

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)	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. Specifically, this supplemental certification responds to questions raised in the Court's letter dated August 25, 2011.

1. I am an Assistant Vice President of Saxon responsible for Quality Assurance 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 Certifications filed by Saxon in this matter.

2. Describe in detail the servicing records provided to foreclosure counsel and reviewed by Saxon employees.

Once Saxon refers an account to counsel to initiate foreclosure, Saxon provides counsel with a foreclosure "Referral Package" through the LPS Desktop foreclosure system. The Referral Package includes the following:

- a. an Attorney Referral Letter (cover letter for the package);
- b. detailed escrow and advance breakdown information obtained from Saxon's loan servicing system, including amounts previously advanced to the applicable taxing authority or insurance carrier by Saxon on behalf of the borrower;
- c. a copy of the Note;
- d. a copy of the Mortgage;
- e. screen shots from Saxon's servicing system identifying:
 - the borrower's name and address;
 - current unpaid principal balance;
 - the date through which interest has been paid;
 - the next due date for the loan;
 - the date the last payment on the account was received;
 - the per diem interest calculation rate;
 - current loan payoff amount; and
 - any past due late charges and fees.

In addition, within the LPS Desktop system, Saxon provides counsel with the following information in a data table format visible to both counsel and Saxon:

- the first payment date;
- the current interest rate;
- the term of the loan;
- the type of loan (i.e. purchase money), and
- the name of the current owner of the loan (mortgage obligee).

All of the foregoing data is delivered to counsel via the LPS Desktop system with copies of the data and documents housed within the LPS Desktop system. Saxon's employees within the Foreclosure Department whose job function involves review and verification of foreclosure documents and information have the same access to the Referral Package information in LPS Desktop (identified in detail above) that is used by foreclosure counsel to prepare the foreclosure complaint. As explained further below, Saxon staff utilizes this information to perform their review of the Complaint and New Jersey Certification.

3. How does the attorney complete the certification required by 4:64-1(2) as to what individual reviewed the business records?

After referral and when Saxon's counsel is prepared to file the complaint for foreclosure, each New Jersey counsel submits a copy of the proposed complaint, the property title report and a checklist for review and certification of the Proof of Amount Due by an employee of Saxon. These documents are submitted to Saxon via the LPS Desktop system. While each firm utilized by Saxon has its own specific checklist the checklists generally require the following items to be reviewed/provided and verified by the Saxon representative that will be completing the Certification of Proof ("COP"):

- a. the signing capacity of the individual executing the Certification of Proof of Amount Due;
- b. the name of the reviewer/signer;
- c. the job title of the reviewer/signer;
- d. date the documents were reviewed;
- e. confirmation that the identity of the borrower(s) identified in the Complaint and/or COP matches the company's business records;
- f. confirmation that the identity of the current holder of the Note identified in the Complaint and/or COP matches the company's business records;
- g. confirmation that the principal amount due in the Complaint and/or COP matches the company's business records;
- h. confirmation that the interest due calculation in the Complaint and/or COP matches the company's business records;
- i. confirmation that the per diem interest amount identified in the Complaint and/or COP matches the company's business records;
- j. confirmation that all escrow advances set forth in the Complaint and/or COP match the company's business records;
- k. confirmation that all late charges due on or before the date of default identified in the Complaint and/or COP match the company's business records; and
- l. confirmation that the total amount due as set forth in the Complaint and/or COP matches the company's business records.

The foregoing information is verified by the reviewer utilizing the same information (identified in response 2 above) housed in the LPS Desktop system and provided to foreclosure counsel. A sample checklist has been attached as Exhibit A.

4. Discuss in detail how the certification under 4:64-2 will be verified and if any "package" is prepared or checklist used to complete it.

In addition to the above checklists provided by counsel, Saxon has created an internal template to be used when reviewing a New Jersey Foreclosure Complaint Verification as well as a template for use when completing and executing the New Jersey Foreclosure COP. These templates include a review of the documents and

information within the referral package to confirm the following information and are completed in addition to the checklist for counsel referenced in 3 above:

- a. confirmation of the identity of the owner of the loan;
- b. confirmation of the address of the Plaintiff named in the complaint
- c. confirmation of Note information, including the date of Note, the name of the borrowers; original principal balance, initial interest rate
- d. confirmation of Mortgage information including the name(s) of the original mortgagee(s), the date of the mortgage, recording date of the mortgage, recording information of the mortgage (i.e. county, book and page number)
- e. confirmation of property information including the commonly known address, legal description/lot/block number;
- f. confirmation of assignment of the mortgage including the date of the assignment of mortgage, assignee's name matching the name in the complaint;
- g. confirmation of any loan modification information (if applicable);
- h. confirmation of the borrower default information, including the paid to date and the date of default;
- i. confirmation of any prepayment information (if applicable);
- j. confirmation that Notice of Intent to Foreclose has been completed, has expired, and that the borrower has not reinstated;
- k. confirmation that the complaint and mortgage provide for the award of possession to the plaintiff upon a default; and
- l. confirmation that attached to the compliant is counsel's certification of compliance with applicable title search requirements.

The foregoing information is verified by the Saxon reviewer/signer in Saxon's Foreclosure Department utilizing the same information housed in the LPS Desktop system and provided to foreclosure counsel. The Saxon reviewer/signer in Saxon's Foreclosure Department compares the information in the complaint to verify the complaint accurately reflects the business records of Saxon provided to foreclosure counsel. This includes the Saxon reviewer/signer utilizing the copy of the Note, Mortgage, title search, as well as the screen shots from Saxon's servicing system. If any discrepancies are identified, the discrepancy will be noted and the document will be returned by the Saxon reviewer/signer to foreclosure counsel for correction.

5. State the frequency of Compliance and Internal Audit reviews.

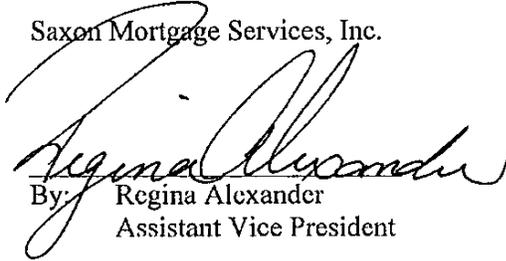
The Saxon Quality Control Department performs monthly reviews of a statistically significant sample of files being referred and process within the Foreclosure Department to verify that Saxon's Foreclosure Department is adhering to Saxon's Policies and Procedures regarding document review and execution. In addition to the monthly Quality Control review, Saxon's

Compliance Department currently conducts a quarterly review of the document execution practices performed within the department, and Saxon's internal audit department performs departmental control reviews based on an annual risk ranking of Saxon departments in accordance with its institutional audit protocols.

6. Attached as Exhibit B is the Residential Default Servicing Verification procedure.

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

Saxon Mortgage Services, Inc.



By: Regina Alexander
Assistant Vice President

Date: September 12, 2011