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JUN 21 2011

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

**Superior Court of New Jersey  
Chambers of Walter R. Barisonek  
Special Master Recall Judge**

Affidavit of Ted Korzenski,  
Senior Vice President of Litton Loan Servicing LP  
provided in connection with Administrative Order 0-1-2010,  
Docket #F-238-11, In the Matter of Residential Mortgage Foreclosure  
Pleadings and Document Irregularities

State of Texas

County of Harris

Ted Korzenski, of full age and capacity to testify, being duly sworn according to law, upon his oath deposes and says:

**I. Background of Ted Korzenski (Affiant)**

1. I am a Senior Vice President of Litton Loan Servicing LP ("Litton"), and I supervise the Foreclosure Department at Litton. In 1992, I began my career in the mortgage industry at Mellon Mortgage in Houston, Texas. Throughout my career in the industry, I have held senior management positions with Norwest Bank N.A., Wells Fargo, Chase Home Mortgage, EMC Mortgage Company, Select Portfolio Servicing, ABN AMRO Mortgage Group, Quantum Servicing and 406 Partners. I joined Litton Loan Servicing in early 2011 to run the Foreclosure and REO operations.

2. Administrative Order 0-1-2010 (herein the "Order") requests information regarding Litton's policies and procedures and related training programs.

**II. Litton's Role in New Jersey Residential Foreclosures**

3. Litton acts as a loan servicer on behalf of loan owners, which include mortgage-backed securitizations structured as common law trusts ("Trusts"). I understand that Litton has received requests from several such Trusts, through their trustees, for whom Litton acts "as a servicer of residential mortgages," asking that Litton provide responses to the questions posed in the referenced Order.

4. Litton currently services approximately 6,532 loans as of June 15, 2011, secured by properties located in New Jersey, the vast majority of which are residential properties. Litton ceased all of its residential foreclosure activity in New Jersey on or about September 30, 2010. Litton has not yet resumed residential foreclosures in New Jersey.

**III. Certifications And Affidavits Received And Based On Review of Business Records**

*Response to Order at ¶ 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.*

5. Litton has written policies and procedures in place to ensure that certifications/affidavits are based upon the signer's personal knowledge or review of Litton's business records as more specifically described herein.

6. Pursuant to the aforementioned policies and procedures, after foreclosure counsel finishes preparing a certification, (See Response to Question 1(d) below (explaining in detail the steps involved in providing information to foreclosure counsel and the preparation of certifications)), they are required to transmit it to Litton where it is assigned to an authorized signer for verification and execution.

7. Foreclosure counsel is required to send the certification to Litton with instructions. (See Response to Question 1(d) below.) The signer is required to have copies of Litton's business records that were provided to counsel to prepare the certification. Using the printed business records, and cross-referencing with Litton's electronic system of record, as necessary, the signer is required to check each fact stated in the certification to verify its accuracy against Litton's business records. The information that is verified, and how it is verified is explained in more detail below in response to Question 1(d).

8. Pursuant to the aforementioned policies and procedures, only after personally reviewing and confirming that the information and calculations appearing within the certification match Litton's business records, is the signer permitted to execute the certification in accordance with New Jersey Court Rules and return it to foreclosure counsel.

#### **IV. Litton's Document Execution Processes & Notarization Policies**

*Response to Order at ¶ 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.*

9. My testimony in response to this request includes both procedures applicable to Litton's authorized signers as well as procedures applicable to notary publics employed by Litton.

10. Litton's written policies and procedures regarding the execution of sworn documents require Litton's authorized signers (i) to personally review Litton's business records (described below in Response to Question 1(c)) to confirm the accuracy of factual statements in a certification/affidavit prior to execution and (ii) to physically sign documents themselves. Signature stamps are not permitted in place of a handwritten signature, and no one is permitted to sign the name of another.

11. As described more fully in paragraphs 44-46, the signing of a sworn document is one of several steps where Litton has implemented written procedures to ensure

the accuracy of the data in certifications/affidavits submitted to the courts. The written policies and procedures require that when a certification/affidavit is to be signed, the relevant business records be attached to the document to be signed. The signer is required to review these documents, compare them with the factual statements in the certification/affidavit, and then complete a required checklist documenting that they have verified the relevant factual statements in the document against Litton's attached business records.

