

ZUCKER, GOLDBERG & ACKERMAN, LLC
ATTORNEYS AT LAW

LEONARD B. ZUCKER
MICHAEL S. ACKERMAN
JOEL ACKERMAN*

FRANCES GAMBARDELLA
BRIAN C. NICHOLAS**
STEVEN D. KROL
CHRISTOPHER G. FORD
DENISE CARLON †
CHRISTINE E. POTTER
RYAN S. MALC
JENEE K. CICCARELLI †
JAMES R. FREESWICK †
ASHLEIGH L. LEVY †
DOUGLAS J. McDONOUGH
TIMOTHY J. ZIEGLER
STEPHANIE WOLCHOK
HYUN S. OH
ELIZABETH P. RIZZO
ROBERT D. BAILEY

* ALSO MEMBER OF NY, PA AND CA BAR
**ALSO MEMBER OF NY AND ME BAR
†ALSO MEMBER OF NY BAR
‡ ALSO MEMBER OF PA BAR

200 SHEFFIELD STREET- SUITE 101
P.O. BOX 1024
MOUNTAINSIDE, NJ 07092-0024

TELEPHONE: 908-233-8500
FACSIMILE: 908-233-1390
E-MAIL: office@zuckergoldberg.com

For payoff/reinstatement figures
Please send your request to: zuckergoldberg.com/pr

REPLY TO NEW JERSEY ADDRESS

FOUNDED IN 1923
AS ZUCKER & GOLDBERG

MAURICE J. ZUCKER (1918-1979)
LOUIS D. GOLDBERG (1923-1967)
LEONARD H. GOLDBERG (1929-1979)
BENJAMIN WEISS (1949-1981)

Pennsylvania Office:
P.O. Box 650
Hershey, PA 17033

OF COUNSEL:

SCOTT A. DIETTERICK, ESQ. ‡
KIMBERLY A. BONNER, ESQ. ‡

‡MEMBER OF PA BAR ONLY

June 10, 2011

(VIA Lawyers Service and Electronic Filing via JEFIS)
Honorable Walter R. Barisonek, Special Master
Union County Courthouse
Courtroom 101
2 Broad Street
Elizabeth, N.J. 07207

RE: Submission of Specialized Loan Servicing, LLC. in response to the Honorable Walter Barisonek's
April 25, 2011 Letter

Docket No.: F-238-11

Dear Judge Barisonek:

Our firm represents Specialized Loan Servicing, L.L.C. in relation to the above captioned Administrative Order. While SLS is not a party to the Administrative Order, it has been asked by U.S. Bank National Association Bank of New York Mellon to respond to Your Honor's April 25, 2011.

Enclosed please find the Certification of Darren Bronaugh in response to Your Honor's April 25, 2011 letter.

Should Your Honor have any questions or concerns, please do not hesitate to contact us.

Respectfully submitted,

/s/ Brian C. Nicholas

Brian C. Nicholas, Esq.

Cc: Specialized Loan Servicing, LLC
Jennifer Perez, Clerk of the Court (Electronically via JEFIS)

ZUCKER, GOLDBERG & ACKERMAN, L.L.C.
Attorneys for Specialized Loan Servicing, L.L.C.
200 Sheffield Street, Suite 101
Mountainside, N.J. 07092
908-233-8500

IN THE MATTER OF RESIDENTIAL MORTGAGE
FORECLOSURE PLEADING AND DOCUMENT
IRREGULARITIES

Superior Court of New Jersey
Administrative Order 01-2010
Docket No.: F-238-11

**CERTIFICATION OF
DARREN BRONAUGH**

I, DARREN BRONAUGH, of full age, hereby certify that:

1. I am the Vice President in charge of the Default Administration Department of Specialized Loan Servicing, LLC (hereinafter "SLS"). I have been employed by SLS since August 25, 2008. From my personal involvement in SLS' Default Administration Department, which includes referring loans to foreclosure and prosecution of the action, as well as my review of SLS' records, I am fully familiar with the facts set forth in this Certification.
2. While SLS is not a named party to this proceeding, U.S. Bank, National Association (hereinafter "US Bank") has requested that SLS provide this Certification in response to question number 1 of the Honorable Walter R. Barisonek's letter dated April 20, 2011 (hereinafter, " the Information Request"). I am authorized to make this Certification on behalf of SLS.

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.

