

IN THE SUPERIOR COURT OF NEW JERSEY
UNION COUNTY

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)	
IN THE MATTER OF RESIDENTIAL)	Administrative Order 01-2010
MORTGAGE FORECLOSURE PLEADING)	
AND DOCUMENT IRREGULARITIES)	Docket No. F-238-11
)	
)	Special Master Walter R. Barisonck

I, Michael S Kraut, hereby certify that the following is true and correct.

1. I am a partner with the law firm Morgan, Lewis & Bockius, LLP, which was retained by Deutsche Bank National Trust Company and Deutsche Bank Trust Company Americas, each solely in its capacity as trustee for certain residential mortgage backed securitization trusts, (the "Trustee") in connection with the above-captioned matter. On or about April 20, 2011, this Court granted a motion to permit me to appear in this action *pro hac vice*.

2. This Court's April 25, 2011 Order (the "Order") instructed that the respondents in this action, which include the Trustee, provide certain information to this Court. The Court directed the Trustee to comply with the Order by requesting that the following mortgage loan servicers provide to the Trustee responses to Item No. 2 of the Order for the Trustee to deliver to this Court: (i) American Home Mortgage Servicing, Inc. ("American Home"); (ii) Litton Loan Servicing, L.P. ("Litton"); (iii) Ocwen Loan Servicing, LLC ("Ocwen"); (iv) Residential Funding Company ("RFC"); and (v) Saxon Mortgage Services, Inc ("Saxon").

3. On June 10, 2011, I filed a certification on behalf of the Trustee in response to the Order. My certification annexed certifications that Ocwen and Saxon prepared in response to Item No. 2 of the Order and sent to the Trustee to deliver to this Court. Counsel for American Home, Litton, and RFC filed responses to the Order directly with this Court.

4 At a July 6, 2011 conference, the Court directed the Trustee to collect and submit by August 3, 2011 supplemental certifications from American Home, Litton, Ocwen, and Saxon

5 Counsel for American Home and Litton have informed me that their clients will be filing supplemental certifications directly with the Court.

6 Attached hereto are supplemental certifications that Ocwen (**Exhibit A**) and Saxon (**Exhibit B**) prepared and sent to the Trustee for delivery to the Court.

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

Date: August 3, 2011



Michael S. Kraut

Exhibit A

2. The Policies and Procedures for the CM Department is classified into three modules: (1) Module #1 "Identifying each Document," which contains a detailed description of the process and steps that take place for each document submitted to the affidavits@ocwen.com mailbox. Furthermore, Module #1 contains an outline of the procedures and steps in the cycle of a document from point of entry to the return of the executed document to local outside counsel; (2) Module #2: "Executing, Witnessing and Notarizing the Document," which explains Ocwen's Corporate Resolution and how a verifier determines who has signing authority, explains the importance of being present with a Florida Notary when signing a document and an understanding of the responsibilities of witnessing, attesting and notarizing a document properly while carrying out official Ocwen business; and (3) Module #3 "Verifying the Document," which explains how to navigate through REALServicing[®], the Contract Imaging System (CIS) databases and all other necessary Ocwen business records.

3. After receiving the foreclosure referral from Ocwen's Default Servicing Department, local counsel will draft the complaint and send it electronically to the affidavits@ocwen.com mailbox for verification. As previously stated, Module #1 outlines the cycle of the document from the port of entry electronically, through the sorting process of the hard copy, to presentation for verification and execution. In reviewing the drafted complaint, the CM Coordinator verifies and completes an internal document entitled, "Statement of Review", ("SOR") in compliance with New Jersey local Rule 4:64-1, "*Foreclosure Complaint, Uncontested Judgment Other Than In Rem Tax Foreclosures.*" The signor executes the SOR after confirming the factual accuracies contained in the pleading. The name(s), title(s) and responsibilities of the titles of the employee of plaintiff's servicer is included in the SOR. The executed SOR, a hard copy of the Complaint and exhibits initially submitted is sent to Ocwen's Vault Warehouse Facility in Riviera Beach, Florida for scanning into Ocwen's imaging system, CIS. Once scanned, the verified hard-copy of the Complaint and exhibits is then sent out via UPS to outside counsel for filing with the court.

