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**WALTER R. BARISONEK, A.J.S.C. Ret.  
SPECIAL MASTER**

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**SEP 28 2011**

**SUPERIOR COURT  
CLERK'S OFFICE**

**IN THE MATTER OF RESIDENTIAL  
MORTGAGE FORECLOSURE PLEADING  
AND DOCUMENT IRREGULARITIES**

**SUPERIOR COURT OF NEW JERSEY**

**ADMINISTRATIVE ORDER: 01-2010**

**DOCKET NO.: F-00238-11**

**CERTIFICATION OF SHARON MORGAN ON BEHALF OF FLAGSTAR BANK**

1. I am currently an Assistant Vice President for Flagstar Bank ("Flagstar"). I have been employed with Flagstar since February 11, 2008 in various capacities, primarily focused on default issues. I have been employed in the mortgage industry since 1984. I joined Flagstar in February, 2008 and from that time through 2010, I was employed in Loss Mitigation. From May 2010 through November, 2010, I served as an Assistant Vice President – Assistant Manager for Foreclosure. From November 2010, through the present, I have served as Assistant Vice President – Manager of Foreclosure and Bankruptcy. Based on my work experience and work with Flagstar, I have personal knowledge of and am fully familiar with the Flagstar foreclosure operations, including as they relate to procedures for the State of New Jersey.

2. I submit this Supplemental Certification in response to the request by Federal National Mortgage Association ("Fannie Mae") to assist in its response to the request by this Court for supplemental information responsive to the April 25, 2011 Order and specifically related to procedures for properties located in the State of New Jersey.

**1.a. STATE WHAT PROCESSES AND PROCEDURES YOU HAVE TO ENSURE THAT THE CERTIFICATIONS/AFFIDAVITS SUBMITTED ARE BASED UPON THAT PERSON'S PERSONAL KNOWLEDGE OR THAT PERSON'S REVIEW OF BUSINESS RECORDS WHICH RECORDS WOULD BE ADMISSIBLE IN EVIDENCE IN A NEW JERSEY COURT. DESCRIBE THE PROCESSES AND**

**PROCEDURES IN DETAIL AND ATTACH A COPY OF ANY DOCUMENTS THAT ESTABLISH THE PROCESSES AND PROCEDURES.**

3. Flagstar's policies and procedures regarding the required steps for the review and execution of foreclosure-related affidavits and documents has been reduced to writing. As with any other process, Flagstar continues to review and revise its policies and procedures on an as needed basis.

4. For properties located in the State of New Jersey, Flagstar conducts its foreclosure processes in full compliance with the newly revised rules issued by the New Jersey Supreme Court. See R. 4:64-1 et seq.

5. Prior to filing the complaint in foreclosure with the court, the accuracy of the following information in the complaint is verified by an employee in Flagstar's Foreclosure Department (for purposes of this Certification – the "Foreclosure Employee") by reviewing business records maintained in the regular course of Flagstar's business: (a) the name of the obligor, mortgagor, obligee and mortgagee, (b) the amount of the debt secured by the mortgage; (c) the dates of execution of the debt instrument and the mortgage, (d) the recording date, county recording office, and book and page recording reference of the mortgage securing the debt, (e) whether the mortgage is a purchase money mortgage; (f) a description of the pertinent terms or conditions of the debt instrument or mortgage and the facts establishing the default; (g) the default date; (h) if applicable, the acceleration of the debt's maturity date; (i) if applicable, any prepayment penalty; (j) if the plaintiff is not the original mortgagee or original nominee mortgagee, the names of the original mortgagee and a recital of all assignments in the chain of title; (k) the names of all parties in interest whose interest is subordinate or affected by the mortgage foreclosure action and, for each party, a description of the nature of the interest, with sufficient particularity to give the court and parties notice of the transaction or occurrence on

which the interest is based including recording date of the lien, encumbrance, or instrument creating the interest, (l) a description of the subject property by street address, block and lot as shown on the municipal tax map and a metes and bounds description stating whether the recorded mortgage instrument includes that description; and (m) if applicable, whether the plaintiff has complied with the pre-filing notice requirements of the Fair Foreclosure Act or other notices required by law. Once all of the foregoing information has been confirmed, the Foreclosure Employee confirms to the foreclosure attorney that the information has been so verified. Flagstar has amended its Policies and Procedures to reflect this current practice under the revised Rules by virtue of an addendum to address the foregoing New Jersey state-specific rules

6. The Foreclosure Employee will be responsible for signing the Affidavit of Amount Due, based on personal review of Flagstar's business records.