12. Prior to receiving approval to sign sworn documents as outlined above, all of Litton's authorized signers must complete a training program provided by Litton's Legal Department. This training emphasizes two key requirements, personal review and personal signature. After completion of the training program, each authorized signer must also pass a knowledge test regarding Litton's policies and sign a certification that he or she understands Litton's policies and agrees to abide by them.

13. In New Jersey foreclosures, Litton employees typically execute only certifications of amounts due. To the extent that Litton employees execute a document for use in New Jersey (or any other state) that is notarized, Litton policy requires that notarization practice conforms to Texas law, where all such notarizations take place.

14. Litton's written policies require that all notarizations take place in the physical presence of the authorized signer before the notary, under oath. Litton's policies also require Litton notaries to comply with Texas notary law, including the requirement that the notary maintain a notary journal.

15. Furthermore, Litton's written policies require all of its notaries to attend training which focuses on the legal requirements applicable to Litton's notaries. Finally, prior to being authorized to notarize documents for Litton, notaries who complete the training must also pass a corresponding Knowledge Test and sign a Certification stating they recognize the importance of Litton's notarization policies.

#### **V. Litton's Authorized Signers**

*Response to Order at ¶ 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.*

16. My testimony in response to this request includes details on both internal authority (by Litton) and external authorizations (by and on behalf of the loan owners).

##### **A. Authorized by Litton**

17. Litton has five Assistant Secretaries, who are authorized signers having been duly appointed in writing, one Vice President and one Foreclosure Manager, who are all authorized to sign certain documents related to New Jersey foreclosures.

18. Authorized signers are limited to signing sworn documents directly related to their job responsibilities.

## **B. Authorized by Loan Owner**

19. Litton's role as servicer is typically governed by servicing agreements with the owners (normally Trusts) of the subject mortgage loans. These agreements give Litton broad powers to service the loans on behalf of the owners. The owners or trustees typically provide powers of attorney to Litton which allow certain Litton employees to act as attorney-in-fact for the loan owners. Pursuant to these powers of attorney ("POA"), Litton normally is granted powers to perform all acts and execute all documents in the name of the owner as may be necessary and appropriate to service the loan, including completing the foreclosure process.

20. Where Litton does not have a power of attorney allowing it to act on behalf of a loan owner, Litton forwards a document called an "Officer's Certificate" to the owner, asking for a representative of the owner to sign the document that is required to properly service the loan.

21. Litton's Contract Management Department is responsible for confirming Litton's delegated authority and, to that end, maintains an internal web site that houses the "POA Matrix," a document accessible to all departments in Litton, which details Litton's ability to execute documents on behalf of the loan owner(s).

## **VI. Litton's Record Keeping Systems**

*Response to Order at ¶ 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.*

22. Litton's records as described below are made in the regular course of its business; it has been, and is, the regular practice of Litton to keep those records; and entries in the records are contemporaneously made. With respect to the types of records specified in the Order, Litton's efforts to ensure accuracy and timeliness are explained below.

23. Litton has several systems in place that together keep Litton's records regarding servicing activity, loan documentation, and other transactions involving the mortgage loans it services. Litton uses LSAMS<sup>2</sup> as the core servicing and accounting system of record, which stores borrower information and tracks loan level amounts due, payment activity, and tax and insurance payments and premiums. Litton also uses RADAR<sup>®</sup> ("Risk Assessment and Default Analytics Reporting"), a proprietary default analytics servicing system, as Litton's system for maintaining and recording customer communications. Loan-level financial and borrower information from LSAMS automatically flows into RADAR, so that RADAR acts as a single interface for employees to view all information, such as the posting of payments, payment of taxes and insurance premiums, customer information and communications history. Additionally, RADAR contains images of the various origination

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<sup>2</sup> <http://www.isgn.com/Products/LSAMS.htm>

and servicing documents pertaining to a specific loan. Collectively, the LSAMS and RADAR systems are referred to herein as the "Systems."