4. Certifications/Affidavits are handled in a similar fashion. After the local counsel has drafted the certification/affidavit, they send the document electronically to the affidavits@ocwen.com mailbox. The same printing, sorting and categorizing takes place as outlined previously, with the step-by-step process of receiving, sorting and steps in the cycle of a document performed until the certification/affidavit is executed and returned to local counsel. The certification/affidavits are allocated among the signors on a random basis to those who are authorized by virtue of Ocwen's Corporate Resolution for verification and processing. The CM Department maintains enough staff to process the

volume of documents received to ensure proper training, accuracy and complete verification of each document is possible. In compliance with New Jersey local Rule 4:64-2, "Proof; Affidavit", the certification/affidavit is made by an authorized signor for Ocwen, as the mortgage loan servicer, on the affiant's knowledge of the mortgage loan servicer's business records kept in the regular course of business. The signor/affiant confirms; (1) that he or she is authorized to make the affidavit on behalf of the plaintiff or the plaintiff's mortgage loan servicer, (2) that the affidavit is made based on a personal review of business records of the plaintiff or the plaintiff's mortgage loan servicer, which records are maintained in the regular course of business; (3) that the financial information contained in the affidavit is accurate, and (4) that the default remains uncured. The certification / affidavit also includes the name, title, and responsibilities of the affiant, specifies Ocwen as the affiant's employer and gives a description of the relationship between the plaintiff and Ocwen.

5. Once verified, the hard-copy of the certification/affidavit is brought to Ocwen's Signing Room where signors are given the oath in the presence of a Florida Notary Public pursuant to the policy outlined in Module #2. Once the oath is given, signing can commence. After each signing session, a quality check is performed on all documents to ensure all blanks are filled within the documents. A CM Supervisor oversees the signing process to ensure compliance to the process, including that the oath is properly administered and the signors are in the presence of the Notary when the document is executed.

6. Once a hard copy of the certification/affidavit is executed, the documents are brought out of the Signing Room and sorted by type. The loan number, attorney code and document type are entered on a spreadsheet so that the servicing system, REALServicing[®], is noted for a permanent record of what was executed. The hard copy, executed documents are then sent via inter-office mail to Ocwen's Vault Warehouse Facility in Riviera Beach, Florida for scanning into Ocwen's imaging system, CIS. Once scanned, the executed, hard copy of the document is then sent out via UPS to outside counsel for further handling.

Supplemental Response to Paragraph 1.b.i. *"State the processes and procedures you have in place to ensure that the individual who executes the certification/affidavit executed it according to law, and that the signature is a valid lawful signature "*

7. As previously mentioned, the Policies and Procedures for the CM Department is classified into three modules. (1) Module #1. "Identifying each Document," which contains a detailed description of the process and steps that take place for each document submitted to the affidavits@ocwen.com

mailbox. Furthermore, Module#1 contains an outline of the procedures and steps in the cycle of a document from point of entry, to the return of the executed document to local outside counsel; (2) Module #2: "Executing, Witnessing and Notarizing the Document," which explains Ocwen's Corporate Resolution and how a verifier determines who has signing authority, explains the importance of being present with a Florida Notary when signing a document and an understanding of the responsibilities of witnessing, attesting and notarizing a document properly while carrying out official Ocwen business; and (3) Module #3: "Verifying the Document," which explains how to navigate through Ocwen's servicing systems

8. When a new employee is hired, he/she is required to take training courses through a web based training system. Each employee must take a course that corresponds to the modules above and then pass a test before moving to the next module. The test is administered either electronically or in hard copy format. If an employee does not pass the test, they are required to complete the course material again and take the test until a passing score is received. Until the employee has successfully passed all training modules, they are not permitted to verify or execute documents on behalf of Ocwen. All three Policies and Procedures Modules are uploaded and released for training purposes when a new employee is hired.

