011137
BL: 44804 Pg: 318 Doc: VOTE
Page: 1 of 2 02/06/2009 09:29 AM

Attested hereto
Francis M. Roache
Francis M. Roache
Register of Deeds



2008 60023817
BL: 10262 Pg: 362 Doc: VOTE

Please note the third name down on the list, “Deborah Brignac” 20

Execution of the Assignments



- Many individuals who executed the assignments knew nothing about the documents they were signing, these individuals are referred to as “robo-signers”



Execution of the Assignments



- Individuals included bank employees, law firm employees (lawyers, paralegals, and even secretaries) and document preparation and processing company employees
- Thousands and thousands and thousands of assignments . . . signed weekly.



Fraudulent Practices come in all shapes and sizes



- Robo-signers
- Fake witnesses
- Fake notaries
- Fake documents
- False affidavits

Problems with Assignments



- Not executed by the authorized person
- Signatures not witnessed properly by the “witnesses”
- Signatures not properly notarized by a notary

Forgeries In Assignments

Variations of Deborah Brignac

Signature 1

Homeowner's Assignment of Deed of Trust

requested by title court

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY

AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: CA2-4379
Chatsworth, CA 91311

2009-0053968
Recorded
Official Records
County of
Santa Barbara
Joseph E. Holland
REC FEE 14.00
Page 1 of 2

Space above this line for recorder's use only

Trustee Sale No. 438472CA Loan No. 3013137207 Title Order No. 195071

IMPORTANT NOTICE

NOTE: After having been recorded, this Assignment should be kept with the Note and the Deed of Trust hereby assigned.


ASSIGNMENT OF DEED OF TRUST

FOR VALUE RECEIVED, the undersigned hereby grants, assigns and transfers to Bank of America, National Association as successor by merger to "LaSalle Bank NA as trustee for WaMu Mortgage Pass-Through Certificates Series 2007-OA1 Trust" all beneficial interest under that certain Deed of Trust dated 12/20/2006, executed by MARGARET CARSWELL, AN UNMARRIED WOMAN, as Trustor; to CALIFORNIA RECONVEYANCE COMPANY as Trustee; and Recorded 12/28/2006, Book , Page , Instrument 2006-0100995 of official records in the Office of the County Recorder of SANTA BARBARA County, California. APN: 047-103-04-00 Situs: 845 SEA RANCH DRIVE, , SANTA BARBARA, CA 93109

TOGETHER with the note or notes therein described and secured thereby, the money due and to become due thereon, with interest, and all rights accrued or to accrue under said Deed of Trust including the right to have reconveyed, in whole or in part, the real property described therein.

DATE: September 01, 2009

JPMorgan Chase Bank, National Association, successor in interest to WASHINGTON MUTUAL BANK, FA


Deborah Brignac, Vice President

Brignac signatures on Homeowner's Notices of Trustee's Sale

DA

Recording Requested By
ServiceLink

2009-0072712

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: CA2-4379
Chatsworth, CA 91311
800-892-6902

Recorded REC FEE 15.00
Official Records
County of Santa Barbara
Joseph E. Holland
HL
08:01AM 07-Dec-2009 Page 1 of 3

Trustee Sale No. 438472CA
Loan No. 3013137207
Title Order No. 198071

3

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NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 12/20/2006. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 12/23/2009 at 01:00 PM, CALIFORNIA RECONVEYANCE COMPANY and pursuant to Deed of Trust Recorded 12/28/2006, Book 11770, Page 1, in the Office of the Recorder of SANTA BARBARA County, California, UNMARRIED WOMAN, as Trustor, WASHINGTON MUTUAL BANK, as Lender, the highest bidder for cash, cashier's check drawn by a federal credit union, or a cashier's check drawn by a savings bank specified in section 5102 of the Financial Code, shall be sold by the duly appointed trustee as shown hereinafter described property under warranty, expressed or implied, and the note(s) secured by the Deed of Trust and amount (at the time of sale) may be greater than the amount of the

In compliance with California Civil Code 2923.5(c) the mortgagee, trustee, beneficiary, or authorized agent declares: that it has contacted the borrower(s) to assess their financial situation and to explore options to avoid foreclosure; or that it has made efforts to contact the borrower(s) to assess their financial situation and to explore options to avoid foreclosure by one of the following methods: by telephone; by United States mail; either 1st class or certified; by overnight delivery; by personal delivery; by e-mail; by face to face meeting.

