

IN THE SUPERIOR COURT OF NEW JERSEY  
UNION COUNTY

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

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 I make this certification on behalf of the Trustee in response to this Court's April 25, 2011 Order (the "Order"), which requested that the respondents in this action, which include the Trustee, provide certain information to this Court within twenty (20) days following the respondents' individual conferences with the Court. This Court verbally extended the Trustee's time to respond to the Order until June 10, 2011.

3 During the individual conference with this Court that I attended on behalf of the Trustee on or about April 21, 2011, 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

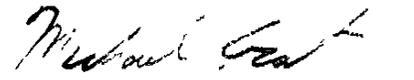
Servicing, LLC ("Ocwen"), (iv) Residential Funding Company ("RFC"), and (v) Saxon Mortgage Services, Inc ("Saxon")

4. This Certification annexes Exhibits A and B, which contain responses to Item No. 2 of the Order that the Trustee received from Ocwen and Saxon, respectively.

5. I understand from counsel for American Home, Litton, and RFC that they will be filing responses to the Order directly with this 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: June 10, 2011

  
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Michael S Kraut

# Exhibit A

IN THE MATTER OF )  
RESIDENTIAL MORTGAGE )  
FORECLOSURE PLEADING(S) )  
AND DOCUMENT )  
IRREGULARITIES )  
)  
)  
)  
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SUPERIOR COURT OF NEW JERSEY  
UNION VICINAGE  
Administrative Order 01-2010  
  
Docket No. F-238-11  
  
Hon. Walter R. Barisonek

**CERTIFICATION OF CAROLIN A. CIARLARIELLO  
IN RESPONSE TO COURT REQUEST DATED APRIL 25, 2011**

I, Carolin A. Ciarlariello, Esq. without waiving any proprietary or confidential privilege hereby certify that the following information is true and accurate, based upon my personal knowledge and belief and based upon my personal review of the necessary business records of Ocwen Loan Servicing, LLC ("Ocwen")

1 I am employed as the Manager of the Contract Management Department of Ocwen and am authorized to make this certification on behalf of Ocwen regarding processes and procedures involving the Contract Management Department

2 I am licensed to practice law in the State of Florida and the United States District Court for the Southern District of Florida. I work at Ocwen's West Palm Beach, Florida office. In my position, I oversee Ocwen's Contract Management Department

3 Prior to becoming an Attorney, I was a Litigation / Real Estate paralegal for 25 years. My professional experience included handling real estate transactions, eminent domain, quiet title actions and litigated matters involving real property. I also handled real estate closings as the escrow agent for the title division of a large law firm

4 Ocwen's Contract Management Department is responsible for the verification and execution of documents on behalf of Ocwen in the course of legal proceedings such as foreclosure actions

5 In my capacity as Manager of the Contract Management Department, I oversee the document execution process, develop training materials and maintain the department's policies and procedures

6 Referencing the letter dated April 25, 2011 from Walter R. Barisonek, A J S C Ret Special Master, this Court requested responses to specific questions repeated below for reference Based on my personal knowledge of Ocwen's current practices and procedures involving the Contract Management Department, I can state the following

**Paragraph 1.a.** *"State what processes and procedures you have to ensure that the certifications/affidavits submitted are based upon the person's personal knowledge or that the person's review of business records would be admissible in evidence in a New Jersey Court "*

As a matter of business practice, Ocwen has processes and procedures in place to ensure certifications/affidavits executed by an Ocwen employee are based upon the signor's personal knowledge This starts with the hiring process and carries through the on-going Contract Management training process so that signors are given the necessary tools and information to perform their daily job functions appropriately Prior to verifying or executing a document for Ocwen, each employee in the Contract Management Department must complete a detailed training program and pass the applicable tests confirming the appropriate level of understanding of the materials. The training is geared toward an understanding of (i) Ocwen's business records, (ii) how Ocwen's business records are updated and maintained, (iii) the type of documents submitted in foreclosure proceedings and (iv) the rules associated with the verification and execution process Relevant portions of Ocwen's training materials are provided below:

**Introduction to the Training Modules of Contract Management:**

Welcome to the Contract Management ("CM") Department at Ocwen Loan Servicing, LLC, "Ocwen". The CM Department has the following 3 modules in the Affidavit training program.

- 1) Identifying Each Document
- 2) Executing, Witnessing and Notarizing the Document
- 3) Verifying the Document

Before a document can be executed and sent back to outside counsel, it must follow the quality control process set forth in the training modules. You must review each module and pass a final test before you can advance to the next module. Each module accompanies a "Hands on Training" Program.

**The minimum "Hands on Training" Timeline is as follows:**

- 1) Identifying each Document: 5 Days
- 2) Executing, Witnessing and Notarizing the Document. 5 Days
- 3) Verifying the Document 20 Days

A Contract Manager will audit your work for accuracy. After you have passed the audit, you will begin the next training module and corresponding Hands on Training.

When a loan defaults and the process of foreclosure begins, documents are initially drafted by local outside counsel hired by Ocwen to safeguard the investor's interest. These documents are sent to the CM Department for verification and execution.

The documents that the CM Department verifies and executes are used for legal proceedings. The accuracy of the document is essential to the validity of the legal proceeding. Employees may be asked to execute documents under penalty of perjury and swearing under oath to the validity of the information contained in the document. Therefore, it is critical that each employee executing a document fully understand its contents and purpose.

As a signor, also known as the affiant, testimony may be required regarding the facts contained in the document. The affiant may be questioned under oath, among other things, about the validity of the facts contained in the document and also their authority to execute the document.

#### The Cycle of a Document:

Before a document is verified and executed, it must follow the proper steps for quality control.

1. Local outside counsel sends the drafted document and any supporting exhibits to the assigned Ocwen Affidavits Mailbox.
2. The front line Contract Management Team opens the document from the Affidavit Mailbox.
3. The frontline Contract Management Team performs a quality check and pre-verifies the document using the information found in Ocwen's business records, including, but not limited to, REALServicing®, Contract Imaging System (CIS), Contract Management System (CMS) and the Foreclosure Matrix. They are responsible for verifying the accuracy of each document, including, but not limited to, Borrower(s) name(s), Trustee on record, recording information, financial information and dates on each document.
4. Once the above steps are complete, the frontline Contract Management Team member moves all of the documents to the Affidavit folder for the Execution Contract Management Team.
5. The frontline Contract Management Team Member uploads a comment, AFFSNT, to REALServicing® to indicate the document has been received and forwarded to the Execution Contract Management Team for verification and execution.
6. An Execution Contract Management Team member retrieves them from the printer and separates them for processing.
7. Once printed and separated, the documents are stored in a secure area in date order for verification and execution
8. Documents are verified in expedited or in date order (oldest in date first). The Signor verifies the accuracy of each document he/she will sign against Ocwen's business records, including, but not limited to, Borrower(s) name(s), Trustee on record, recording information, financial information and dates on each document.

9. Once verified by the signor, he/she brings the documents to the Signing Room.
10. In the Signing Room, the notary shall give the prescribed oath to the signor.
11. Once the oath is given, the signing can commence.
12. After the documents are executed, they are brought out of the Signing Room and sorted by document type. The loan number, attorney code and document type are entered on a spreadsheet so that a status comment can be uploaded to each loan in REALServicing®.
13. Executed documents are then scanned into Ocwen's Imaging system, CIS.
14. Once scanned, the document is returned, via UPS, to local outside counsel who requested and drafted the document.

