

Re: Closing Document Audit and Correction Process

I have perfected an **administrative process** to rescind the mortgage transaction and re-convey title back to the borrower (you).

Where the mortgage closing documents are audited and a debt validation process is completed to rescind the loan.

Documents That Will be needed for the Audit

Deed of Trust or Mortgage (depending on your state) and the Promissory Note

You will also be required to get a certified copy of all the documents in the file where the land records are kept (i.e. county register of deeds).

The Deed of Trust or Mortgage deed of trust says this is not a security instrument and then it says the borrower is the **trustor** then it names the lender, the trustees, and the beneficiaries.

You will find the Deed of Trust/Mortgage in your closing documents you signed at the closing.

Within the deed of trust/mortgage you granted your alleged lender power of attorney to appoint new trustees and new beneficiaries whichever is the case may be. There is a notice area and you are given opportunity between the borrower and the lender where you have the right to notice each other by written communication of whatever you need to talk with them about via the mail.

So when you sign the deed of trust/mortgage and the promissory note you will find that you are the only signer. The bank did not sign any of these documents making them unilateral.

In other words if you are the only signer of the document then there is no contract.

It is the same as your last Will and Testament as the trustor we appoint the trustee and the beneficiary and if we say your trustee is your husband or your wife and you get divorced, aren't you the trustor who created that will? As trustor you are able to go back and change that trustee to somebody else.

After you get rescission the note becomes null and void and you remove the trustee and the beneficiary.

The only party that can foreclose on your property is the trustee and the beneficiary.

The bank didn't loan you any money so as they are committing all kinds of fraud.

The nominal Lender did NOT fund the transaction [Loan], putting its name on a Mortgage NOTE pretending to be the True-Lender, tricked you the Borrower/Homeowner into signing over a Mortgage NOTE in order to secure an Investment Security, and thereafter assign a Beneficial Right to a third party, a right which it never held from the beginning.

So when there is only one signer on the documents and that's you, you DO NOT have a contract.

While it's impossible to guarantee results, we firmly believe that the United States is headed for a showdown regards the validity of those mortgages used for the creation of sub-prime mortgage backed securities. Hence, the abundance of foreclosure fraud over the recent years committed by lawyers for the Plaintiffs, Courts that "looked the other way" and lawyers for Defendants that had no idea of what they were doing and could care less.

Right of Rescission

In a credit transaction in which a security interest is or will be retained or acquired in a consumer's principal dwelling, each consumer whose ownership is or will be subject to the security interest has the right to rescind the transaction. Lenders are required to deliver two copies of the notice of the right to rescind and one copy of the disclosure statement to each consumer entitled to rescind. The notice must be on a separate document that identifies the rescission period on the transaction and must clearly and conspicuously disclose the retention or acquisition of a security interest in the consumer's principal dwelling; the consumer's right to rescind the transaction; and how the consumer may exercise the right to rescind with a form for that purpose, designating the address of the lender's place of business.

In order to exercise the right to rescind, the consumer must notify the creditor of the rescission by mail, telegram or other means of communication. Notice is considered given when mailed, filed for telegraphic transmission or sent by other means, when delivered to the lender's designated place of business. The consumer may exercise the right to rescind until midnight of the third business day following consummation of the transaction; delivery of the notice of right to rescind; or delivery of all material disclosures, whichever occurs last. When more than one consumer in a transaction has the right to rescind, the exercise of the right by one consumer shall be effective for all consumers.

When a consumer rescinds a transaction, the security interest giving rise to the right of rescission becomes void and the consumer will no longer be liable for any amount, including any finance charge. Within 20 calendar days after receipt of a notice of rescission, the lender is required to return any money or property that was given to anyone in connection with the transaction and must take any action necessary to reflect the termination of the security interest. If the lender has not delivered any money or property, the consumer may retain possession until the lender has complied with the above.

The consumer may modify or waive the right to rescind if the consumer determines that the extension of credit is needed to meet a bona fide personal financial emergency. To modify or waive the right, the consumer must give the lender a dated written statement that describes the emergency, specifically modifies or waives the right to rescind and bears the signature of all of the consumers entitled to rescind. Printed forms for this purpose are prohibited.

Note: the right to cancel three day tolling does not come into effect until the borrower(s) are fully disclosed. They were never fully disclosed that the NOTE was sold.