24. System access is controlled by the assignment of a unique ID and password to each employee who will access the Systems. It is Litton policy that employee passwords cannot be shared with anyone. The Systems include programming designed to allow updates to servicing records to be made only by persons responsible for the processes related to the records being updated.

25. In addition to limiting who can access information, there are three different levels of access depending on need and job function. All employees' system access is reviewed periodically by management to ensure access levels remains appropriate. For all employees with access to change system loan level data, justification for their access is formally documented at each review.

26. Each morning a reconciliation is completed comparing the funds deposited the prior business day to the payments applied to the borrowers accounts on LSAMS the previous day. Any out of balance conditions are identified, researched and resolved daily.

27. Each customer receives a monthly statement from Litton listing all payments received during the reporting cycle, until the account is accelerated. Likewise, customers have on-line access to their account via the Litton website [www.littonloan.com](http://www.littonloan.com). In addition, Litton's Internal Audit Department performs audits, on a risk-based approach, of various aspects of Litton's key Systems, which in large part validate processes that ensure the integrity of its system of record.

#### **A. Maintenance of Original Documents**

28. Litton's Collateral Management Department has responsibility for tracking the original documents for loans Litton services once the collateral file or original loan documents are received by Litton.

29. Original loan documents are maintained by document custodians, which are the custodial branches of money center banks such as Wells Fargo Bank NA, US Bank, Bank of New York Mellon, and Deutsche Bank. These custodians specialize in the maintenance of original collateral files. Original loan documents contained in a typical collateral file include the promissory note, mortgage, assignments and title insurance policy or binder. The document custodian is responsible for maintaining these original loan documents in a secure manner.

30. Litton from time to time will take possession of the original collateral file from the custodian, as when Litton obtains the collateral file in order to provide it to foreclosure counsel. At such times, Litton uses a database system to track the collateral file internally while the files are on site, and further stores the files in fireproof cabinets maintained in rooms that are accessed only by authorized personnel using secure card readers. When stored in these cabinets, the files are registered and monitored with a bar-code tracking system.

31. New Jersey law does not require that original collateral file documents be provided to the court during the foreclosure process, and Litton generally does not send the original collateral file to outside counsel there. Litton will, however, provide the file if New Jersey counsel requests the file for any reason. Anytime Litton provides collateral file documents to counsel or any other third parties, Litton requires that the third party sign a bailee letter by which the third party acknowledges receipt of and responsibility for such documents. The bailee letters are imaged into Litton's Systems. Such files are typically sent via overnight delivery service that allows Litton's Collateral Management Department to track the incoming and outgoing files.

#### **B. Verification of Data upon Acquisition**

32. All loans for which Litton acts as servicer are "boarded" onto Litton's system. Prior to boarding, the loan-level data must pass through initial data logic checks designed to ensure the internal consistency of the new loan data. For example, Litton performs a data check to confirm that any loan showing an outstanding principal balance equal to the original underwriting balance is as an interest-only loan (which principal balance should remain unchanged). Any errors detected during the logic checks are addressed through direct communications with the prior loan owner and/or servicer.

33. After completion of the initial data logic checks, Litton's Loan Transfer Department next compares the loan-level data against a sampling of images of the actual loan documents. If this comparison reveals an error rate in excess of a certain threshold, Litton performs this document-to-data comparison on an additional percentage of population, up to the full population of loans being boarded, if warranted.

34. Finally, when Litton acquires a loan that is already delinquent, Litton's Systems automatically generate and send to the borrowers a validation of debt letter as required by the Fair Debt Collection Practices Act, 15 U.S.C. §1692(g), stating the amount of the delinquency and requesting that the borrowers contact Litton if they believe there are any errors.

#### **C. True and Correct Copies of Original Documents**

35. At the time of referring a loan to foreclosure, Litton's Collateral Management Department requests that the document custodian retrieve the original documents from the respective collateral file and either provide the originals to Litton (in cases where Litton's foreclosure counsel has requested the original documents) or provide copies of the promissory note with a certification that states it is a true and correct copy of the note maintained in the collateral file. Litton then images these certified copies into its Systems. These documents are provided to foreclosure counsel via a secure electronic interface system used by Litton and its counsel as part of the foreclosure referral package, more fully described below in paragraphs 53-54.