Additionally, as it relates to Ocwen's business records, Ocwen utilizes a number of integrated systems, including the REALServicing® servicing platform, REALResolution™, Contract Imaging (CIS) and Contract Management System (CMS). The systems and processes have been developed from Ocwen's experience in servicing mortgage loans for over 20 years. REALServicing® is a total life-of-loan, residential servicing software which documents the entire cycle from loan-setup and administration through default and, if necessary, Real Estate Owned (REO) asset management. Contract Management employees are trained on all of the relevant systems so they fully understand how the information is updated, maintained and stored. Ocwen takes a number of steps to ensure the accuracy and security of the information that is maintained in its business records. It annually obtains a Statement on Standards for Attestation Engagements (SSAE) No. 16, a widely recognized auditing standard developed by the American Institute of Certified Public Accountants (AICPA), to cover controls such as policies, procedures and safeguards that relates to all information system activities of REALServicing®.

Each certification/affidavit is verified against Ocwen's business records. The multiple quality checks in the verification process ensures that every certification or affidavit is reviewed and verified more than once. Each certification or affidavit must pass all levels of review and verification. All verbiage, financial data and content including exhibits are reviewed and verified against Ocwen's business records before the document is executed.

Ocwen's business records and compilations are made at or near the time of the transaction. Each entry made in REALServicing® is made in the normal and ordinary course of Ocwen's servicing activity. It is customary to make these types of entries which are involved in the review process and procedures necessary to verify and execute certifications or affidavits. It is Ocwen's policy to ensure that Ocwen employees executing certifications or affidavits possess personal knowledge of Ocwen's business records and review Ocwen's business records prior to executing the certification or affidavit,

knowing their testimony will be used as evidence in a legal proceeding. This policy is specifically outlined in Ocwen's training materials and procedures.

Ocwen works closely with New Jersey counsel to ensure overall compliance with the Rules of Evidence. Once a certification or affidavit is returned to local outside counsel, additional validation of the executed document is made. Most foreclosure counsel subscribe with direct access to the necessary Ocwen business records through our external intranet access known as REALResolution™, which is supported by the data in REALServicing®, allowing for access to review the data but prevents outside counsel from making any changes. Alternatively, if outside local counsel does not subscribe to the REALResolution™ system, they will work closely with an Ocwen foreclosure coordinator assigned to the case for the required support to process documents needed in the foreclosure proceeding. Ocwen works closely with its New Jersey foreclosure counsel to confirm compliance in preparing all required certifications/affidavits.

As such, each certification or affidavit presented to Ocwen for execution is reviewed and verified several times against Ocwen's business records. The employee executing the certification or affidavit has personal knowledge of Ocwen's business records, which support the certification or affidavit and would be admissible in evidence in New Jersey Court.

**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."*

As previously mentioned, Ocwen works closely with and relies on its New Jersey foreclosure counsel to provide legal advice on local and state law. Ocwen maintains a network of preferred counsel in all states, including New Jersey. Ocwen's policies and procedures contain state-specific directives and training to enable employees to identify state or local nuances. The state or local requirements are developed with local counsel to ensure compliance with local rules and regulations. Ocwen also relies on the expertise of foreclosure counsel to ensure documents are properly drafted and executed in accordance with New Jersey laws and contain information within the scope of knowledge in which an Ocwen employee can certify. Additionally, Ocwen has taken steps to provide a more uniform approach to the document execution process by working with New Jersey counsel to develop a consistent format for documents.

The validity of the signature speaks not only to the proper authorization but that the execution

process is done in accordance with applicable notary laws. These subject matters are further described in Ocwen's training materials and policies and procedures. Certifications or affidavits are typically executed at Ocwen's servicing center located in the State of Florida, County of Palm Beach. A relevant portion of Ocwen's training materials for executing documents and compliance with applicable Florida notary laws is provided below:

**EXECUTION and NOTARIZING DOCUMENTS**

**When executing, witnessing, attesting or notarizing a document, it is a MUST that the signor and notary are in each other's presence while the document is being executed. The signor executing a document should be prepared to testify that the document was signed while in the presence of a Witness, Attester and/or Notary.**

**By signing your name as a Witness or Attester, you are stating that you were present during the execution of the document. As a Witness or Attester, you may be called to testify that you did indeed physically see the signor sign his or her name.**

**By signing as a Notary, you are required to administer the Oath. The Oath is any form of attestation or pledge by which a person signifies that he or she is bound in conscience and out of a sense of responsibility to a Supreme Being to the truthfulness for some statement. Willfully swearing to untrue statements constitutes perjury. In Florida, a notary public may not notarize a signature on a document if the person is not in the presence of the notary public at the time the document is executed.**

**Affiant's signature must be plainly legible. The name of the Affiant must be printed on the Affidavit in order to permit the true identity of the Affiant to be known.**

**THERE IS NO EXCEPTION TO THE PRESENCE REQUIREMENT!**

**PLEASE NOTE - You are not obligated to sign any document(s) which you do not completely understand. If you are verifying a document and have questions, set the document aside and at the end of the day bring the document to a Contract Manager.**

Additionally, in accordance with its procedures, the Ocwen employee must physically sign all certifications or affidavits in connection with the foreclosure proceedings. This means, the person executing the certifications or affidavits is not using a signature stamp. Under Florida law, a notary is prohibited from notarizing any signature if the signor is not present at the time of the notarization. A Florida notary may not notarize a signature on a document unless he or she personally knows, or has satisfactory evidence, that the person whose signature is to be notarized is the individual who is described in and who is executing the instrument. The notary clause shall include the type of identification, either based on personal knowledge or other form of identification, which the notary public is relying. Based on Florida's notary requirements, Ocwen established the "Signing Room"

sessions whereby the signors and notaries come together in one physical location to execute the certifications or affidavits. All signors are specially trained Ocwen employees with personal knowledge of Ocwen's business records and not a representative business entity. Pursuant to Ocwen's policies and procedures, the certifications or affidavits themselves are not executed if they contain blanks or are incomplete. The complete, reviewed and verified certifications and affidavits are dated by hand on the day the document is executed.

**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."*

Per the Contract Management Department Policies and Procedures and training, Ocwen employees are authorized to execute documents pursuant to the company's corporate resolutions and the applicable power of attorney granted by the investor/trustee or owner of the mortgage loan. A specific corporate resolution is maintained by the Corporate Secretary detailing the individuals who can execute documents on behalf of Ocwen, and which documents they can execute. This corporate resolution is routinely made available to the Contract Management Department for purposes of verifying authority to sign. As part of the training process, the corporate resolution is reviewed so that the trainees recognize the types of documents and people who have the authority to sign those documents. Those Contract Management employees listed on the corporate resolution are given authority to execute the certification or affidavit.

Additionally, employees are required to review the Ocwen "Foreclosure Matrix" for pertinent information regarding the investor and authority to proceed to foreclosure. The Foreclosure Matrix is an Ocwen business record that reflects pertinent servicing business information, such as the entities for which Ocwen has a power of attorney such that Ocwen employees can execute documents on their behalf. It contains an investor's name, the necessary power of attorney information and the corresponding name of the entity to be identified as the plaintiff in the foreclosure proceeding. The matrix is regularly updated and validated by the Contract Management Department by reviewing the applicable Pooling and Servicing agreements and applicable powers of attorney.