SEE ATTACHED EXHIBIT
CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

DATE: 12-03-2009
CALIFORNIA RECONVEYANCE COMPANY, as Trustee
(714) 258-7850 or www.fidelityvasap.com
(714) 573-1965 or www.primortgage.com
DEBORAH BRIGNAC, VICE PRESIDENT
9200 OAKDALE AVE
MAILSTOP N110812
CHATSORTH, CA 91311

SEA RANCH DRIVE
SANTA BARBARA, CA 93109
APN Number: 047-103-04-00
Correctness of the street address and other common information heretofore described is being sold "as is".

Recording Requested By
ServiceLink requested by title court

2010-0034985

RECORDING REQUESTED BY
CALIFORNIA RECONVEYANCE COMPANY
AND WHEN RECORDED MAIL TO
CALIFORNIA RECONVEYANCE COMPANY
9200 Oakdale Avenue
Mail Stop: CA2-4379
Chatsworth, CA 91311
800-892-6902

Recorded REC FEE 24.00
Official Records
County of Santa Barbara
Joseph E. Holland
HL
08:01AM 01-Jul-2010 Page 1 of 3

Trustee Sale No. 242186CA
Loan No. 3013137207
Title Order No. 411063

3

Space above this line for recorder's use only

NOTICE OF TRUSTEE'S SALE

YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 12-20-2006. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

On 07-22-2010 at 01:00 PM, CALIFORNIA RECONVEYANCE COMPANY and pursuant to Deed of Trust Recorded 12-28-2006, Book 11770, Page 1, in the Office of the Recorder of SANTA BARBARA County, California, UNMARRIED WOMAN, as Trustor, WASHINGTON MUTUAL BANK, as Lender, the highest bidder for cash, cashier's check drawn by a federal credit union, or a cashier's check drawn by a savings bank specified in section 5102 of the Financial Code, shall be sold by the duly appointed trustee as shown hereinafter described property under warranty, expressed or implied, and the note(s) secured by the Deed of Trust and amount (at the time of sale) may be greater than the amount of the

DATE: 07-01-2010
CALIFORNIA RECONVEYANCE COMPANY, as Trustee
(714) 258-7850 or www.fidelityvasap.com
(714) 573-1965 or www.primortgage.com
DEBORAH BRIGNAC, VICE PRESIDENT
9200 OAKDALE AVE
MAILSTOP N110812
CHATSORTH, CA 91311

SEE ATTACHED EXHIBIT
CALIFORNIA RECONVEYANCE COMPANY IS A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

SEA RANCH DRIVE
SANTA BARBARA, CA 93109
APN Number: 047-103-04-00
Correctness of the street address and other common information heretofore described is being sold "as is".

In compliance with California Civil Code 2923.5(c) the mortgagee, trustee, beneficiary, or authorized agent declares: that it has contacted the borrower(s) to assess their financial situation and to explore options to avoid foreclosure; or that it has made efforts to contact the borrower(s) to assess their financial situation and to explore options to avoid foreclosure by one of the following methods: by telephone; by United States mail; either 1st class or certified; by overnight delivery; by personal delivery; by e-mail; by face to face meeting.