9. Each module explains how taking the Module course accompanies a "Hands on Training Program." Once an employee passes the Module course, hands on training and audit, the next module and corresponding test is released for the new hire to complete. The training system records the compliance and passing of the Module for training and compliance purposes. Only after passing the test will the employee be allowed to review and execute documents. Until the employee has successfully passed all modules they are not permitted to verify or execute documents on behalf of Ocwen.

10. Additionally, as a part of the on-going training, CM employees are continually trained using the training system whenever updates are made to the Policies and Procedures.

Supplement Response to Paragraph 1.b.ii. *"State the processes and procedures in place to ensure that the person executing the certification/affidavit, pursuant to paragraph (a), has the authority to act in behalf of the plaintiff/servicer."*

11. Ocwen's Corporate Resolution is adopted by the Managers of the company and sets forth the signing authority for the named employees. As an employee of the CM Department, the Corporate Resolution is provided to each team member as a reference tool and guide. Ocwen's Corporate

Resolution provides authorization to certain employees to execute, acknowledge, seal, deliver, endorse, file, record and process documents submitted for execution in the ordinary course of handling matters in connection with insurance, foreclosure, bankruptcy and eviction actions

12. Additionally, employees are required to review Ocwen's "Foreclosure Matrix" for pertinent information regarding the investor and authority to proceed to foreclosure. The Foreclosure Matrix is an Ocwen business record that is updated and verified by the CM Department by using the applicable servicing agreement. Information contained in the Foreclosure Matrix includes, but is not limited to, the Power of Attorney information, the Ocwen Investor number, the name of the Investor for foreclosure purposes and actual signature block to be used in executing documents. The Foreclosure Matrix is also periodically audited by Ocwen's Compliance Department.

Supplemental Response to Paragraph 1.c. *"State in detail your record keeping system to ensure that there is accurate up-to date entries of payments, loan history, assignments, or of any other transaction involving the mortgage."*

13. Ocwen's Internal Audit Department performs audits on every business unit within the servicing organization. This distinct and separate group reports to Ocwen's President and Chief Operating Officer through Ocwen's Chief Risk Officer. The Audit Department performs testing on controls and processes to ensure accurate and timely information is maintained by the servicing operation. A list of the applicable residential servicing areas reviewed by Internal Audit on an annual basis includes:

- Accounting
- Accounts Payable
- Arm
- Cashiering
- Contract Management
- Credit Reporting
- Customer Care
- Default Servicing
- Home Retention
- Insurance
- Investor Reporting

- Loan Boarding
- Technology
- Vault
- Vendor Management

Supplemental Response to Paragraph 1.d. *“State the review process you have in place to ensure that any certification/affidavit submitted to the Court is accurate, based upon current information and that the person executing the document relied upon personal knowledge and/or business records which would be admissible in a New Jersey Court ”*

14 The CM Department is responsible for verifying the information on all certifications/affidavits and ensuring it is based on Ocwen’s business records. The CM Department’s Policies and Procedures Module #3: *“Verifying the Document.”* provides a step-by-step explanation of the verification process, outlined with examples and snap-shots of the business records.

15 The CM Department tracks all documents submitted by local counsel throughout the verification and execution process. The CM Department notates the servicing system whenever the document is verified and approved by the CM Coordinator. Hard copies that have been executed are imaged and retained in Ocwen’s business records so that a copy of the final version is maintained. The Vault mails hard copies to local counsel and tracks their delivery. Ocwen’s has authorized local counsel to file only those documents executed by Ocwen with the court.

Supplemental Response to Paragraph 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 certification/affidavit is based upon personal knowledge or business records which would be admissible in a New Jersey Court.”*

16. As previously mentioned, CM employees are trained using the web based training system. This is an interactive training that provides for testing before proceeding to the next phase of training. If an employee does not pass the necessary test, they are required to complete the course material again and take the test until a passing score is received. Until the employee has successfully passed all training modules, they are not permitted to verify or execute documents on behalf of Ocwen. All three CM Policies and Procedures Modules are uploaded and released for training purposes. Training is also conducted whenever the Policies and Procedures are updated.

