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

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

**Administrative Order 01-2010
Docket # F-238-11**

**CERTIFICATION OF MORTGAGE
ELECTRONIC REGISTRATION SYSTEMS,
INC. IN RESPONSE TO ADMINISTRATIVE
ORDER 01-2010**

I, Brandie H. Peeples, of full age, certify as follows.

1. I have been employed as an in-house counsel by MERSCORP, Inc. ("MERSCORP") – the parent company of Mortgage Electronic Registration Systems, Inc ("MERS") – since January 2008, and my job responsibilities include case management for litigation involving MERS.

2. I am submitting this Certification in response to the Administrative Order Directing Submissions Of Information From Residential Mortgage Foreclosure Plaintiffs Concerning Their Document Execution Practices To A Special Master (No. 01-2010) entered on December 20, 2010, the Supplemental Administrative Order entered on January 31, 2011, and the request of Special Master Walter Barisonek (collective, the "Administrative Order").

3 MERS is a membership organization comprised of lenders, servicers, and other mortgage industry companies. The procedures between MERS and its members for the filing of foreclosure actions in the name of MERS are governed by its Membership Agreement which includes its Rules of Membership, in particular Rules 2 and 8 of the Rules of Membership (“MERS Rules”).

4. Revisions to Rule 8 of the MERS Rules have been proposed to the members of MERS. A redline reflecting the proposed amendment to Rule 8 is attached as Exhibit “A.” As revised, Rule 8 would prohibit MERS members from foreclosing or initiating foreclosure actions in the name of MERS.

5. MERS announced the proposed revision to Rule 8 to its members in February 2011. A copy of the announcement is attached as Exhibit “B.”

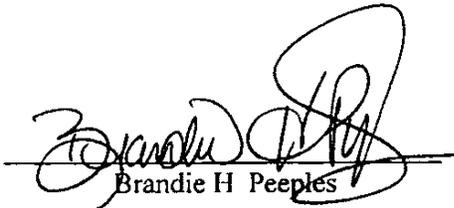
6. In the announcement, MERS specifically requested from its members that while the revisions to Rule 8 were being considered foreclosures not be commenced or brought in the name of MERS. See Exhibit “B,” ¶1. And that if a member wished to commence a foreclosure in MERS’ name prior to the proposed amendments to Rule 8 being adopted, the member must provide two weeks’ advance notice to MERS in order to allow MERS to review and confirm that such foreclosure can proceed in the name of MERS. *See id.* Thus, as of the February 2011 announcement, MERS Members were not to file a foreclosure action in MERS’ name without first notifying MERS and obtaining MERS’ approval for same. *See id.*

7. Since the February 2011 announcement, MERS has not given its approval and consent to any member to commence a foreclosure in MERS’ name in the State of New Jersey.

8 The amendment of Rule 8 must be approved by the Board before it is effective. MERS expects to submit to its Board of Directors revisions to Rule 8 at its meeting in July 2011 which will include a revision prohibiting Members from foreclosing in MERS name.

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

Dated. June 30th, 2011


Brandie H Peebles



POLICY BULLETIN – Number 2011-2

To: All MERS Members

March 8, 2011

Set forth below are proposed changes to Rule 8 of the MERS Rules of Membership. The proposed changes are highlighted and underlined. Please direct any written comments you may have regarding the proposed changes to mers@mersinc.org within ninety (90) days from the date of this Bulletin

Proposed Changes to Rule 8: Foreclosure & Bankruptcy

Section 1. (a) With respect to each mortgage loan for which the beneficial owner of such mortgage loan or its servicer has decided to (1) initiate foreclosure proceedings, whether judicial or non-judicial (2) file a Proof of Claim in bankruptcy or (3) file a Motion for Relief from Stay in bankruptcy, and for which Mortgage Electronic Registration Systems, Inc. (for the purposes of this Rule shall be referred to as MERS) is the mortgagee of record, the beneficial owner of such mortgage loan (i.e. the mortgage debt) or its servicer shall instruct a MERS Certifying Officer (in writing) to execute an assignment of the mortgage from determine-whether-foreclosure proceedings-with-respect-to-such mortgage-loan shall-be conducted-in the name of Mortgage Electronic Registration Systems, Inc. to - the name-of the servicer, or to such the name of-a different party to-be designated by the beneficial owner in such instructions

(b) The member agrees and acknowledges that when MERS is the mortgagee MERS is their agent for the note owner and holding the mortgage as the mortgagee on behalf of the beneficial owner of the mortgage loan. The member agrees and grants to MERS the authority to execute the assignment of the mortgage upon receiving the instructions from either the beneficial owner of such mortgage loan and its servicer.