#### **D. Entries of Payments**

36. In the ordinary and regular course of its business, Litton applies all borrower payments in a standardized manner using automated payment processing systems which are

subject to various internal and external controls. Litton accepts both physical and electronic payments from borrowers. Physical payments consist of checks, money orders, and cash. All remaining payment options, such as Direct Debit, Western Union, and telephone or Internet payments are processed electronically.

37. For physical payments, Litton's facilities in Houston, Texas contain a "lockbox," which is a secure room where all physical borrower payments are routed for processing. The process of opening and imaging the contents of payment envelopes is automated but overseen by on-site individuals. The systems that automate this process are independently maintained by an outside vendor, who provides periodic maintenance and inspections to ensure that the opening and imaging process is completed accurately.

38. To the extent a customer makes a payment in cash (a relatively small number of payments), Litton has extensive cash controls to ensure that such cash is protected, including secured access to the floor containing the lockbox, secured access to the lockbox itself that automatically prohibits any employee from being inside the lockbox unaccompanied, and surveillance camera coverage of the entire area. Certain investors for whom Litton services loans periodically review Litton's cash controls.

39. Litton also accepts electronic payments made daily via Western Union and other electronic bill payment systems. All borrower payments, whether electronic or physical, then proceed through the payment application phase, where Litton's system of record, LSAMS, applies the funds received to the individual borrower accounts. At that point, the Systems are updated to reflect the receipt of the payment on the loan. This update typically occurs on the same day the payment is received. If the update does not occur on the same day the payment is received, Litton applies the payment effective as of the date the payment was actually received.

40. Ultimately, the payment application process is driven largely by Litton's automated payment processing systems. A daily reconciliation is performed to compare all payments received against corresponding credits to borrower accounts. Any errors or discrepancies from the reconciliation are flagged for employees to resolve manually.

#### **E. Entries of Charges**

41. As authorized by the mortgage loan documents and applicable law, certain fees and charges may be assessed to a borrower's account. These charges may include expenses incurred in servicing the loan, such as attorneys' fees, tax or insurance advances, late fees, and property preservation charges. Employees who have knowledge of the charges can authorize the payment of these expenses.

42. Litton's Corporate Accounting Department performs daily and monthly cash reconciliations to ensure that all payments authorized by the departmental employee with knowledge of the charges are timely applied to the corresponding loans.

### **VII. Litton's Internal Review Processes**

*Response to Order at ¶ 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. If you are currently making or anticipate making any changes, state the changes to be made and when they will be implemented.*

43. My testimony below describes the multiple reviews that each document must pass to ensure that Litton's certifications/affidavits submitted to the courts are based on accurate, current, and admissible business records.

**A. Litton's Pre-sign Quality Assurance ("QA")**

44. Litton ensures the accuracy of the certifications/affidavits it submits in the first instance through its pre-signing QA process, which verifies the accuracy of documents prepared by foreclosure counsel. As described above, Litton's foreclosure counsel prepares the certifications/affidavits based on the records and documents provided by Litton in the referral process.

45. Litton, in conjunction with local outside counsel in various jurisdictions, including New Jersey, has developed templates for most of the certifications/affidavits that it executes. These templates are maintained on an internal web site. Each template has a corresponding checklist of datapoints that require verification during the various checkpoints (the QA process, described herein, as well as the execution process and the post-execution Quality Control process, described below). To conduct the pre-sign QA process, a QA team member first selects the appropriate template and checklist to use to compare against the affidavit/certification provided by foreclosure counsel to Litton for signature. If a document submitted by foreclosure counsel for Litton to execute does not match a specific template/checklist, it is placed into the "Exception" process. The Exception Policy and Procedure requires that an in-house attorney review any non-standard document.