Supplemental Response to Paragraph 1.h. "State whether you utilized or intend on utilizing any independent auditor to review the process and procedures mentioned in the above answers to ensure that you are in compliance with the mandates of Court Rule 4 64-1 et seq."

17. Ocwen is continually subjected to both internal and external audits as mandated by the industry practices and servicing agreements. Internal Audit cycles typically require servicing business units to be reviewed on an annual basis. There are certain audits that are performed more frequently. At this time, Ocwen does not intend to utilize an independent auditor to review the processes and procedures applicable to the mandates of Court Rule 4.64-1 et. seq .

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.

8/2/2011 Date

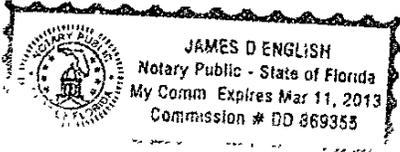


Carolin Clarlariello, Esq.

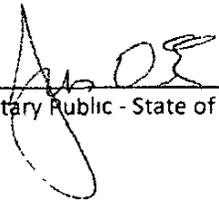
STATE OF FLORIDA)

COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged and sworn before me this 2nd day of August, 2011, by Carolin Clarlariello as a Manager of Contract Dept of Ocwen Loan Servicing, LLC, who is personally known to me or who has produced _____ as identification



My Commission Expires:



Notary Public - State of Florida

Exhibit B

IN THE SUPERIOR COURT OF NEW JERSEY
UNION COUNTY

)
IN THE MATTER OF RESIDENTIAL) Administrative Order 01-2010
MORTGAGE FORECLOSURE PLEADING) Docket Number No. F-238-11
AND DOCUMENT IRREGULARITIES) Special Master Walter R. Barisonek
)

SAXON MORTGAGE SERVICES, INC.

Saxon Mortgage Services, Inc. ("Saxon") provides the following information regarding its regular business practices and procedures to supplement its response to Question 1 of Administrative Order No. 0-1-2010, dated April 25, 2011, Docket No. F-238-11, issued by the Superior Court of New Jersey, Union Vicinage and filed with the court on June 13, 2011.

1. I am the Vice President in charge of Foreclosure for Saxon Mortgage Services, Inc. ("Saxon"). From my personal involvement in this matter and from my review of Saxon's business records, which records are maintained in the regular course of Saxon's business, I have personal knowledge of the facts set forth in this Certification. I am authorized to make this certification to supplement the previous Certification filed by Saxon in this matter.
2. Collateral File – How is it maintained/who sets it up/is it maintained electronically/accuracy of the documents/is a record kept of what is sent to foreclosure counsel/how are changes managed/why would the foreclosure attorney not have all of the documents? Original loan documents, more specifically, the original note, mortgage and title insurance policy, are maintained by third-party document custodians who specialize in the secure maintenance of

original collateral documents. Saxon's Document Administration department is responsible for tracking and obtaining original loan documents from the custodian when required. Copies of the original loan documents are maintained within Saxon's loan document imaging system. Upon Saxon's referral of an account to foreclosure counsel, copies of certain designated loan documents (such as the Note, Mortgage, and loan detail information, such as the Unpaid Balance, outstanding interest and current due date) are provided to foreclosure counsel via an electronic portal ("LPS Desktop"). Data provided to foreclosure counsel is housed in the electronic portal and is accessible by Saxon staff as well as foreclosure counsel. At the time of referral, Saxon provides all documentation to counsel that it believes is required to initiate a foreclosure action in New Jersey, including copies of the Note, Mortgage, loan account balances, and required notices. In the event additional information is required by counsel, counsel has the ability to electronically initiate a request for such information through LPS Desktop from Saxon and Saxon will post the requested documentation to the portal