Misuse of Falsified Assignments



- Improper assignments were recorded in the county land records offices
- Improper assignments were submitted to the Court in support of foreclosure motions
- Improper assignments were accepted by the Court as valid assignments that substantiated the foreclosure
- Homeowners were foreclosed upon based upon falsified assignments, by a bank who was not the true holder of the note.
- If the foreclosure judgment is obtained by a bank that does not hold the note, then the homeowner risks a second lawsuit by the real note holder, and possibly a having a second judgment against them on one property.

TIMELINE

- **1992: Property Purchase**

Homeowner (H) acquired her property in 1992 for \$750,000.

- **1994: Home Construction**

H designed and built her home herself. She raised her 3 children in this home in addition to developing her business, Earth First Construction. This was funded through a series of mortgages (all of which were paid off) culminating in this, the 6th mortgage.



- **December 20, 2006: WaMu mortgage signing**

H signed what she believed to be a mortgage agreement between herself as borrower and Washington Mutual Bank as lender. It was a negative amortized loan, which means it was not for a fixed amount of money. Therefore it does not meet the criteria for a negotiable instrument, UCC-104, and must instead be treated as a security instrument.

- **December 28, 2006: “funding”**

Approximately one million dollars was deposited into H’s bank account. She does not know who provided these funds or where the funds originated.

- **Before the end of December 2006: securitization**

H's note was bundled with thousands of other notes, and pooled into WaMu Mortgage Pass-Through Certificates Series 2007-0A1 Trust, with LaSalle Bank NA as trustee.

H discovered this - and what follows - through her own research. It was not disclosed to her prior to or during the contract signing.

WaMu Mortgage Pass-Through Certificates Series 2007-0A1 Trust is a Real Estate Mortgage Investment Conduit (REMIC) Trust. These were created by investment banks to avoid the payment of taxes to the IRS. By the terms of the PSA, the Trust could not hold the mortgage notes.

WaMu transferred H's note to the REMIC Trust, where it hit a wall and vaporized.

Where is H's Note?

- **January 1, 2007**
The cut-off date of the Pooling and Servicing Agreement (PSA) which governed this REMIC Trust.
- **January 25, 2007**
The closing date of the REMIC Trust after which no changes or additions were permitted.
- **February 2, 2007: SEC Filing**
The PSA, together with the Prospectus and Supplement to the Prospectus, were filed with the Securities Exchange Commission.

- **2007 to 2009**

The WaMu REMIC Trust was pooled with other Trusts into mortgage backed securities (MBS) and other collateralized debt obligations (CDOs).

These were placed into portfolios and marketed by Pacific Investment Management Company (PIMCO), which Homeowner believes pre-purchased her mortgage.



Portfolio Holdings as of 06/30/2009*

Pacific Investment Management Co.

Distributor: Transamerica Capital, Inc.

Transamerica PIMCO Total Return[^]

One such portfolio in H's case

Security Description	% of Total Market Value
Fannie Mae TBA	7.81%
Ginnie Mae TBA, Pool 611	6.21%
Fannie Mae, Pool 890807	4.24%
Fannie Mae, Pool 995021	4.01%
Ginnie Mae TBA, Pool 0	2.41%
New York Life Global Funding, -144A	1.94%
Fannie Mae TBA	1.73%
Fannie Mae, Pool 745336	1.69%
ING Bank NV, -144A	1.50%
Fannie Mae, Pool 748848	1.43%

Freddie Mac TBA	0.16%
Merrill Lynch & Co., Inc. (MTN)	0.16%
City of Chicago Illinois	0.15%
Goldman Sachs Group, Inc.	0.15%
Altria Group, Inc.	0.15%
Fannie Mae, Pool 960809	0.15%
CS First Boston Mortgage Securities Corp., Series 2003-AR15, Class 2A1	0.15%
Bear Stearns Adjustable Rate Mortgage Trust, Series 2005-2, Class A2	0.15%
WAMU Mortgage Pass-Through Certificates, Series 2007-OAI, Class A1A	0.15%
Freddie Mac, Series 2896, Class CA	0.15%
Reynolds American, Inc.	0.15%