For more information about the right of rescission click on the links below:

The right of rescission is a consumer protection law found within the [Truth in Lending Act](#)

http://mortgage-home-loan-bank-fraud.com/legal/Right_of_rescission.htm

and

<http://mortgage-home-loan-bank-fraud.com/manual.htm>

The document audit will discover the following reasons for rescission.

- 1) I did not receive an accurate and/or proper disclosure of my right to rescind the transaction.
- 2) I did not receive an accurate and/or proper disclosure of the amount financed; finance charge and annual percentage rate due to, among others, the inclusion of the "broker's payment" and other "Mandatory TILA Disclosures" in the amount financed.
- 3) As of this date, during the loan duration, I did not receive a copy of the loan documents that are required to be signed by the Lender.

- 4) It was never disclosed to me that as the creator, grantor, trustor or borrower, the borrower gives the power of attorney to lawfully seize in fee simple the granted premises.
- 5) It was never disclosed to me that as the creator, grantor, trustor or borrower, the borrower can revoke the power of attorney that he granted and re-convey the title of the property.
- 6) It was never disclosed to me that there is no contract.
- 7) It was never disclosed to me that I am the lender of the credit and you are withholding the credit that was issued and used to close escrow, without me that account doesn't exist, I sponsored the credit for the funding of the mortgage loan account number [REDACTED].

The current "cottage industry" of TILA audits is insufficient but a necessary part of the entire package that needs to be completed in order to properly advise a homeowner, of the validity of claims to be made both defensively and offensively.

This requires not only a thorough mortgage audit or review of the loan transaction itself, but a case evaluation from the standpoint of issues raised by securitization of loans. Additionally, the chain of title and the appraisal are necessary elements to consider in a comprehensive "forensic" review. The current Qualified Written Request form being used by most services dates back prior to securitization, as does the methods and analysis of the of the mortgage process in a specific transaction.

The objective is to get the case in position where it can be settled without litigation. This is not always possible, but there are a number of forms, letters and strategies I have either created or accepted from submissions of other collaborative efforts, in which the Trustee, the mortgage broker, the appraiser, the escrow agent, the title agent, and the "lender" are put on notice that there is a damage claim that might apply against them and that might be covered by errors and omissions insurance policies or other insurance.

The failure of mitigations, auditors, HUD counselors and lawyers to see these transactions within the context of table-funded loans, assignments, pooling and securitization is a serious flaw in the advice and strategies employed.

You can play a part in this movement in which homeowners assert their rightful claims to be restored to the position they were in before the mortgage and appraisal and securities fraud occurred. While we are dedicated, we are not rich and our site receives over 30,000 visits each week and the all the information here is free, please understand that our own family demands (time & money) necessitate that we are compensated for getting personally involved in individual matters.

We have designed a package of services that in my opinion meets the required criteria for the process to commence — and to enhance the prospect of a favorable result for the homeowner.

The Seven Steps to Re-Convey the Title

- 1) RESPA letter and Default. (60 days to default)
- 2) 16 days to cure letter (16 days to default)
- 2) Rescission Letter (20 Days to Default).
- 3) Notice of Removal.
- 4) Notice of Revocation of Power Of Attorney.
- 5) Quit Claim Deed.
- 6) Full Re-conveyance (release of trustee or mortgage note).
- 7) Warranty Deed.

Certain Legal Aspects of Mortgage Loans

- 1) Fraud at the inception of the alleged note.
- 2) There is no contract and the original note cannot be produced.
- 3) Borrower did not sign any contract with alleged borrower.
- 4) Notice of The Right to Cancel was sent.
- 5) Trustees on the original Deed of Trust were removed and dismissed by notice in the mail and have no standing or assignments or duty to foreclose for alleged defendant in this case.
- 6) Alleged foreclosing attorney has no standing to file or move for foreclosure as the note was cancelled and the revocation of Power of Attorney was in place when they trespassed on public records committing the crimes of tampering with public records under ORS 116.305 which is clearly posted as a felony.
- 7) Fraud voids all judgments and/or orders.
- 8) Under laws adopted by all 50 states, the owner of a "negotiable instrument" such as a promissory note must be in physical possession of the document, said Peterson. Otherwise it would be like someone trying to cash a photocopy of a check instead of the actual check.
- 9) "One cannot be a holder of a note unless one is in physical possession of that note." Evidence is coming out in courts that show the actual promissory notes or mortgages signed by borrowers were not transferred as the notes

made their way into the mortgage-backed securities investment pools.