(c) The Member servicing a mortgage loan registered on the MERS® System shall be responsible for processing foreclosures in accordance with the applicable agreements between such Member and the beneficial owner of such mortgage loan. The assignment must be executed in accordance with all applicable laws.

(d) In the State of Florida, the authority to conduct foreclosures in the name of MERS is granted to a Member's Certifying Officers under Paragraph Three of the Member's MERS Corporate Resolution is revoked. Effective August 1, 2011 Effective June 1, 2006, the Member shall be sanctioned \$10,000.00 per violation for commencing a foreclosure in Florida in the name of MERS. The Member will automatically be in violation of this Rule and subject to the enforcement of the fine when the first legal action is taken in MERS name. The enforcement of this violation shall be independent of any process required under Rule 7.

Ex.A

~~(b)(c) The authority to file Proof of Claims and Motions for Relief from Stay in the name of MLRS granted to a Member's Certifying Officer under the Member's MLRS Corporate Resolution is revoked.~~

~~(f)d) In the event that the beneficial owner or its designated servicer determines that foreclosure proceedings shall be conducted in the name of a party other than Mortgage Electronic Registration Systems, Inc., the servicer designated on the MLRS System shall cause to be made an assignment of the mortgage from Mortgage Electronic Registration instruct the Certifying Officer to execute the assignment out of MLRS name before initiating foreclosure proceedings or filing a proof of claim or motion for relief from stay and promptly send the assignment for recording in the applicable land records. Systems, Inc. to the person designated by the beneficial owner, and Such beneficial owner shall pay all recording costs in connection therewith.~~

~~Section 2 - - (a) --- If a Member chooses to conduct foreclosures in the name of Mortgage Electronic Registration Systems, Inc., the note must be endorsed in blank and in possession of one of the Member's MLRS certifying officers. If the investor so allows, then MLRS can be designated as the note holder.~~

~~(i) - - The Member shall not plead MLRS as the note owner in any foreclosure document --including but not limited to-- the foreclosure complaint.~~

~~(ii) - - The Member shall not plead MLRS as a co-plaintiff in a foreclosure action.~~

~~(iii) If the note is lost or cannot be located, the Member shall not commence a foreclosure action in the name of MLRS, but rather must assign the mortgage out of MLRS.~~

~~(b) In non-judicial foreclosure states, if the Member chooses to foreclose in MLRS name under the power of sale provision in the security instrument and is not seeking a deficiency judgment, then the note does not need to be in the possession of the Member's MLRS Certifying Officer when commencing the foreclosure action, provided, however, that under no circumstances may the Member allege that the note is in their possession unless it so possesses.~~

~~(e) - If the Member pleads MLRS as the note owner or as a co-plaintiff or commences a foreclosure in the name of MLRS when the note is lost or cannot be located, it shall be considered a violation of the MLRS Membership Rules and MLRS may dismiss such foreclosure action. Effective June 1, 2006, the Member shall be sanctioned \$1,000.00 for the first violation and \$5,000.00 for each subsequent violation of this Rule.~~

(d) For all foreclosures conducted in the name of MLRS, the member shall take all reasonable and necessary steps to avoid having Mortgage Electronic Registration Systems, Inc. take title to the applicable property that is the subject of a mortgage loan. Mortgage Electronic Registration Systems, Inc. shall not be obligated to take title to any property that is the subject of a mortgage loan, provided; however, that if the Member so requests, Mortgage Electronic Registration Systems, Inc. may take title at the conclusion of the foreclosure sale upon prior written consent to the Member from Mortgage Electronic Registration Systems, Inc. If title is taken in the name of Mortgage Electronic Registration Systems, Inc., the Member shall take all necessary and reasonable steps to remove Mortgage Electronic Registration Systems, Inc. from title as soon as possible.

(e) If title is put into Mortgage Electronic Registration Systems, Inc.'s name and there is a violation of state, county or city codes or any other applicable regulation, including, but not limited to, non-payment of tax bills, the Member shall be responsible to promptly take all necessary action to prevent fines or judgments from being entered against MLRS. If the Member fails to do so, MLRS may take such action and will sanction the member for all costs and expenses, including, but not limited to, attorney fees.