Ginnie Mae, Pool 687844	0.84%
Fannie Mae, Series 2005-47, Class PA	0.83%
Wachovia Bank Commercial Mortgage Trust, Series 2006-WL7A, Class A1, -144A	0.82%
Deutsche Bank AG	0.81%
Wells Fargo & Co.	0.72%
Barclays Bank PLC	0.72%
SMEG Preferred Capital, Ltd., Reg S	0.68%
Fannie Mae, Pool 888632	0.67%
Freddie Mac, Series 3253, Class A	0.67%
Massachusetts Health & Educational Facilities Authority	0.64%
Freddie Mac, Series 3149, Class QID	0.62%
Fannie Mae, Pool 695784	0.59%
Fannie Mae, Pool 832797	0.58%
Export-Import Bank of Korea	0.58%
Bank of America Corp.	0.56%
	0.55%
	0.54%

- **October 21, 2007**

LaSalle Bank (the Trustee for WaMu REMIC Trust) was acquired by Bank of America.

- **September 25, 2008: Chase took WaMu**

The FDIC placed Washington Mutual Bank into bankruptcy.

Within 24 hours, Chase Bank acquired all remaining WaMu assets for 0.3 cents on the dollar, pursuant to a Purchase and Assumption Agreement.

There were no other bidders.

The Purchase and Assumption Agreement continues to be the subject of considerable protracted litigation.

- **September 2, 2009**

An Assignment of Deed of Trust was filed on H's property, assigning all beneficial interest to BofA. It bears one of the signatures of "Deborah Brignac".

- **December, 2009**

After many requests for proof from Chase that H was obligated to pay them, she stopped sending Chase money.

- **January 29, 2010**

H and a witness met with the manager and assistant manager of the Santa Barbara branch of Bank of America, who categorically denied that BofA had any interest in her mortgage.

- **March 17, 2010: Reconveyance Request**

H wrote to California Reconveyance Company as trustee under her Deed of Trust to request that it reconvey her property.

- **April 30, 2010: QWR**

H sent a Qualified Written Request, pursuant to the Real Estate Settlement Procedures Act, to CRC.

Her questions in that Request have not been answered.

- **July 1, 2010**

A Notice of Trustee's Sale was filed on H's property. It names CRC as Trustee and bears a suspect signature of "Deborah Brignac", Vice-President of CRC.

- **July 14, 2010: Legal Action**

H's property is located in California, a non-judicial state. To stop the defendants from taking her property, H filed a lawsuit against Chase Bank and CRC.



- **On or before October 15, 2010**

The WaMu Mortgage Pass-Through Certificates Series 2007-OA1 Trust was terminated.

No report on this Trust was listed in 2010 in IRS Publication 938, which lists all active REMIC Trusts.

A Mortgage is a Contract

- California Code of Civil Procedure (CCP) 26. An obligation is a legal duty, by which one person is bound to do or not to do a certain thing, and arises from:
 - One--Contract; or,
 - Two--Operation of law.
- California Civil Code (CC) 2920. (a) A mortgage is a contract...
- In determining mortgage rights, the courts must consider the provisions of the contract itself, the applicable legislation and the Common Law.
- H did not have the opportunity to read the mortgage documents or negotiate any terms. The mortgagee should be held responsible to follow the terms of their own contract.

- In California, a non-judicial foreclosure can happen through a Power of Sale, if that is specified in the contract.
- The authority of Power of Sale is mentioned only once in the contractual documents, in the Deed of Trust, (page 3 under Transfer of Rights in the Property) where it reads: *“Borrower...conveys to Trustee, in trust, with power of sale, the following described property...”*

- The Note authorizes only the Note Holder to deliver a Notice of Default to the borrower. (section 7C)
- The Deed of Trust states: “*If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender’s election to cause the Property to be sold.*” (covenant 22 para 2)

- The Deed of Trust states in covenant 23, *“Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee.”*

The same notes must be produced upon sale for the same reason - to guarantee clear title.