7. Prior to the filing of any complaint for foreclosure of New Jersey properties, a Foreclosure Employee will be responsible for personally reviewing the following documents: (a) the Affidavit of Amount Due; (b) the original or true copy of the note; (c) the mortgage; and (d) recorded assignments, if any. After the Foreclosure Employee has reviewed these documents and confirmed their accuracy, the Foreclosure Employee will ensure the results of this review are communicated to the foreclosure counsel to meet the requirement that foreclosure counsel confer with a Foreclosure Employee

8. The Foreclosure Employee will then ensure that the documents are transmitted to the foreclosure counsel. This Foreclosure Employee will continue to be available as a point of contact for the foreclosure counsel, should such foreclosure counsel have any questions during the foreclosure process

9. All affidavits signed and notarized by Flagstar personnel are signed and notarized in the State of Michigan in accordance with the laws of the State of Michigan concerning notarization of documents, MICH. COMP LAWS § 55.261 et seq., and in accordance with Flagstar's policies and procedures on affidavits. 10. Flagstar does not utilize a checklist for compliance with R. 4:64-1 et seq., as revised by the New Jersey Supreme Court, but will consider utilizing a checklist by the 1<sup>st</sup> Quarter 2012.

11. As noted in Paragraph 13 of my July 15, 2011 certification that was previously filed with this Court, Flagstar currently has four (4) Authorized Signers (each a "Foreclosure Employee"). After review of the supporting business records, Affidavits are executed in a meeting on one or more days a week and are attended by notaries who witness the signature of the Authorized signer and notarize the affidavit. On a typical day, each Authorized Signer will review the business records supporting no more than 10 New Jersey foreclosure properties.

**1.e. STATE IN DETAIL ANY TRAINING PROGRAMS YOU HAVE IN PLACE FOR INDIVIDUALS COMPLETING CERTIFICATIONS/AFFIDAVITS TO ENSURE THAT THEIR KNOWLEDGE OF THE CONTENTS OF THE AFFIDAVITS IS BASED UPON PERSONAL KNOWLEDGE OR BUSINESS RECORDS WHICH WOULD BE ADMISSIBLE IN A NEW JERSEY COURT.**

12 For any new Authorized Signer who may complete certifications/affidavits, the Servicing Governance Officer will provide the initial one-on-one training to the individual on Flagstar's policies and procedures as set forth here. Flagstar on New Jersey, For changes to the New Jersey court rules and rules governing New Jersey foreclosures, the Foreclosure Manager and Servicing Governance Officer will ensure that existing employees are updated on any required updates or revisions to Flagstar's policies and procedures. This allows Flagstar the ability to monitor the training to ensure that the employee understands the process. The Servicing

Governance Officer will ensure the training program for the execution of Affidavits/Certifications related to New Jersey foreclosures is periodically audited.

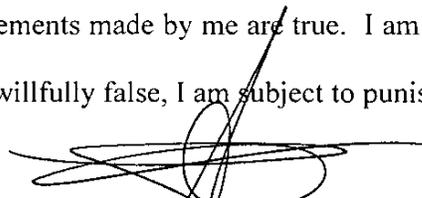
**1.g. STATE THE REVIEW PROCESS YOU AND FORECLOSURE COUNSEL HAVE IN PLACE FOR THE FINAL REVIEW OF DOCUMENTS TO BE SUBMITTED TO THE COURT PURSUANT TO RULE 4:64-1 ET. SEQ.**

13. Flagstar considers the availability of loan modifications throughout the default process. If Flagstar is servicing for an investor, the investor provides guidelines for servicers relative to loss mitigation requirements and Flagstar follows the same. Either upon receipt of requests from borrowers or on its own initiative, Flagstar initiates loss mitigation procedures in an attempt to cure the current loan default or to achieve a modification, unless the borrower identifies they do not wish to retain the property. Flagstar is in contact with the foreclosure counsel concerning the status of the loss mitigation process for those loans that are in foreclosure status. If a modification is achieved, foreclosure counsel is notified. In addition, foreclosure counsel are often involved in the loss mitigation process as part of the foreclosure process and therefore, are aware of the status of the loss mitigation efforts.

**ADDITIONAL ISSUES NOT INCLUDED IN THE APRIL 25 ORDER.**

14. Flagstar does not accept partial payments on mortgage loans that it services unless a workout agreement is in place.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

  
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Sharon Morgan  
Assistant Vice President

Dated: 9/14/11