3. Who receives documents to be executed? Is it the same person that sends the documents? – Prior to Saxon's referral of a loan to counsel for foreclosure, Saxon staff reviews accounts designated for referral to verify that the account being referred to foreclosure is (i) in default; (ii) any all cure periods have expired without cure by the borrower; and (iii) that the borrower is not currently participating in a modification, workout or repayment plan. Saxon's policies and procedures require that Saxon employees execute foreclosure affidavits only after review of Saxon's loan servicing records and only in the presence of a notary public. While the individuals reviewing and executing foreclosure documents are not the same individuals providing the initial documentation to counsel, the staff reviewing and executing the foreclosure documents have access to the same documents and loan information housed within LPS Desktop and Saxon's servicing system and document management systems.
4. What is the average number of affidavits signed per day? On average, Saxon staff execute approximately 10 foreclosure affidavits per person per day.
5. Describe the QC/Compliance/Internal Audit process testing procedures – Saxon has a designated independent Quality Control Department that conducts monthly reviews of a statistically significant population of transactions, including foreclosure transactions to ensure adherence to Saxon's written policies and procedures, including its document execution procedures. In addition to the monthly transaction based testing of Saxon's Quality Control Department, an Internal Audit group conducts periodic control based testing of Saxon function areas including the foreclosure department. Finally, Saxon's Compliance Department also performs periodic testing based on annual risk assessment of both the control environment with specific transaction testing. In addition to the aforementioned Quality Control, Compliance and Internal Audit review process,

please see the attached Residential Default Servicing Verification Procedure for Saxon's foreclosure department Quality Assurance department.

6. 1(b)(ii) – Does the signer review the documents? If it is someone else, do they look at the servicing system to verify that the information is accurate? Once a file becomes delinquent a referral is made to designated foreclosure counsel in New Jersey. Saxon provides foreclosure counsel with copies of pertinent loan documents and 'screen shots' from the loan servicing system that contain the pertinent information to perform the foreclosure complaint filing, such as the name the principal balance of the loan, the interest due, escrow balance, interest rate, as well as the identify of the owner of the loan. Copies of the information provided to counsel are maintained in Saxon's foreclosure management system. Saxon's attorneys will then prepare the Certification using the information received from Saxon.

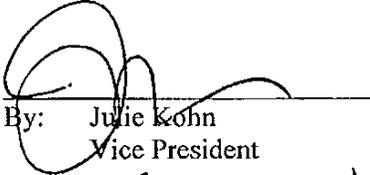
7. 1(c) – Provide additional detail on entitlements and system access to ensure accuracy of the loan data. Saxon utilizes the MSP loan servicing system to maintain a record of loan balances, payments and activities. When a borrower makes a loan payment, the payment is promptly by Saxon's recorded in MSP by Saxon's payment processing group and the loan record, including outstanding balances and interest are updated accordingly. Employees are restricted by a complex level of entitlements to enter changes into the system. The screen access and functions employees are able to engage in are determined by the employee's job title and position within Saxon. For example, foreclosure employees do not have access to be able to post payments or change the Unpaid Principal Balance on an account. Entitlements are controlled and granted with Saxon's Information Technology Group and are reviewed semi-annually for accuracy. Each officer within Saxon is required to certify that the individual employees reporting to the particular Vice President are entitled to the access that has been granted and that no changes to the entitlements within the officers group are required. In addition to access and functional restrictions, MSP maintains a history of each user entering transactions or comments within MSP.

8. 1(e) - Training on LPS – Describe training on procedures (training manual). In addition to the training described in paragraph 1(e) of Saxon's previously filed certification, Saxon's foreclosure managers and Vice Presidents are responsible for training any new Foreclosure officers who may be authorized to sign affidavits or certifications on behalf of Saxon. All new foreclosure officers are required to read and become familiar with Saxon's Document Execution and Verification Procedures. Training on LPS is completed by Foreclosure Management utilizing the LPS Operational Manual. New Saxon foreclosure staff will shadow an experienced Saxon foreclosure staff member for 4-6 weeks to become familiar with the functionality and requirements of LPS desk top. Saxon Foreclosure staff are required to complete classroom sessions on the use of Saxon's MSP loan servicing platform. See Residential Default Servicing Verification Procedure;

Document Execution and Preparation Procedure; and Saxon Document
Notarization Procedures.

The undersigned certifies that the foregoing statements are true and correct to the best of
her knowledge.

Saxon Mortgage Services, Inc.


By: Julie Kohn
Vice President
Date: 01/21/2011