There are other corporate resolutions that govern which employees are authorized to execute documents on behalf of other entities, such as Mortgage Electronic Registration Systems ("MERS"). A corporate resolution from MERS designates which Ocwen employees are authorized to execute

documents on behalf of MERS, including, but not limited to, assignments of mortgages. The Contract Management department periodically reviews that resolution, and requests updates from MERS as staffing changes may require

By virtue of the signatory power outlined in the corporate resolutions, coupled with the investor authority specified on Ocwen's Foreclosure Matrix, the Contract Management employee is ensured they are executing the certification/affidavit with authority to act in behalf of the plaintiff/servicer

**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."*

As previously mentioned, Ocwen's servicing system is based on the REALServicing® platform, which contemporaneously records data necessary to track servicing records for each loan. The system is regularly reviewed and assessed under the SSAE No. 16 standards for information controls. All of Ocwen's systems and business records are designed for the purpose of servicing mortgage loans, including the application of payments and details related to financial and loss mitigation activities (the "Servicing Records"). All of Ocwen's systems are integrated, particularly the servicing and loss mitigation activities. This ensures that information is timely and accurately available to all of Ocwen's employees who have the requisite access to the system. Business Records are made at or near the time by, or from information provided by, persons with knowledge of the activity and transactions reflected in such records, and are kept in the ordinary course of the business activity regularly conducted by Ocwen. It is the regular practice of Ocwen's mortgage servicing business to make and update its Servicing Records, which are reviewed and verified prior to executing the certification and/or affidavit

Ocwen's loan servicing operation is organized into functional areas as briefly described below

- *Loan Set Up*: Manages the initial boarding of assets. Loan Set Up is responsible for the set up and quality control of data input into the system.
- *Escrow*: Responsible for the management of the customer's escrow accounts, including, but not limited to, property tax and insurance payments that comply with regulations and the mortgage documentation
- *Cashiering*: Responsible for the processing of payments and payoffs through various sources
- *Investor Reporting*: Responsible for the delivery of comprehensive reporting and timely

remittances to Ocwen's investor clients and trustees

- *ARM*. Responsible for the updating and management of adjustable rate loans to ensure payment terms are adhered to and notifications are properly made
- *Customer Care* Provides customer service and early intervention efforts to customers
- *Home Retention* Works with customers on payment solutions, modifications, short sale or deed-in-lieu resolutions
- *Bankruptcy* Provides management over the bankruptcy process
- *Foreclosure* Provides management over the foreclosure process.

Each of these areas has access to the system based on user groups and defined security clearances. All changes made in the business records are documented with a date and time stamp as well as the user who performed the change. All users are required to take courses and pass tests related to Ocwen's Code of Business Conduct and Ethics, Information Security and Data Integrity, and other department specific courses.

Also, all of the servicing areas are audited by Ocwen's Internal Audit Department. 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.

Ocwen's Law Department also conducts regular reviews and assessments of both the Policies and Procedures for servicing as well as our compliance with those policies and procedures.

**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."*

As previously mentioned and incorporated herein, the hiring and training process reinforces the practices of Ocwen to submit timely and accurate information to the Court. The systems are timely and accurately updated. The steps taken by Ocwen's Contract Management employees to verify documents prior to execution are described additionally in the following summarization taken from relevant portions of the department's policies and procedures:

**Verifying a Document.**

Verifying is a CRUCIAL part of the Contract Management process. Each document that comes through the affidavit mailbox must be verified before it can be executed. Verifying the document means to determine the accuracy of each document so it can be executed and used in a legal proceeding. You are reviewing data that is in Ocwen's regularly updated business records to verify this information.

Initially, enter the "Contract Management Verification Review" alias code in REALServicing®. This step is very important since the alias code confirms that the document was received and is going through the Verification Process.

An Affidavit of Debt, also known as Affidavit of Indebtedness, Affidavit of Merit and Affidavit as to Amount Due and Owning, is a sworn statement telling the court the amount of funds owed by the borrower to the plaintiff. Remember that different Jurisdictions have different requirements. The type of documents will vary, however, the information contained in the documents will be similar and perhaps presented in a different fashion.

**Navigating through REALServicing®**

As a Contract Management Team Member you will be reviewing data that is in Ocwen's regularly updated business records to verify the information contained in the documents. REALServicing® is one of the many tools provided at Ocwen.

REALServicing® is a program that automates the entire cycle from Loan-Setup and Administration through Default and Real Estate Owned (REO) asset management. REALServicing® is the primary system of record for all servicing activities.

Additionally, as previously mentioned, preferred local outside counsel have access to certain Ocwen's business records through REALResolution™. Alternatively, if local outside counsel does not have direct access to the business records, they work closely with the Ocwen foreclosure coordinator assigned to the case to receive accurate and reliable information from Ocwen's business records. Also, Ocwen depends on foreclosure counsel to confirm the proper format for submission of the certification/affidavit before the New Jersey court and any cost or fees recoverable under New Jersey law.

The Contract Management Department becomes involved in the execution of certifications or affidavits after the foreclosure proceeding commences. Thus, an extensive review by various Ocwen departments was already performed to make the determination to commence a foreclosure proceeding. The certifications or affidavits are drafted by foreclosure counsel and presented to the Contract Management Department. The Contract Management Department completes the business record review, verification and execution process needed to render the certifications/affidavits admissible in a New Jersey court.

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.”*

Incorporated herein are all previously submitted relevant portions of the training material and policies and procedures. Additionally in response, Ocwen has an extensive training program geared toward an understanding of (i) Ocwen’s business records, (ii) how Ocwen’s business records are updated and maintained, (iii) the type of documents submitted in foreclosure proceedings and (iv) the rules associated with the verification and execution process. Prior to verifying or executing a document for Ocwen, each employee in the Contract Management Department must complete the training program and pass the applicable tests confirming the appropriate level of understanding of the materials.

Ocwen’s human resources department identifies potential candidates for the Contract Management Department who possess a natural attention to detail. Contract Management employees are required to complete the training and testing modules referenced previously, which is administered in the Affidavit training program.

A summarization of each Module is as follows

(1) Identifying each Document

The major objectives for this Module are (a) Understanding the Cycle of Processing the documents submitted to Contract Management Department; (b) Identifying different document types; (c) Understanding the frontline Contract Management Team Verification process, (d) Understanding the Execution Contract Management Team Verification Process, (e) Become familiar with common document abbreviations used in the industry, (f) Understanding the function of Ocwen’s Vault Warehouse Facility.

The Contract Management Department receives many different types of important documents daily. These documents are drafted by local outside counsel and sent to Ocwen for review and execution. The individuals who are authorized to execute the documents are given the authority by Ocwen’s Corporate Resolution. These documents are legal instruments, used by outside counsel in various legal proceedings in many States throughout the country. Each document has a specific use and purpose. The documents that are processed through the Contract Management Department also affect

other departments at Ocwen. It is important to understand each document and its classified category so it can be executed properly.

The documents which arrive in the Contract Management Department are classified into three general categories listed below. These categories are only established for internal sorting purposes and not meant to identify the complete legal ramifications of each document

1. Affidavits with Financial Data
2. Foreclosure Pleadings
3. Affidavits Regarding Ownership of Parcel / Deeds

The printing and sorting process is established to separate the specific certification/affidavit needed for review and verification. Before a document is executed it follows the steps outlined previously in "The Cycle of a Document" process

After the certification/affidavit completes "The Cycle of a Document" it is sent to Ocwen's Vault. The employees at The Vault image the documents into the Contract Imaging System, CIS. After the document is imaged, it is then returned to outside counsel for use in legal proceedings. When the certification/affidavit is imaged, Ocwen has an electronic paper trail of the executed documents pertaining to each loan.

## (2) Executing, Witnessing Notarizing the Document

The major objectives for this module are to (a) Understand the Florida notary requirements; (b) What does it mean to Witness and/or Attest a document (c) Corporate Resolution and Signing Authority, (d) Ocwen's Signing Room process.