3. All certifications/affidavits are signed by an officer of SLS based upon power of attorneys that are provided to SLS by its investors. Currently, there are two officers in the Default Administration Department that sign these documents on a regular basis.
4. SLS conducts a line-by-line review of certifications to confirm that the factual data in the certification/affidavit is accurate according to our business records. A three-person review process is completed to ensure the accuracy of the documents before they are signed.
5. First, an associate reviews the document against our business records, including our system of record, and signs the checklist confirming the review.
6. Second, a supervisor conducts an independent review of the document, again verified against our business records, including LoanServ (our system of record that will be described in more detail below). Upon verification that the data in the certification is accurate and supported by our business records the supervisor signs the checklist indicating that they have conducted their review.
7. Third, the authorized signer verifies that the associate and supervisor have completed the checklist. The signer then conducts another independent review of the document, comparing the facts to our business records to ensure they are accurate. Only after this third review will the signer execute the document.

1(b)(i). State the processes and procedures in place to ensure that the individual who executes the certification/affidavit executed it according to law, and the signature is a valid lawful signature.

8. SLS signatories are required to personally execute all certifications that are submitted to New Jersey Courts. It is against SLS' policies and procedures for any employee to sign under any other employee's name.
9. SLS does not utilize mechanical or digital signature stamps for any certification submitted to New Jersey Court actions.
10. In general, SLS does not notarize documents submitted to New Jersey Courts as SLS submits Certifications in lieu of Affidavits as authorized by the Rules of Court. However, in the event a document requires a notarization, the document will be notarized in accordance with the laws of the State of Colorado, the state where the document is physically executed and notarized.¹

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 on behalf of the plaintiff/servicer.

11. SLS services loans on behalf of government sponsored entities like Freddie Mac and Fannie Mae, whole loan investors as well as securitized trusts. SLS is granted authority to execute documents pursuant to powers of attorney, servicing agreements, and corporate resolutions.
12. SLS only authorizes officer level employees to execute documents on its behalf. Currently we only have two officers who execute documents for foreclosures in New Jersey. Both signatories are authorized to execute documents for the entire portfolio of loans that we service.

¹ Unless the law of the jurisdiction the document is being submitted mandates otherwise.

1(c). State in detail your record keeping system to ensure that there is accurate up-to-date entries of payments, loan histories, assignments, or of any other transaction involving the mortgage.

13. SLS relies on its loan servicing system, LoanServ, to ensure that there are accurate, up-to-date entries of payments, loan history, assignments or any other transaction involving the mortgage loan.
14. The data is entered into the system by designated individuals depending on the type of data and the individual's area of responsibility. For example, the loan history data is entered by the Asset Conversion Department when the loan is boarded on the loan servicing system.
15. The entry of payment information for individual mortgagor accounts is performed by the Cashiering Department when the payments are received.
16. SLS maintains a payment lockbox with Wells Fargo. Borrowers are directed to remit their payments to the address of the lockbox.
17. As the checks are received by the bank they are processed and an electronic record of the transaction is created.
18. The electronic record of the payments is automatically uploaded to our system of record, LoanServ the day they are received. If for some reason the payment is not posted the date it is received, the payment is posted with an effective date of the day it was received.
19. SLS performs a daily reconciliation/confirmation of the lockbox transmissions.
20. Any payment that cannot be posted through the lockbox process is forwarded to SLS for further review and processing.
21. Payments that are sent directly to SLS are handled by SLS' Cashiering Department.
22. SLS takes a number of steps to ensure the security of information contained in its loan servicing system.

23. First and foremost, each user is assigned a unique login ID to LoanServ.
24. Each user's access is limited to specific screens, sections of the servicing system, based on their job function.
25. The employee's supervisor requests the access, providing an explanation of why the access is required, and the Security Administration team reviews the request and grants the employees the appropriate access.
26. The servicing platform is a remote environment that is maintained on the servicing platform's owner's mainframe owned by FIServ.
27. All payment postings are done through the system of record, which logs all transactions on each account.
28. The security to post payments and the ability to modify a borrower's account is limited to only certain individuals with the property security access.
29. Additionally, both payment processing and security access to the loan servicing system are frequently audited to ensure the integrity of the system.

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.

30. In order to ensure that the certifications/affidavits submitted are based upon personal knowledge or the affiant's review of business records, SLS works closely with its New Jersey foreclosure counsel to ensure overall compliance with, among other things, the Rules of Evidence.