- 10) That could mean in these cases that no one is in a position to try to collect because the actual notes are lost or destroyed, potentially making some promissory notes investors think they hold worthless.
- 11) State courts have been more favorable than federal courts to homeowners seeking to halt foreclosure proceedings based on questions about MERS' legal standing under state and federal laws.
- 12) Rulings have gone different ways in different courts. Lawsuits are claiming MERS does not have the legal right to initiate foreclosure proceedings. We agree.

Securitizations (Mortgage Backed Securities)

A CUSIP number may or may not exist. Many so-called securitizations were really spreadsheets that never made it into public records. There wasn't even a bond issued (they were called non-certificated bonds). The name of the asset pool that could or might make a claim to your obligation, note or mortgage could be one of several players in the shell game. Until the Wall Street entities settle on who they are "assigning" the loan to, there is no entity making that claim. And the issue doesn't even come up without litigation where discovery is actually the end game. If the Judge grants discovery, game over, they make you an offer or just leave the premises. If the Judge denies discovery, you have to appeal and go much further.

[CUSIP stands for Committee on Uniform Securities Identification Procedures. A system that identifies securities, specifically U.S. and Canadian registered stocks and bonds]

It is only at the point where there is litigation that documents are prepared to show the alleged transfer from the loan originator. Until then, those documents do not exist, contrary to the requirements of the IRC REMIC codes and contrary to the pooling and servicing agreement. Oddly enough the least amount of work in satisfying your question occurs when the securitizers are at least pretending to play by the rules. THEN we can come up with an exact name of the "trust" and maybe even CUSIP number. But the work expands if they didn't go that route. So we have gone as far as we can without doing a complete securitization analysis and scan of public records in other jurisdictions to find out where these parties show up and what is being alleged by them as to what path they followed in securitizing similar loans.

"Homeowners can only be foreclosed and evicted from their homes by the person or institution that actually has the loan paper...only the note-holder has legal standing

to ask a court to foreclose and evict. Not the mortgage, or the note, which is the actual IOU that people sign, promising to pay back the mortgage loan.

"The whole purpose of Mortgage Backed Securities was for different investors to have their different risk appetites satiated with different bonds. Some bond customers wanted super-safe bonds with low returns; some others wanted riskier bonds with correspondingly higher rates of return.

"So somewhere between the REMICs (Real-Estate Mortgage Investment Conduits, a special vehicle designed to hold the loans for tax purposes) and MERS (Mortgage Electronic Registration System), the chain of title was broken"

In simple terms the mortgages placed with Freddie Mac/ Fannie Mae, were broken up into tranches where each mortgage was no longer whole ... bits went into high grade securities, and bits went into junk bonds. This was the attraction of the new vehicles with different rates of return. In order to maintain chain of ownership between borrower and (original) lender the use of REMIC and MERS was designed to do that.

It failed. The chain of ownership (Title) was broken between the borrower and the holder of the note. That break in the chain says that the borrower no longer owes any money on the loan. The issue of transparency has always been there with Mortgage Backed Securities (MBS). This goes much further than transparency. The question is one of legality in creation of MBS and the methodology that supported them.

Quiet Title Action

After rescission you will file what's called a "Quiet Title Action," a lawsuit in which the owner seeks clear title to a property free of liens by lenders or others.

For example: In Deed of Trust states such as Utah, when you take out a mortgage loan to buy a home, you sign a promissory note held by the lender and a deed of trust that is recorded at the county recorder's office. The promissory note gives the holder the right to collect payments on the loan. The recording of the deed of trust gives the lender the right to foreclose on the property if you default on the loan.

This is the process wherein you utilize the Forensic Audit and the Securitization Audit to secure the title of your home. Once the audits are secured an ex parte motion for the title is presented to the courts. The Order from the judge is then taken to the county recorder to remove the liens or gain Quiet Title because there is no real party in interest. Title done.