46. For Litton's standard template for the New Jersey Certification of Amount Due, Litton's pre-signature QA checklist requires verification upon personal review of the information contained in Litton's Systems of each of the following:

- The current owner of the note/mortgage is the named Plaintiff;
- The "interest paid through" field shows a date that indicates the loan is at least 90 days past due;
- The borrower(s) name in Litton's Systems matches the borrower(s) name from a true and correct copy of the promissory note;
- The borrower(s) name in Litton's Systems matches the borrower(s) name in the certification;
- The property address in the certification matches the address in Litton's Systems;

- All dates referenced in the certification match the relevant dates in Litton's Systems or the true and correct copies of the collateral file;
- The foreclosure counsel listed on the certification matches the current foreclosure counsel listed in Litton's Systems;
- The Litton employee signing the certificate has authority to do so;
- The itemized indebtedness amounts match the payoff statement (a business record generated by Litton's Systems) and the itemized amounts are totaled accurately;
- The date through which the payoff amount is valid, as reflected in payoff statement, has not expired;
- The mortgage recording information in the certification matches the information stamped on the mortgage; and
- All business records which support the factual statements made in the certification are attached to the certification.

**B. Personal Review by Authorized Signer**

47. As described more fully in paragraphs 10-11, Litton's written policies and procedures require Litton's authorized signers to personally review the information contained in Litton's Systems prior to signing a document to confirm the accuracy of the factual statements made therein.

**C. Post-execution Quality Control ("QC")**

48. After the document has been signed and, if necessary, notarized, Litton's written policies and procedures also provide for an internal, post-execution Quality Control ("QC") process that re-verifies the items from the applicable checklist used in the QA and the signer review, and further confirms that all of the relevant business records remain attached to the executed certification/affidavit before imaging the completed execution package into Litton's Systems.

**VIII. Litton's Training Efforts for Business Records Reliance**

*Response to Order at ¶ 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.*

49. All of Litton's authorized signers are employees and virtually all of them have many years of experience in the industry generally and with the use of Litton's business records Systems in particular. All of Litton's authorized signers must attend targeted "business records training" to provide them with personal knowledge of how Litton creates

and maintains business records in its Systems relevant to the certifications/affidavits they execute. Business records training consists of a presentation by Litton's Legal Department regarding the legal foundation for reliance on business records, followed by interactive tours where authorized signers visit various departments for first-hand experience with the numerous processes and controls that are used to create and maintain the records in Litton's various Systems. The interactive portion of the training provides Litton's authorized signers the opportunity to ask any and all questions directly to the department responsible for various aspects of Litton's Systems.

50. For example, Litton's business records training required for authorized signers of the New Jersey Certification of Proof of Amount Due provides instructions on the Systems that record a borrower's indebtedness from the time Litton acquires a loan to the time a Payoff Statement is generated. Specifically, the training covers how Litton verifies the data from prior servicers at the time of acquiring a loan (tour with Loan Acquisitions and Transfer); how Litton's payment processing technology ensures that all borrower payments are processed appropriately, typically on the day received (tour with Cash Management and Investor Accounting); how Litton applies charges to a borrower account (tour of Corporate Accounting); and how the physical business records used in the preparation of the certifications/affidavits are generated from Litton's underlying Systems (tour of Payoff Department). Finally, authorized signers must also pass a required Knowledge Test and sign a Certification prior to receiving approval to execute the respective document type covered by the business records training.

#### **IX. Accurate Information Is Provided To Foreclosure Counsel**

*Response to Order at ¶ 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.*

51. My testimony below describes the written policies and procedures Litton has in place to ensure that accurate information is provided to foreclosure counsel.

##### **A. Litton's Pre-Referral Checklist**

52. Before any mortgage loan is referred to outside counsel for foreclosure, it is Litton's practice to conduct an automated review of approximately 63 criteria and then a manual review based on a written pre-referral checklist to ensure that referral to foreclosure counsel is appropriate. This review is required to include confirmation that a referral will comply with applicable laws and regulations, as well as Litton's internal policies. In addition, at referral, Litton's Collateral Management Department is required to request that the Document Custodian provide true and correct copies of the contents of the collateral file as detailed in paragraph 35.

##### **B. Litton's Foreclosure Referral Process**

53. After completion of the pre-referral checklist, a "referral package" is generated and provided to foreclosure counsel with instructions to proceed with the foreclosure.

54. The referral package consists of a business record generated from Litton's Systems in the form of a letter to foreclosure counsel providing the attorney with such information as the name in which to initiate foreclosure proceedings, the title beneficiary, the loan number, identification of the mortgagor(s) and the property, and loan indebtedness information. Additionally, the referral package includes various documents such as the promissory note, the mortgage and any assignments, and notice and breach letters sent to the borrower(s).