The state of Florida requires all notaries to complete a mandatory three hour notary education course before becoming a notary public. The information in this module is a brief explanation of the notary functions and does not take the place of the three hour mandatory course. Before signing commences, the Notary administers the Oath to the Signor(s). When administering the Oath, it's the Notary's responsibility to make sure that the Signor understands that he or she is swearing, or affirming, that the contents of the document are true. It is the Notary Public's responsibility to keep his or her notary stamp in a secure place and in their possession at all times. A Notary Public may not notarize a signature on a document if the person is not in the presence of the Notary Public at the time the document is executed. Any Notary Public who violates this is guilty of a civil infraction, punishable by penalty not exceeding \$5,000.00, and the conduct constitutes malfeasance and misfeasance in the

conduct of official rules. It is no defense to the civil infraction that the Notary public acted without intent to defraud

When a person attests or witnesses a certification/affidavit, they are bearing witness as one who gives evidence in a cause of action before a court and who attests or swears to facts or gives or bears testimony under oath. The witness/attester observes the execution of, as that of an instrument and/or to sign one's name to authenticate the instrument. A Contract Management employee takes part in the witnessing / attesting and/or Notary process

Ocwen's Corporate Resolution provides specific authority for certain employees to act as corporate officers. Those Contract Management employees specifically named and authorized in Ocwen's Corporate Resolution are able to execute the certifications/affidavits by virtue of the corporate officer powers listed therein

Once a certification/affidavit is completely reviewed and verified it is taken into the Signing Room for final review and execution in the presence of the notary

### (3) Verifying the Document.

The major objectives for this module are to (a) Demonstrate how to navigate through Ocwen's business record databases for Servicing Record details, (b) Know how to verify a document against Ocwen's business records; (c) Know when to reject a document

The verification process determines the accuracy of each document. All documents are reviewed against the data from Ocwen's business records kept in the normal course of Ocwen's business operations. Screen shots are used throughout the training module with specific examples of how to navigate and retrieve data from the Servicing Records to verify the data on the certification/affidavit

Each document is verified completely, starting at the top of the document, continuing throughout to the last page, including any attachments or exhibits referenced therein. Financial data and verbiage is carefully reviewed to confirm there are no untrue statements

Any incorrect information on the document will result in the document being rejected. Outside counsel will be notified to redraft the document. Discrepancies resulting in rejection of a document include but are not limited to, The borrower(s) name is incorrect, the plaintiff is incorrect, the court

information is incorrect, the lender is incorrect, the loan number is incorrect, the recording information is incorrect, the financial data is incorrect, the signature block is incorrect, the Notary block is incorrect.

All training material are continually reviewed and updated as needed. The training modules are designed to ensure all Contract Management employees have the necessary skill to ensure a personal knowledge of the contents of the certification/affidavit based on Ocwen's business records, which will be admissable in a New Jersey court

**Paragraph 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."*

For Ocwen's preferred network of local foreclosure counsel, Ocwen provides direct access via the intranet portal to its business records through REALResolution™. For all other counsel, the information from Ocwen's servicing records will be provided by a foreclosure coordinator. Thus, foreclosure counsel has the necessary account information available to prepare documentation to be submitted to the Court. Despite counsel having this access, Ocwen employees are nonetheless still required to verify and execute the documents. Ocwen has the standard procedures previously outlined to verify the information and ensure the documents accurately reflect the business records. Any certification or affidavit that is not accurate is rejected and sent back to foreclosure counsel with an explanation and supporting business record documentation, such as a REALServicing® screen shot, in order to have the certification or affidavit correctly redrafted.

**Paragraph 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."*

As outlined in the response to Paragraph 1 a-e Ocwen's verification process encompasses a multi-level review for documents submitted to the Court. The first review conducted by the front line Contract Management Team starts with a check of the form itself to make certain it complies with Ocwen's standard format. The front line Contract Management Team then verifies the information within the document, including the accuracy of the named plaintiff and any statements of fact or financial data. As the document moves through the process the document is reviewed and verified again by the Execution Contract Management Team, where the document must be additionally reviewed against the business records and verified that all contents are accurate in the certificate or affidavit. After verifying all information, the document proceeds to the "Signing Room" for execution.

and notarization. Once signed and notarized the certification or affidavit is forwarded to Ocwen's Vault to complete the scanning process for a permanent record of the executed document. Once a scanned version is saved within Ocwen's business records the original is then returned to local outside counsel for filing with the court

**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."

Ocwen is continually subjected to both internal and external audits as mandated by the industry Ocwen has not made a specific decision yet as to whether it will utilize an independent auditor to review the processes and procedures applicable to the mandates of Court Rule 4.64-1 et. seq.

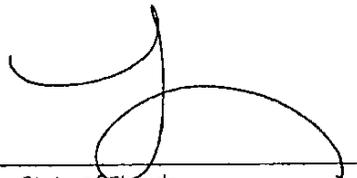
I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

6-9-2011 Date

  
Carolin Ciarlariello, Esq

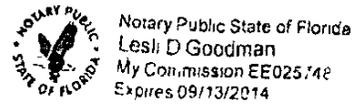
STATE OF FLORIDA )  
COUNTY OF PALM BEACH )

The foregoing instrument was acknowledged and sworn before me this 9 day of June, 2011, by Carolin Ciarlariello as a manager of contract mgmt. dept of Ocwen Loan Servicing, LLC, who is personally known to me or who has produced \_\_\_\_\_ as identification

  
\_\_\_\_\_  
Notary Public - State of Florida

My Commission Expires

Lesli Goodman



## **Exhibit B**

## SAXON MORTGAGE SERVICES, INC.

Saxon Mortgage Services, Inc. ("Saxon") provides the following information regarding its regular business practices and procedures in 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.

### Question No. 1.

**If you act in any capacity as a servicer of residential mortgages for your own institution or any other entity, you must answer the following questions to show whether you have processes and procedures in place to ensure that the information contained in any certification/affidavit submitted to the Court under Rule 4:64-1 et. seq. is accurate and reliable.**

### Question No. 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.**

### Response to Question No. 1(a).

~~Saxon works closely with its local foreclosure counsel to comply with all laws applicable to the matters they handle for the Company, including, without limitation, local foreclosure laws, local court rules, and laws applicable to the preparation, execution and notarization of foreclosure-related documents. Licensed foreclosure counsel prepare any required pleadings in the foreclosure action based on information provided by Saxon.~~

When Saxon refers a loan to foreclosure, it provides local foreclosure counsel with access to copies of the collateral file and a matrix identifying the loan owner and proper party for foreclosure (the "Investor Matrix") of the loan. To the extent that the collateral file made available to counsel does not contain all documentation necessary to establish the foreclosing party's ownership of the note and right to foreclose, counsel must obtain the necessary documentation from Saxon, the Custodian (*e.g.*, by submitting a bailee letter), or through public records searches. Counsel must also order a title search and notify Saxon of any documentation deficiencies. Personnel working in Saxon's Document Management Group will attempt to locate any missing documentation, including through public record searches. If necessary and appropriate, Saxon may also use a third-party vendor, Nationwide Title Clearing, to record previously unrecorded intervening assignments, to prepare missing intervening assignments, or (in jurisdictions that accept them) to prepare lost assignment affidavits.

When Saxon receives a foreclosure-related affidavit from foreclosure counsel, a member of a dedicated team of on-site Saxon employees performs an initial review of the affidavit for accuracy. If the reviewer determines that any of the information contained in the

affidavit is inaccurate, the reviewer is required to reject the affidavit. Foreclosure counsel receives electronic notification of the rejection and is required to make appropriate corrections and then re-submit a corrected affidavit for review (again) by a member of Saxon's review team. If the affidavit is accepted by the reviewer, it is provided to an authorized Saxon employee for review and execution. Before executing the affidavit, the Saxon employee who is both authorized and designated to sign must conduct a point-by-point verification process to confirm the accuracy of its content, including (as relevant) the investor name, borrower name, property address, date of the note, unpaid principal balance, accrued interest, and other information contained in the affidavit such as, for example, the escrow amounts, and any late charges.