A trustee appointed by the lender also is recorded with

the county and actually holds legal title to your property subject to the conditions of the trust deed. For more information about Quiet Title see:

<http://quiettitleaction.com>

As a litigation consultant I can train you to win the Quiet Title Action. As the mortgage fraud examiner, I can prove the frauds underlying your transaction. When you present the facts, your lender might beg you to settle – house free and clear, loan completely forgiven, legal fees paid, and a little vacation money to boot.

Outside of Hiring an Attorney

When you hire an attorney you are hiring someone who doesn't understand or believe that these frauds exist to begin with or at worst he is simply there to facilitate in the taking of your home.

The Administrative Remedy

The Administrative Remedy is exercised through our federal laws. This is an option that will stave off your foreclosure and find that mortgage payments are uncollectable.

- 1) Analyze your Documents
- 2) Determine if Debt is Uncollectable
- 3) Report Findings To You
- 4) Grant Power of Attorney To Me
- 5) Start Administrative Process With QWR
- 6) Find Expert Witness
- 7) Get Affidavit from Expert witness
- 8) Send Expanded Information Request
- 9) Send Lawsuit Threat Letter
- 10) Lender Cannot Foreclose Or Collect Mortgage Payments
- 11) Quiet Title Action
- 12) Sue Lender for Fraud

What Is The Fraud?

When you took out a loan, you signed a Promissory Note. A Promissory Note is a Monetary instrument, much like the dollar bills you have in your pocket.

Let's say for example that you signed a Promissory Note for a mortgage in the amount of \$100,000. To a bank, that Promissory Note is the same as cash.

Proof: If you look at a United States Dollar Bill, you will see written at the top the words "Federal Reserve Note". In essence, this Reserve Note is a Promissory Note. This dollar bill is evidence of a debt the Federal Government owes the FR. Your Promissory Note is evidence of a debt you owe the bank. So to a banker, your \$100,000 Promissory Mortgage Note is like a \$100,000 Bill.

They take this Note and they create a Demand Account, in your name, without telling you about it!

The balance of the Demand Account goes from \$0 to \$100,000 (to pay the seller of the house you just bought their monies in full); the balance in YOUR Demand Account goes back down to \$0.

Most importantly, if the whole process stopped right here, there would be no crime committed, no fraud committed, and everyone would be in an equitable position.

However, the moment you start paying interest and principle payments after your Demand Account is brought to \$0 (above), these payments become your damages.

The bank is taking money out of your pocket, and not giving you anything of equal value in return!

When money is simply demanded from you for nothing that is called Conversion.

The laws dictate that when conversion is used and this fact is brought to light; the damaged party's compensatory damages are 4 times the amount of the actual damages plus the punitive damages are 200 times the amount of the compensatory damages, or 800 times the actual damages.

If You Are Facing a Pending Foreclosure You Might Want To Consider Filing for Bankruptcy

Utilizing the Federal Bankruptcy Courts

Utilizing the federal Bankruptcy Courts to file within your BK an Adversarial Complaint against your purported 'lender' that should result in your property becoming Free and Clear of your 'lenders' purported loan and lean AND utilizing the federal courts again, offensively, for your possible awards gleaned from your Administrative Process.

This is a serious subject. If you are facing a pending foreclosure, and you want to stay in your home, AND you have an income, then you might want to consider filing for bankruptcy.

In our experience, we have found that for most homeowners, filing for a bankruptcy (even if the sale is due next week) will give them AT THE MINIMUM another 3 to 4 months. During this time, you can prepare your legal defense to challenge your lender to produce valid proof of claim.

You see, in Bankruptcy, there is a beautiful rule called the Federal Rules of Bankruptcy 3001(d) in which is says:

(d) Evidence of perfection of security interest. If a security interest in property of the debtor is claimed, the proof of claim shall be accompanied by evidence that the security interest has been perfected.

Here: go read it yourself:

<http://www.law.cornell.edu/rules/frbp/rules.htm#Rule3001>

Note: We will be glad to do Free Preliminary Document Audits Tuesday, Wednesday and Thursday from 10 A.M. to 5 P.M. EDT [Process Map](#)

Recent news articles about Real Estate Fraud, Broker Fraud and Predatory Lending Practices.