55. As further described in response to Questions 1(d) and 1(g), Litton has various processes in place to ensure that foreclosure counsel are being provided with properly executed and accurate documents.

**X. Litton's Review Process Pursuant to Rule 4:64-1 et. seq.**

*Response to Order at ¶ 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.*

56. The amendment to Rule 4:64-1 ("The Rule") promulgated by the Supreme Court requires foreclosure counsel to confirm that he or she has communicated with an employee of Litton who personally reviewed the complaint and confirmed its accuracy and identified the relationship between Litton and the plaintiff and confirmed the authority of Litton to act on behalf of the plaintiff.

57. The Rule was further amended to provide for communication between counsel and an employee of the servicer. Litton has, in consultation with its New Jersey foreclosure counsel, created a process, described below, that will provide for such communication between foreclosure counsel and Litton in compliance with the Rule.

58. Prior to preparing the Complaint, Litton's foreclosure counsel will perform a title search to identify all entities that might claim an interest in the property, including all owners and lien holders. Foreclosure counsel also will perform a judgment search to identify any judgments entered against the primary defendants. This information will be used by foreclosure counsel to identify all necessary parties to the Complaint.

59. Counsel will review the subject mortgage, note and assignment(s), if any, for accuracy. Any discrepancies or inaccuracies will be investigated further and remediated, if necessary.

60. Based on counsel's review of loan and title documents, counsel will prepare and confirm the accuracy of the Complaint. Once Litton's foreclosure counsel concludes the review of the Complaint and supporting documents, the pleading will be ready for the next stage of review by Litton.

61. Foreclosure counsel will submit to Litton a Certification of Complaint Review, together with the Complaint and all supporting documents, with a request that an employee of Litton review the Complaint and supporting documents for accuracy.

62. Litton's employee, consistent with Litton's sworn document execution processes detailed above, will review the materials provided by foreclosure counsel against the information contained in Litton's Systems. If the employee finds any inaccuracies or other need for revision, the employee will note the same directly on the Certification of Complaint Review and return the unexecuted Certification to foreclosure counsel for necessary revisions.

63. Once Litton's employee has reviewed and confirmed the accuracy of the Complaint, Litton's employee will electronically submit the completed and executed Certification of Complaint Review to the foreclosure attorney who prepared the Complaint. The foreclosure attorney will then review the Certification of Complaint Review to confirm the employee has conducted a complete review of all required information. The attorney will then prepare and execute the Certification of Diligent Inquiry. The Complaint, together with the Certification of Diligent Inquiry, will be filed electronically with the court.

64. In addition to the review processes described above, Litton monitors the performance of its foreclosure attorneys with Key Performance Indicators ("KPI"). Beginning in December 2010, Litton enhanced its foreclosure KPI performance matrix to include additional qualitative and quantitative measures. Two KPIs, which relate to monitoring the quality of foreclosure documents produced by foreclosure counsel, are as follows:

- (a) Are certifications or affidavits accurately prepared by the attorney?
- (b) Is there a pattern of inaccuracy in the documentation submitted by the attorney to Litton?

Findings related to these KPIs are identified through enhanced reviews performed within the Foreclosure Department and summarized monthly in reports to Foreclosure Department management.

65. Litton works with foreclosure counsel to address any issues raised by the KPIs.

#### **XI. Litton's Independent Review Process**

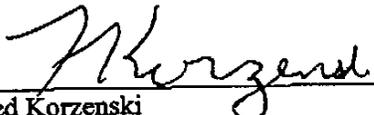
*Response to Order at ¶ 1(h): State whether you utilized or intend on utilizing any independent auditor to review the process and procedures mentioned in the above answers to ensure that you are in compliance with the mandates of Court Rule 4:64-1 et seq.*

66. Full compliance with all applicable laws is a foremost priority for Litton. Accordingly, Litton has worked extensively with outside counsel to review and enhance its foreclosure policies and procedures.

67. Litton also works with its New Jersey foreclosure counsel to ensure that Litton's policies and procedures, through which it executes documents and provides information to foreclosure counsel, satisfy New Jersey law.