In addition, Saxon recently developed and adopted affidavit templates to be used by foreclosure counsel in New Jersey. The templates adopted by Saxon are designed to enhance the consistency of the information included in the affidavits prepared by local foreclosure counsel in New Jersey. Saxon is also adopting related document control policies and procedures to ensure that foreclosure counsel only use the approved forms.

Saxon's Policies and Procedures manual includes the following sections relating to the document review, verification and foreclosure process: (1) Residential Default and Servicing Verification Procedures; (2) Document Preparation and Execution Procedures; and (3) Notarization Procedures for Default Servicing. Saxon considers these documents to be proprietary and confidential, however, it is willing to make such documents available under seal or in another protected manner, such as in camera review.

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**Question No. 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.**

**Response to Request No. 1(b)(i).**

See the above response to Request No. 1(a). In addition, affidavits, verified pleadings, and certain other foreclosure-related documents are generally required to be notarized. The notary process is described in Saxon's Notarization Policy. The Notarization Policy is designed to satisfy the standards applicable to the notarization of documents in the State of Texas, where Saxon employees typically execute documents for use in Saxon's servicing business. The Notarization Policy also requires that each individual who notarizes documents on Saxon's behalf be familiar with and strictly abide by all applicable laws governing the conduct of notaries public and the procedures for notarization in the state in which the notary is commissioned. The Notarization Policy delineates the following minimum standards:

If a document is to be notarized, the notary and the employee signing the document must be (and remain) in each other's physical presence during the signing and notarization of the document, including all of the following steps:

1. The notary must establish the identity the person signing the document;
2. If the jurisdiction or document requires the execution to be made "under oath after being duly sworn," the notary must administer an oath to the employee signing the document or series of documents.

If the notary, the signer or the witness (if any) leave each other's physical presence before all of the documents in a the series of documents are signed and notarized, the oath must be re-administered to complete the signing and notarization of the documents.

3. If a document being signed states that it only requires an acknowledgement, the notary need not to administer an oral oath but must ask the employee signing the document:

Do you acknowledge that this is your signature and that you are executing this document of your own free will?

4. The notary must observe the employee and witnesses (if any) sign the document (or series of documents).
5. Before leaving the presence of the employee who signed the document, the notary must sign and date the notarial certificate on each document where indicated and affix his/her seal. The employee is not required to remain in the notary's presence while the notary completes any additional administrative tasks such as filling out a record.

---

**Question No. 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.**

**Response to Request No. 1(b)(ii).**

Saxon provides employees with authority to execute foreclosure documents by corporate resolution. Saxon employees with corporate authority verify the foreclosing party's name through reference to the Investor Matrix described in response to item 1(a) above, which identifies the name of the owner of the loans Saxon services and the proper party in interest on whose behalf Saxon performs foreclosures. The information used to populate Investor Matrix is obtained from the applicable Servicing Agreements, including Pooling and Servicing Agreements for securitized transactions. All updates and revisions to the Investor Matrix are performed by Saxon's Legal Department. Additionally, Saxon's Legal Department is responsible for adding new investors to the Investor Matrix as new servicing is brought on by Saxon.

**Question No. 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. If you are currently making or anticipate making changes, state the changes to be made and when they will be implemented.**

**Response to Request No. 1(c).**

Saxon maintains information regarding the mortgages it services on its systems of record in the ordinary course of its business. Payments on mortgage loans are processed either electronically or manually depending on how the payment was received and information regarding the payment is recorded in Saxon's system immediately at the time of payment. Saxon's systems also maintain information regarding the history of the loan. In addition, when Saxon receives notice that a mortgage loan has been assigned, the assignment is noted in Saxon's systems of record. Likewise, whenever a Saxon employee speaks to a borrower, such communications are required to be memorialized contemporaneously in Saxon's systems of record. Saxon's monitors and controls access to its systems that maintain mortgage loan information by providing password protected access only to certain employees, which is subject to periodic reviews.

**Question No. 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.**

**Response to Request No. 1(d).**

See our response to Request 1(a) above.

**Question No. 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.**

**Response to Request No. 1(e).**

All new Saxon employees attend new hire training with respect to the completion of job-specific processes. Saxon's new hire training, performed by the Saxon Learning and Development group, is comprised of mandatory live training sessions as well as required on-line learning modules of core Saxon activities. In addition to the core Saxon new hire training, job-specific training for all Foreclosure Department employees (including those

who sign mortgage assignments, affidavits, or other legal documents required for foreclosure proceedings) includes a classroom training session titled "Working with Mortgage Documents and Understanding Foreclosure."

For new employees whose job function includes the execution of foreclosure-related documents, and for existing employees whose job function has changed to include the execution of foreclosure-related documents, a Vice President of the Foreclosure Department ("VP") conducts "side-by-side" training. The VP reviews the purpose and intent of the foreclosure-related documents with the employee and trains the employee on Saxon's required method for verifying each document's contents. The VP then allows the employee to observe the VP perform the verification process. Once the VP is comfortable that the employee understands the requirements, the employee commences review and execution on his or her own. The VP will periodically review the new employee's performance.

In addition to the above-described training related to foreclosure processes, Saxon provides regular Compliance training throughout the year regarding consumer protection and other regulatory requirements impacting mortgage servicing generally. Default and customer-facing staff are also required to complete annual Fair Debt Collection Practices Act training. Finally, Saxon employees are required to complete the following Compliance training modules: Red Flags of Identity Theft; Handling of Confidential Information and Password Security; FACT Act Overview; Social Engineering and How to Avoid Becoming a Victim; Introduction to Mortgage Fraud and Suspicious Activity 2010; Securing Customer Information; Information Disposal; Fair Credit Reporting Act; Servicemembers Civil Relief Act; Clean Desk Policy; and What Being a Financial

~~Holder/Company Means for You and Risk Education Awareness Training.~~

**Question No. 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.**

**Response to Request No. 1(f).**

See our response to Request 1(a) above.

**Question No. 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.**

**Response to Request No. 1(g).**

See our response to Request 1(a) above

**Question No. 1(h).**

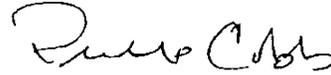
**State whether you utilized or intend on utilizing any independent auditor to review the process and procedures mentioned in the above answers to ensure that you are in compliance with the mandates of Court Rule 4:64-1 et. seq.**

**Response to Request No. 1(h).**

Saxon has engaged independent consultants to review its processes and procedures related to foreclosure.