- By the terms of the mortgage contract, the party seeking to effect a power of sale must prove it is the Lender, aka the holder-owner-beneficiary-mortgagee-principal-obligee-secured party, because only the Lender has the power to effect the sale.
- Chase bank as servicer is acting as the agent of an unknown principal. CRC, which is either owned by Chase or operates as its exclusive agent, is acting as trustee (and debt collector) after assigning the Deed of Trust to BofA. The authority to act, if any, of Defendants has not been disclosed.

Where mortgage loans are pooled together in a trust and converted into mortgage-backed securities, the underlying promissory notes serve as financial instruments generating a potential income stream for investors, but the mortgages securing these notes are still legal title to someone's home or farm and must be treated as such...A judge is entitled to ask for proof that the foreclosing entity was the mortgage holder at the time of the notice of sale and foreclosure, or was one of the parties authorized to foreclose...

US Bank v. Ibanez
(MA Supreme Court 2011)

- Where is H's mortgage note?
- Who holds the note? Who holds the Deed of Trust?
- Who owns the note?
- Who is the lender-holder-owner-beneficiary-mortgagee-principal-obligee-secured party?
- To whom is H indebted?

Clear and uncontested property rights are the foundation of the housing market. If these rights fall into question, that foundation could collapse. Borrowers may be unable to determine whether they are sending their monthly payments to the right people.

From the Congressional Oversight Panel's
November 2010 report on Mortgage Irregularities

Payment

- Who are the “right people” to whom P should send money?
- Covenant 23 of the Deed of Trust reads:
Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the property...
- WaMu (the Lender) brokered the loan, which was pre-purchased by PIMCO and its institutional investors.
- WaMu sold the Note into the REMIC Trust and received full payment at that time.

- WaMu also sold H's note to Fidelity Europe, which in turn sold it on the European market.
- Where else has H's Note been sold?
- Following the current industry standard, WaMu would have taken out default insurance, known within the industry as Credit Default Swaps (CDS), leading to payment again upon the termination of the Trust.
- By the terms of section 9 of the PSA governing the WaMu REMIC Trust, the trust terminates when the certificate holders are paid. The Trust terminated in 2010.

- PIMCO received money from its investors.
- The investors (certificate holders) were advised by PIMCO to take out default insurance in case any of the securities failed.
- H spoke by phone with the Officers of one of the PIMCO Institutional investors, the State of Montana Public Employee Deferred Comp Plan. H was informed that they followed PIMCO's advice and that their original investment has been insured.

- If the original lender, all the marketers and the investors aka certificate holders, have been paid, and the mortgage contract specifies that the property is to be reconveyed once all sums have been paid, does H owe anyone?
- Do the Defendants have the right to exact payment from H or to take her property?
- Indeed is the trustee not obligated to reconvey H's Deed of Trust to her?

I believe that banking institutions are more dangerous to our liberties than standing armies. If the American people ever allow private banks to control the issue of their currency, first by inflation, then by deflation, the banks and corporations that will grow up around [the banks] will deprive the people of all property until their children wake-up homeless on the continent their fathers conquered.

Attributed to Thomas Jefferson

Capital must protect itself in every way... Debts must be collected and loans and mortgages foreclosed as soon as possible. When, through a process of law, the common people have lost their homes, they will be more tractable and more easily governed by the strong arm of the law applied by the central power of leading financiers. People without homes will not quarrel with their leaders. This is well known among our principle men now engaged in forming an imperialism of capitalism to govern the world. By dividing the people we can get them to expend their energies in fighting over questions of no importance to us except as teachers of the common herd.

Attributed to JP Morgan

BIG BANK FRAUD

Wrongful Foreclosure

part 2: MERS

part 3: Loan Mod. Fraud

To be continued...