68. Recognizing that compliance is an ongoing process, Litton has a dedicated Compliance Department that regularly reviews Litton's various policies and procedures to ensure compliance with all applicable state and federal laws.

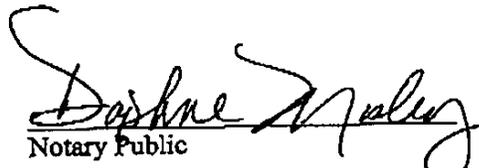
69. Additionally, the law firm of Bingham McCutchen LLP ("Bingham"), working with Litton's Vendor Management Department, has conducted due diligence site visits for all of Litton's New Jersey foreclosure counsel. Only those law firms assessed favorably by Bingham and approved by Litton's Vendor Management program will receive referrals of new files for foreclosure. Finally, Litton is also working with Bingham to determine the best method of providing ongoing oversight of Litton's foreclosure processes and foreclosure counsel in New Jersey.

  
Ted Korzenski

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

SWORN TO and subscribed before me this 21<sup>st</sup> day of June, 2011, by Ted Korzenski of Litton Loan Servicing LP, a Delaware limited partnership, on behalf of the limited partnership. He/she is personally known to me.



  
Notary Public



F-238-11

## INTEROFFICE MEMO

Superior Court of New Jersey  
Union County Courthouse  
CIVIL DIVISION

**RECEIVED**

JUN 24 2011

**SUPERIOR COURT  
CLERK'S OFFICE**

VIA LAWYER'S SERVICE

MEMO TO: BethAnn Strom  
Superior Court Clerk's Office

FROM: Anne R. Daurio *Anne*

DATE: June 22, 2011

SUBJECT: Transmittal of Documents from Special Master Walter R. Barisonek

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Hi BethAnn

Enclosed please find Affidavit of Ted Korzenski which was submitted to Judge Barisonek in error. Kindly have this document entered into ACMS and scanned into JEFIS.

Thank you for your cooperation.

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RECEIVED NY BK Mellon (3)  
JUN 21 2011

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

June 21, 2011

*By Hand Delivery*

Honorable Walter R. Barisonek  
Union County Courthouse  
2 Broad Street, Courtroom 101  
Elizabeth, New Jersey 07207

Re: Administrative Order 0-1-2010, Docket # F-238-11

Dear Judge Barisonek:

Litton Loan Servicing LP ("Litton") is not a party to the above-referenced proceeding that is directed to certain nominal plaintiffs in residential New Jersey foreclosure actions.

Litton acts as a loan servicer on behalf of loan owners, which include mortgage-backed securitizations structured as common law trusts ("Trusts"). Litton has received requests from several such Trusts, through their trustees, for whom Litton acts "as a servicer of residential mortgages," asking that Litton provide responses to the questions posed in the referenced Order.

I have been retained by Litton to provide Litton's responses directly to your attention, as opposed to providing duplicative responses indirectly through the various trustees for whom Litton services residential mortgage loans in New Jersey.<sup>1</sup>

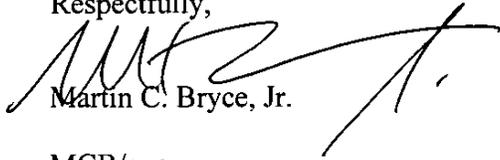
Accordingly, please find enclosed Litton's affidavit which contains those responses. Litton has provided copies of this affidavit to counsel for Deutsche Bank National Trust Company, and Deutsche Bank Trust Company Americas, counsel for U.S. Bank National Association, and counsel for The Bank of New York Mellon, in response to requests received by Litton from each.

<sup>1</sup> While Litton, as servicer of the loan, typically does not foreclose in its own name, Litton is the named foreclosure plaintiff in foreclosures of loans owned by Fannie Mae, as is requested by Fannie Mae's rules

Honorable Walter R. Barisonek  
June 21, 2011  
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Should you have any questions, please do not hesitate to contact me.

Respectfully,

A handwritten signature in black ink, appearing to read 'M. Bryce, Jr.', with a long horizontal flourish extending to the right.

Martin C. Bryce, Jr.

MCB/gpa