31. Specifically, for each matter where foreclosure is dictated by the borrower's default, typically more than 90 days past due, SLS retains licensed New Jersey Counsel.
32. New Jersey counsel is responsible for preparing all necessary pleadings, including affidavits, to support the foreclosure action.
33. SLS relies on the expertise of its foreclosure counsel to ensure that the affidavit or other certification is in the proper form and that it contains the proper information within the scope of knowledge to which SLS' affiant/declarant can attest.
34. When a certification or affidavit is required, SLS foreclosure counsel will request any information needed for the preparation of the certification.
35. SLS will forward the necessary information from our business records to foreclosure counsel to prepare the certification and upload it.
36. SLS's employees then utilize the three phase review process described above to verify that the facts contained in the certification are current and correct according to our business records.
37. If changes are required, the certification is returned to our foreclosure attorney with instructions as to what needs to be modified. Upon completing the changes the certification is again uploaded to SLS for another review.
38. If the three phase review confirms that the certification is factually accurate, the certification is signed and returned to our local counsel to be submitted to the Court.
39. Foreclosure counsel alert SLS to any discrepancies that are brought to counsel's attention during the course of the foreclosure action. If discrepancies are identified, SLS will investigate such discrepancies.

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.

- 40. Only officers of SLS may execute certifications/affidavits.
- 41. As indicated above, only two SLS officers currently execute certifications/affidavits.
- 42. In the event we add officers authorized to execute documents, the new officer will receive on-the-job training from one of the existing signing officers. The training will include an overview of the responsibilities associated with submitting certifications to courts as well as the process we utilize for ensuring the accuracy of the certification prior to signing.
- 43. SLS associates responsible for the first tier or review of certifications receive independent training with their supervisor and peers as well as a copy of the written policies and procedures that are in place with regard to reviewing certifications.
- 44. The multi-stage review allows us to identify if an associate or supervisor requires additional training.

1(f). Describe in detail the process you have in place to ensure that foreclosure counsel is provided with current accurate information to support the preparation of any documentation counsel will be submitting to the Court pursuant to Court Rule.

- 45. As part of the initial referral package to foreclosure counsel, SLS provides its attorney with copies of the Note, Mortgage or Deed of Trust, title policy and recorded or MERS registered assignments. In addition, the foreclosure attorney receives copies of various financial

information screens from SLS' servicing system as of the date of the referral to be used by counsel for the foreclosure action.

46. When foreclosure counsel need information in order to prepare a document, SLS employees access the loan servicing system directly to obtain the information. This ensures that the information provided is as up to date as possible.
47. SLS also relies on its local foreclosure counsel to provide feedback if any errors or discrepancies appear in the data provided. If a discrepancy is found, the SLS employee will advise management of the discrepancy and note the information in our servicing system. The resolution of the issue will also be noted in the servicing system.
48. As necessary, our foreclosure attorney is provided with any required financial information (such as reinstatement quotes, payoff quotes, or even updated payment histories), loan documents or correspondence from SLS' servicing system or loan files.
49. In the event the status of a loan changes during the course of an active foreclosure, we notify our foreclosure counsel immediately of the change. Examples of changes that occur are: (1) the borrower reinstates or pays off the loan; (2) the borrower files for bankruptcy; or (3) the borrower enters into a loss mitigation plan or program. Depending on the reason for the status change, we will request that the foreclosure be placed on hold or dismissed.

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.

50. As indicated above, certifications are initially prepared by our local counsel based upon information that is provided directly from our system of record.
51. Once the certification is uploaded, SLS utilizes a three-tier review process to ensure that the facts in the certification are accurate according to our business records.

52. Only after all three people in the review process have verified the accuracy of the certification is it executed.
53. In the event there is an error or mistake in the certification, we return it to our local counsel with directions for correcting the error. Once the error is corrected, local counsel will re-upload the certification for us to review again. Only after the certification is factually accurate will it be signed.

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.

54. While SLS does not utilize an independent auditor to review any part of its processes and procedures with regard to the preparation and execution of affidavits and certification of the type used in New Jersey, or with respect to any of the other matters discussed above.
55. SLS does maintain an Internal Audit Department that reviews a sample of Letters, Affidavits, Assignments, Deeds, and other documents used in the foreclosure process on a quarterly basis to ensure documentation is accurate, and to ensure checklists are utilized and signed off

- (2). If you are a plaintiff in uncontested residential foreclosure matters and any other entity, not a part of these proceedings or part of the "Big Six", acts as a servicer on those mortgages, secure the information requested in Question #1 from the entity that provides the servicing.

56. This question is not applicable to SLS as we do not retain other servicers to act on our behalf in residential foreclosure matters.

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.

6/10/11
Date


Darren Bronaugh