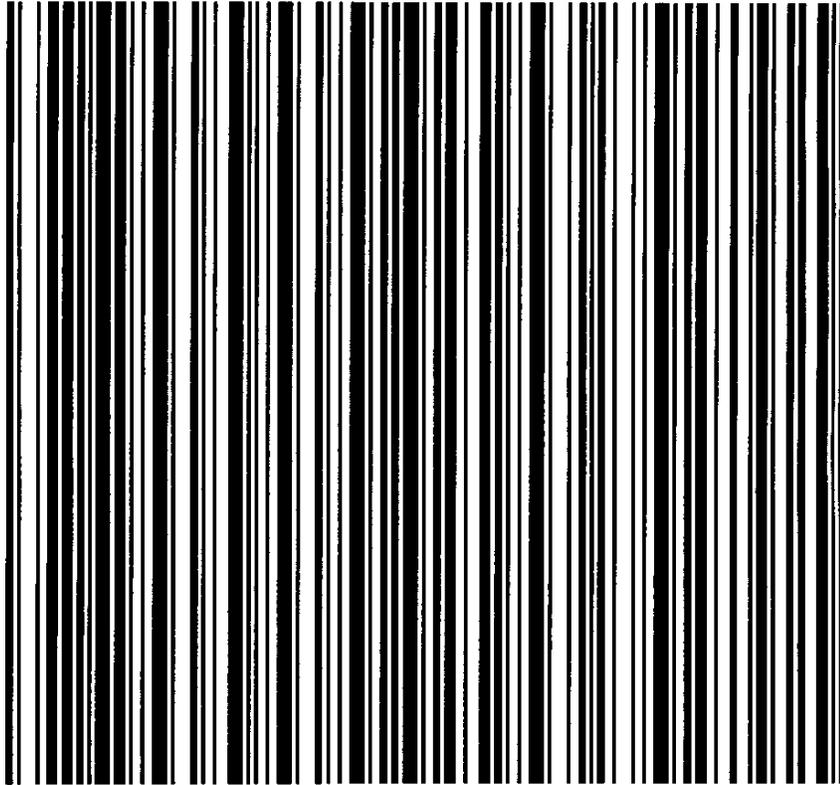
The undersigned certifies that the foregoing statements are true and correct to the best of his knowledge.

Saxon Mortgage Services, Inc.



By: Phillip Cobb  
Senior Vice President

Date: 6/8/11



Priority-Order-F

**POF**

IN THE SUPERIOR COURT OF NEW JERSEY  
UNION COUNTY

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

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 U.S. Bank National Association, 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. I submit this certification on behalf of the Trustee in response to this Court's April 25, 2011 Order (the "Order"), which requested that the respondents in this action, which include the Trustee, provide certain information to this Court within twenty (20) days following the respondents' individual conferences with the Court. This Court verbally extended the Trustee's time to respond to the Order until June 10, 2011.

3. During the individual conference with this Court that I attended on behalf of the Trustee on or about April 27, 2011, 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., (ii) Bayview Loan Servicing, LLC, (iii) Capital One Bank, N.A., and affiliates,

(iv) Litton Loan Servicing, L.P.; (v) Ocwen Loan Servicing, LLC; (vi) Select Portfolio Servicing, Inc.; and (vii) Specialized Loan Servicing, LLC.

4. This Certification contains four tabs, corresponding to four of the seven mortgage loan servicers identified above in paragraph 3. I understand from counsel for American Home Mortgage Servicing, Inc., Litton Loan Servicing, L.P., and Specialized Loan Servicing, LLC that they will be filing their responses to the Order directly with this Court. The below table identifies which tab contains which servicers' submission:

<b>Tab</b>	<b>Mortgage Loan Servicer</b>
1	Bayview Loan Servicing, LLC
2	Capital One Bank, N.A., and affiliates
3	Ocwen Loan Servicing, LLC
4	Select Portfolio Servicing, Inc.

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: June 10, 2011

  
\_\_\_\_\_  
Michael S. Kraut

**1**

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 KATIE SOVIC**

I, Katie Sovic, a Senior Vice President for Default Administration of Bayview Loan Servicing LLC ("BLS"), hereby certify that the following information is true and accurate, based upon my personal knowledge and my review of business records of BLS maintained in the ordinary course of its business. I have management oversight of the foreclosure and related legal functions of BLS and have been in this position since 1999. My review of business records included a review of pertinent policies and procedures and documents/guides ancillary to the policies and procedures. Interviews were also conducted with relevant department managers.

*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.*

BLS requires via its "Procedure Supporting the Documents and Affidavits Policy" (see attached Exhibit B) that a Foreclosure Coordinator prepare a support package for any certification/affidavit with all relevant information, including the note, security instrument, printouts of loan information and pay history from the loan servicing system, proof of military status, and any exhibits referenced in the document. Upon creation of the support package, the Coordinator submits it to the Review Foreclosure Coordinator, who reviews it for completeness

and accuracy. The package is then delivered to a duly authorized officer for signature. Attached to this certification are copies of BLS's "Documents and Affidavits Policy," (see attached Exhibit A) its "Procedure Supporting the Documents and Affidavits Policy," (see attached Exhibit B) its "Verification/Affidavit Checklist," (see attached Exhibit C and Exhibit I) and its "New Jersey Certification Process" (see attached Exhibit D)

*1(h) 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.*

In accordance with BLS's "Authorized Affiants & Notaries Policy" (see attached Exhibit E), documents are signed by a group of trusted officers who understand their responsibilities. Written policies require any affiant to have reviewed competent and reliable evidence to substantiate the customer's default and the right to foreclose, including the customer's loan history and required ownership documentation. All affidavits must identify the affiant's employer and his or her position there and must be signed by hand. BLS has a group of authorized and experienced notaries who are required to administer oaths (as necessary), verify the signer's identity, and maintain a complete record of all notary transactions where applicable. Attached to this certification are copies of BLS's "Authorized Affiants & Notaries Policy" (see attached Exhibit E) and its "Standards for Affidavits and Sworn Statements in Foreclosure and Bankruptcy Proceedings Policy" (see attached Exhibit F).

BLS's Quality Assurance Department ("QAD"), working in conjunction with other departments, helped develop and disseminate those policies and procedures, and performs employee self-assessments to ensure that BLS employees fully understand the policies and procedures under which it operates. In addition, QAD recently developed its own tools and is responsible for performing independent testing on completed affidavit/certification packages.

The review includes, among other things, a review to ensure the certification/affidavit is executed according to law, that the signature on the document is that of the person stating to have signed it, and that the document was notarized by the notary named in the jurat. The review and testing currently is based on the entire population and is conducted on a monthly basis. All feedback/results are forwarded to senior management and BLS's Training Department for follow-up action.

*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.*

The policies and procedures described above and attached to this certification ensure that the person executing a certification/affidavit has appropriate authority to act. For example, the "Authorized Affiants & Notaries Policy" (see attached Exhibit E) establishes an approved list of authorized personnel for both signing affidavits and persons acting as notaries to ensure that affidavits are executed properly and in accordance with applicable rules and regulations. Additionally, as discussed above, QAD performs an independent review of the certification/affidavit process, which includes confirming that the person, who executed the certification/affidavit, has authority to act on behalf of the plaintiff/servicer.

*c) State in detail your record keeping system to ensure that there are accurate up-to-date entries of payments, loan history, assignments, or of any other transaction involving the mortgage. If you are currently making or anticipate making changes, state the changes to be made and when they will be implemented*

BLS uses a combination of third-party servicing platforms and proprietary systems to manage mortgage transactions. BLS's primary system for processing and recording payments, disbursements, transaction histories and communications is one of two servicing platforms: Servicing Director (S/D) Interlinq, licensed from Harland Financial Solutions and Mortgage Servicing Package (MSP), licensed from Lender Processing Services, Inc (LPS). Critical and up

to date information, such as comments/communications regarding the loan from all departments, the legal status of the loan, and the loss mitigation status of the loan are tracked in ancillary proprietary loss mitigation and legal tracking systems that are instantaneously written into the servicing systems. All activity related to the servicing of a loan, including but not limited to processing of payments and comments/notations are recorded in the system and are noted in a system log which indicates who made the entry. The company's management personnel monitor internal controls related to servicing operations. A Quality Assurance Department, among other functions, monitors the effectiveness and adherence of the company's policies and procedures. This will be achieved through the controlled dissemination of approved policies and procedures in adherence of new and existing process controls, in random testing and reporting, and through any remediation efforts enacted. An Internal Audit Department, among other things, evaluates internal controls over servicing operations. The Company is in the process of developing test scripts to validate that the systems are providing accurate, complete and timely information and anticipates that it will begin testing these scripts within 120 days.