Announcement

Number 2011-01

To All MERS Members

February 16, 2011

Re Foreclosure Processing and CRMS Scheduling

MERS is providing the following guidance to all Members to strengthen business practices, and minimize reputation, legal and compliance risk to MERS and its Members. In recent months legal challenges have arisen regarding alleged inadequacies and improprieties in the foreclosure process including allegations of insufficient or incorrect supporting documentation and challenges to the legal capacity of parties' right to foreclose. MERS is committed to reevaluate and strengthen its systems and procedures to protect against these types of legal challenges. Consistent with this approach we have enhanced the Corporate Resolution Management System (CRMS) and instituted related policies and procedures designed to strengthen MERS' business practices and limit compliance risks. To comply with this guidance, MERS Members should implement the following practices, effective immediately.

1. MERS is planning to shortly announce a proposed amendment to Membership Rule 8. The proposed amendment will require Members to not foreclose in MERS' name. Consistent with the Membership Rules there will be a 90-day comment period on the proposed Rule. During this period we request that Members do not commence foreclosures in MERS' name. If a Member determines that it will commence a foreclosure in MERS' name during this 90-day period, two weeks advance notice must be given to MERS to permit verification of the appointment and current status of the Certifying Officer proposed to participate in the foreclosure. No foreclosure may be processed in MERS' name without first obtaining this verification. We encourage Members to bring foreclosures only in the name of the holder of the note, in the name of the trustee or the servicer of record acting on behalf of the trustee.
2. MERS Members shall have a MERS Certifying Officer (also known as MERS Signing Officer) execute assignments out of MERS' name before initiating foreclosure proceedings. Assignments out of MERS' name should be recorded in the county land records, even if the state law does not require such a recording (see MERS Membership Rule 8).
3. For all future assignments and the execution of other documents in the name of MERS, Members must use a MERS Certifying Officer who has been appointed under our new certifying officer process, which, after November 1, 2010, uses a new form of corporate resolution. Under our new process, all Certifying Officers are also being tested and appointed under the enhanced CRMS. Only Certifying Officers appointed under the new form of corporate resolution, tested, and transitioned onto CRMS after November 1, 2010 should execute assignments. We are in the process of ensuring that all Members are transitioned onto CRMS in compliance with our new policy, and we will work with all Members to ensure the transitions can be accomplished in an orderly and expeditious way. For those Members who have not undergone this transition onto the CRMS, you will receive login credentials and further instructions from MERS on how to complete this process. It is important that you follow all instructions and that you complete this process as quickly as possible. MERS will be communicating with you to notify you when your Company will be transitioned onto the CRMS under our new policy. Once your Company has access to the CRMS, all of your existing and potential Certifying Officers should work quickly to complete the certification process. Once all of your existing and potential Certifying Officers have successfully completed the certification process, you will need to submit your request to MERS for approval. Submissions from your Company will only be accepted during the phase-in period assigned to you. Because it will take some time to transition under our new policy, Certifying Officers can continue to execute documents in MERS' name under existing resolutions until the new corporate resolution is issued to your Company. However, if your Company does not submit the request to MERS through the CRMS in the timeframe assigned to you, you will not be issued a new corporate resolution and any prior corporate resolutions issued to your company will be revoked.

- 4 MERS Members should ensure the accuracy of the information in the complaint and foreclosure affidavit that addresses, where applicable, the authorization under which a MERS Certifying Officer validly assigned the mortgage to the foreclosing note-holder.
- 5 Other business practices Members should perform on a periodic basis include
 - Conduct a review of employees designated as Certifying Officers and reconcile to the CRMS to ensure MERS has an up-to-date and accurate list of Certifying Officers,
 - Ensure employees designated as Certifying Officers receive appropriate training to carry out their duties and responsibilities as Certifying Officers; and
 - Reconcile with CRMS to update corporate resolutions and signing authority agreements to ensure appropriate Certifying Officers are validly appointed

If you have any questions regarding this announcement, please contact the MERS Law Department at mers@mcisinc.org, or call the MERS corporate office at 703-761-1270 and ask for the MERS Law Department. The MERS Help Desk will not be able to assist in this matter.