U.S. Bank v. Ibanez

<http://www.calculatedriskblog.com/2009/10/us-bank-v-ibanez-more-fun-with.html>

The impact of the *U.S. Bank v. Ibanez* case on the foreclosure and REO market. The Court's ruling appears rather elementary: **you need to own the mortgage before you can foreclose**. But it's become much more complicated with the proliferation of mortgage backed securities (MBS's) –which constitute 60% or more of the entire U.S. mortgage market. The Court has held unequivocally that the common industry practice of assigning a mortgage "in blank" — meaning without specifying to whom the mortgage would be assigned until after the fact — does not constitute a proper assignment, at least in Massachusetts.

See Also: [Ibanez v. U.S. Bank Case](#)

Real Estate Fraud Booms

Mortgage scams thrive amid soaring home prices, little regulation and, in some cases, complicit borrowers. Higher rates result because of Yield Spread Premiums.

http://mortgage-home-loan-bank-fraud.com/articles/real_estate_fraud_booms.htm

Graphic: The Path of a Bundled Mortgage

Your loan is most likely part of a mortgage-backed security; a bundle of loans packaged together and sold off to investors. Ambiguous rules and the dispersed web of interests involved in securitized mortgages have created little accountability.

For homeowners with securitized mortgages, when you present the facts, your lender might beg you to settle – house free and clear, loan completely forgiven, and legal fees paid. Here is a graphic example of a Bundled Mortgage.

<http://www.propublica.org/special/graphic-the-path-of-a-bundled-mortgage>

See Also: Bundled Mortgages Pose Problems for Housing Program

<http://www.propublica.org/article/making-home-affordable-loan-modifications-denied-806>

**Is Your Mortgage Loan Illegal?
Your Best Defense in Fighting Foreclosure**

http://www.youtube.com/watch?v=F_or1552Oe8

What this means is that all the sudden, your lender has to actually prove that they are the real party of interest before they can foreclose.

This is ESPECIALLY effective in California.

Clouded Titles ... It Is As Ominous As It Sounds!

"Over the course of 12+ years, Mortgage Electronic Registration Systems, Inc. (MERS) has thoroughly unleashed a confusing mess of concealed electronic data, supplied by virtually all of the major players in the American financial arena ...coupled with an intricate network of document preparers, it has virtually caused clouds on over 62,000,000 titles to property in every state in the United States."

Culpepper vs. Irwin Mortgage

The plaintiffs, who have home mortgage loans from Irwin Mortgage Corporation, claim that certain payments, called "yield spread premiums," that Irwin made to the mortgage brokers who handled the plaintiffs' loan applications are illegal kickbacks or referral fees under section RESPA section 8. The district court initially granted Irwin summary judgment, and on the action's first trip to this court, we reversed.

Culpepper v. Inland Mortgage Corp. (Culpepper I), 132 F.3d 692, 694 (11th Cir.1998).

http://www.mortgage-home-loan-bank-fraud.com/legal/Culpepper_v_Irwin_Mortgage.htm

\$3,000,000 Jury Award Against Ocwen

http://mortgage-home-loan-bank-fraud.com/legal/Guzman_v_Ocwen.htm

\$60 Million Settlement with First Alliance Mortgage Company

The settlement, awaiting approval by a federal court, is expected to return \$2,500 to \$3,300 each to 18,000 First Alliance borrowers in 18 states and the District of Columbia.

http://mortgage-home-loan-bank-fraud.com/articles/Homeowners_gain.htm

What Isn't Disclosed Under the Truth in Lending Act?

Five pieces of important information that are not disclosed are identified by writer, Professor of Finance Emeritus Jack Guttentag at the Wharton School of the University of Pennsylvania.

http://mortgage-home-loan-bank-fraud.com/articles/what_isn't_disclosed.htm

It Is a Must To Listen To The Following Audio for an Understanding Of The Dual Trusts

[Beneficiary & Trustee Status in Court Cases](#) (.mp3 Audio File)

We are unique and believe that we may be the only service of its kind in the nation. We also believe that nothing related to the epidemic of foreclosures has happened by accident or random chance. It's all continuing to be driven by a handful of men. We also believe we know who they are and why they're doing what they're doing. We would like to see them indicted. That's the "greater" reason that we do what we do.

Sincerely,

Kenneth Michael

"Predatory Lending Defense Specialist"

Call me Tuesdays, Wednesdays and Thursdays 10 A.M. to 5:00 P.M. Eastern

401-349-4717

email: bankfraud@cox.net

website: <http://mortgage-home-loan-bank-fraud.com>