System access to the Servicing Director f/k/a Interlinq and Mortgage Servicing package (MSP) servicing systems is controlled by unique user ids and passwords which are assigned to each employee. Each employee is assigned a role which limits the access of that person to the functionality needed by that employee to perform his or her role. Each employee can have only one role in each system. User roles are reviewed twice a year to ensure appropriate access of employees.

BLS's Loan Review and Loan Transfer departments verify the accuracy of data entered into the servicing systems when BLS initially begins servicing loans. The percentage of loans reviewed is adjusted according to the results found.

Payments received are posted effective as of the date of receipt. Quarterly quality checks are done on a sample of payments to ensure that payments were processed according to policies and procedures. A daily reconciliation is performed by a Reconciliation Analyst for all payments received to ensure that cash received equates to the transactions posted in the system.

BLS utilizes an assignment tracking system to track the status of assignments sent for recording. Assignments are prepared using state specific templates and information required on the assignment is obtained directly from the recorded mortgage or security instrument via the images on BLS's imaging system. Assignments are prepared by seasoned specialists or Paralegals each of whom have at least 5 years of mortgage assignment preparation experience. The system is updated when assignments are prepared, when recording fee checks are cut, when assignments are sent for recording, and when they are received back from the county recorded.

*d) State the review process you have in place to ensure 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*

The policies and procedures described above and attached to this certification ensure that certifications and affidavits are accurate and based upon current and appropriate information. The policies are subject to periodic review as described previously and in the attached documents. Specifically, the "Standards for Affidavits and Sworn Statements in Foreclosure and Bankruptcy Proceedings Policy" (see attached Exhibit F) sets forth that all affidavits and sworn statements shall be based on the affiant's review of the business records and/or personal knowledge and that the factual assertions made in the affidavits and sworn statements shall be accurate, complete and reliable.

*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*

BLS uses only a limited number of senior managers who are authorized to execute certifications/affidavits (see attached Exhibit H) These managers as a group have an average of nine years of experience with the company and 22 years of experience in the industry Some managers have legal degrees. The Company plans to introduce a specific training module in the next 90 days for all employees involved in the preparation, review, and execution of affidavits which will be videotaped and will be provided to all new employees and semiannually to all affected employees. The training shall include, but not be limited to, ensuring that affiants review competent and reliable evidence to substantiate the customer's default and the right to foreclose, including the customer's loan history and required ownership documentation

*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.*

Local foreclosure counsel has access to view the loan documents on the files they are handling on BLS's imaging system that is a web based system of BLS' whereby counsel is provided with a user id and a password. Counsel obtains copies of the relevant documents needed to foreclose in this system, including the referral letter, note, mortgage, assignments, loan modifications, other relevant collateral documents, notices of intent to foreclose, and title policy. If needed, counsel can also review customer correspondence and other documents that may be relevant to the matter in this system. The referral letter, among other things, includes the payoff and reinstatement information on the loan, the name to foreclose and take title in, the property type, contact information for BLS, known phone numbers and addresses of the customer, last payment received date, current interest rate, loan type, and property type Counsel can view the

loan documents and information in this imaging system though they do not have the ability to change the documents or information. Throughout the foreclosure process, foreclosure counsel is in contact with BLS and is provided additional information as needed.

*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.*

An authorized BLS officer executes a client certification form (see attached Exhibit G) in accordance with BLS's applicable policies and procedures as described above.

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

In 2010 BLS retained the law firm of K&L Gates LLP, to conduct a general review of its execution and submission of affidavit processes and procedures in foreclosure actions. In addition to this general review, BLS has conducted an internal examination of affidavit and documentation issues in pending foreclosure actions in certain states where judicial foreclosure is required. In the event there was any question as to a document, the execution and refiling of any affidavits was reviewed and coordinated with local foreclosure counsel.

BLS does not have information responsive to Question (2).

I hereby 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.

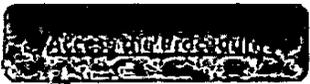
Dated: June 9, 2011

  
Katie Sovit

# Documents and Affidavits Policy

EXHIBIT " A "



<b>Effective Date:</b> 09/02/2010	<b>Version No. &amp; Date:</b> 1.0 09/02/2011	<b>Section No.</b> 1310.00
<b>Policy Owner(s):</b> SVP – Default Administration	<b>Primary Contact:</b> SVP – Default Administration	<b>Prepared by:</b> Quality Assurance
<b>Documents Affected:</b> All Affidavits	<b>Department(s) Impacted:</b> Default Administration	<b>Related Policies</b> <u>Authorized Affiants and Notaries Policy</u> <u>Notary Practices Policy</u> <u>Standards for Affiants and Sworn Statements Policy</u>
		

## BLS Policy Guidelines

- This document is the parent policy of any associated procedure or appendices. Questions related to this policy should be addressed to the Quality Assurance Department
- This Policy must be implemented exactly as written by each BLS department.
- This Policy supersedes any contradictory or pre-existing policy language in any BLS department
- Each department impacted by this policy must provide written procedures that meet or exceed the policy objectives for review and approval by QAD within thirty (30) days of policy introduction. Procedures developed that require IT involvement must be accompanied by a Helpdesk ticket or PIR and must have a secondary process for compliance.
- Policy Review – every twelve (12) months or as necessary, if regulatory environment or business model changes

**PURPOSE:** To create consistency and uniformity of policy and procedure necessary for the successful and enforceable completion of the foreclosure process.

### SUMMARY:

It is our policy to

- Ensure that referral is appropriate and that all loss mitigation efforts have been extended as required by applicable laws, as well as investor, insurer and other requirements;
- Ensure that all foreclosure affidavits and all other documentation related to and supporting the foreclosure affidavits are reviewed and executed by person(s) authorized to execute such documents;
- Person(s) authorized to execute affidavits shall be officers unless other affiants are designed by an authorized person in accordance with applicable procedures;

This information is for the exclusive use of the employees of Bayview Loan Servicing, LLC and its affiliates. Duplication, reproduction and distribution of this information is strictly prohibited.

## Documents and Affidavits Policy



- Ensure that person(s) executing foreclosure affidavits and related documentation are verifying the underlying information identified within the documents as required by the affidavit, declaration and applicable law;
- Utilize complete and accurate documentation at all times,
- Ensure that back-up/supporting documentation is available and, when necessary under applicable law or the accompanying form, attached such documentation to a copy of the vetted document,
- Ensure that all persons executing affidavits are sufficiently familiar with the relevant business practices and records as required by applicable law
- Ensure that documents are notarized in person by a registered notary as required by applicable law,
- Ensure that the execution is in compliance with applicable law and any other program requirements,
- Maintain a record of all activity as it pertains to the administration of this policy via imaging, and;
- Make available all information related to the policy upon request of QAD or IAD within a reasonable time period

➤ **Triggers – BLS is required to comply with these measures:**

- **For requests by attorneys for information and documentation relative to the foreclosure process;**
- **For information or documentation received from attorneys for the reviews, completion and approvals necessary to satisfy foreclosure requirements.**

**SAS 70 Control: None**

**KEY DEFINITIONS: None**

**Exception to Policy/Procedure:**

# Documents and Affidavits Policy



## References/ Appendices:

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## Approvals & Sign-off

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I accept and approve this Policy Document and authorize its dissemination to the areas impacted. In signing this document, you are in agreement that the above work meets your specifications. Please note that changes to any policy elements after sign-off will be subject to an additional review and may delay the policy time and scope.

**Chief Compliance Officer** – Robert Pondolfi, Esq.

**Business Owner(s)** – Kate Sovic, SVP – Default Administration  
Craig Stein, VP – Default Administration

**Managing Director / Senior Vice President** –  
**Quality Assurance** – Mike Baker  
**Training Manager** – Jill Scott

The Internal Audit Department have read and been informed about the content, and requirements of the guidelines in this Policy.

**Internal Audit Department** – Gladys Moure  
**Business Improvement Group** – David Elkins, Darin Phillips, Elliot Gelber, Mohan Prasad, Jesse Miller, Rachel Kobetz, Stephen Hill

# Procedure Supporting the Documents and Affidavits Policy



<b>Effective Date:</b> 09/02/2010	<b>Version No. &amp; Date:</b> 1.1 06/01/2011 1.0 - 09/02/2010	<b>Section No. 1310.50</b>
<b>Corresponding Policy:</b> Documents and Affidavits	<b>Primary Procedure Owner(s):</b> SVP – Default Administration	<b>Secondary Procedure Owner(s):</b> VP- Default Administration AVP – Customer Service (Payoff Dept.)
<b>Documents Affected:</b> Foreclosure Affidavits	<b>Systems Utilized:</b> Interling, DTS, MSP, PaperVislon	<b>Update:</b> Fee Review
		

## BLS Process and Procedure Guidelines

- This Procedure or Process must be implemented exactly as written by each BLS department.
- This Procedure or Process supersedes any contradictory or pre-existing process or procedure currently in place
- The Procedure or Process must support the objectives as presented in the associated policy.
- Each impacted department must provide written procedures that meet the policy objectives for review and acceptance by QAD within no later than thirty (30) days of policy introduction. Procedures developed that requires IT Involvement must be accompanied by a Helpdesk ticket or PIR and must have a temporary secondary process for policy adherence.
- Procedure Review – every twelve (12) months or as necessary, if regulatory or business environment changes.

## PROCEDURE/RESPONSIBILITIES – FORECLOSURE COORDINATOR (“FC”)

- Foreclosure Coordinator (“FC”) will prepare the support package that will include all relevant information required to facilitate a legally acceptable review and signature of executable documents.
  - Support package will include copies of the following.
    - Completed and signed Checklist,
    - Note,
    - Security Instrument;
    - Last assignment (if available);
    - Print out of the loan Information screen from the loan servicing system,
    - Pay history from the loan servicing system;

## Procedure Supporting the Documents and Affidavits Policy



- Payoff and, if applicable for commercial loans, a 360/365 Breakdown Calculation spreadsheet,
  - **UPDATE 06/01/2011** Review Pay History, Note and Payoff Statement to determine fee applicability.
  - Proof of military status for each note holder, mortgagor, guarantor, or other obligor;
  - Any exhibits referenced in the document/affidavit, and
  - Any other documents referenced in the document/affidavit as having been read or reviewed by the affiant/executor or required by applicable law.
- Upon creation of the support package, FC submits the completed package to the Review Foreclosure Coordinator ("Review FC") for review and approval;
  - Upon review by the Review FC (see below) FC delivers the package to Officer for signature;
  - Upon receipt of a signed (and notarized, if applicable) Support package and completed documents are returned to the FC who is required to image the executed package before submitting/returning the package to the Attorney;

### PROCEDURE/RESPONSIBILITIES – REVIEW FORECLOSURE COORDINATOR ("Review FC")

- Either the:
  - Review FC deems the support package complete by initialing the support package, and returning it to the originating FC; or
  - Review FC returns the support package to FC with a request for information necessary to deem the review process completed. The FC must obtain the requested information, and any additional requested information, until the Review FC deems the support package completed and initials the support package.
- In no case will the originating FC be the same as the Review FC.

### PROCEDURE/RESPONSIBILITIES – OFFICER OR OTHER AFFIANT

- Officer or other affiant reviews the package and addresses any questions/concerns with the FC (if applicable),
- Where required by law, or the designated form, the Officer or other designated affiant must obtain a notary to be present at the time of signature
  - Notary Signatures – At no time will a document, requiring a notarized signature, be signed without a Notary present who knows the witness personally, or else asks for identification;
- Support package and completed documents are returned to the FC who is required to image the executed package before submitting/returning the package to the Attorney,
- Management at each location will keep a list of authorized personnel who are approved to sign on behalf of the company

### SAS 70 Impact:

**Departmental Dependencies: Payoff Department - (MSP)** – A task is created for the Payoff Department to produce a payoff statement for loans in MSP

### Support Documentation (supports compliance with policy):

- Evidentiary Documentation (any of the following, as applicable)
  - Screen print of payoff amount from loan servicing system,

## Procedure Supporting the Documents and Affidavits Policy



- 360/365 Breakdown Calculations spreadsheet;
- Pay history from loan servicing system;
- Note and Security Instrument,
- Completed checklist,
- Print out of the loan information screen from the loan servicing system,
- Supporting documentation evidencing active military status (website and/or Affidavit prepared by Foreclosure Counsel as required by applicable law), and
- Any additional documentation necessary for the specific foreclosure situation.

### Approvals & Sign-off

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I accept and approve this Procedure Document and authorize its dissemination to the areas impacted. In signing this document, you are in agreement that the above work meets your specifications. Please note that changes to any elements of this procedure or process, after sign-off, will be subject to an additional review prior to implementation. Approval on record in the GRC site.

**Business Owner(s)** - Katie Sovic, SVP – Default Administration  
Craig Stein, VP – Default Administration  
Elaine Mitchell, AVP – Customer Service

**Quality Assurance** – Mike Baker

**Training Manager** – Jill Scott

The Internal Audit Department have read and been informed about the content, and requirements of the guidelines in this Procedure Document.

**Internal Audit Department** – Gladys Moure  
**Business Improvement Group** – David Elkins, Dann Phillips, Elliot Gelber, Mohan Prasad, Jesse Miller, Rachel Kobetz, Stephen Hill

**Verification/Affidavit Checklist**

BLS # \_\_\_\_\_

- |  |         |        |         |
|--|---------|--------|---------|
| Plaintiff name correct?                        | Yes ___ | No ___ | N/A ___ |
| Borrower(s) name(s) correct?                   | Yes ___ | No ___ | N/A ___ |
| Officers Name and Title correct?               | Yes ___ | No ___ | N/A ___ |
| Due Date correct?                              | Yes ___ | No ___ | N/A ___ |
| Calculation Dates correct?                     | Yes ___ | No ___ | N/A ___ |
| Balance correct?                               | Yes ___ | No ___ | N/A ___ |
| Interest correct?                              | Yes ___ | No ___ | N/A ___ |
| Per diem correct?                              | Yes ___ | No ___ | N/A ___ |
| Late Fees correct?                             | Yes ___ | No ___ | N/A ___ |
| Default Interest correct?<br>(If applicable)   | Yes ___ | No ___ | N/A ___ |
| Prepayment Penalty correct?<br>(If applicable) | Yes ___ | No ___ | N/A ___ |
| Escrow amounts correct?                        | Yes ___ | No ___ | N/A ___ |
| OTH Funds amounts correct?                     | Yes ___ | No ___ | N/A ___ |
| Borrower Credits correct?                      | Yes ___ | No ___ | N/A ___ |
| Debt Deferment correct?                        | Yes ___ | No ___ | N/A ___ |

**Documents Attached**

Last Recorded Assignment Yes \_\_\_ No \_\_\_ N/A \_\_\_

Name of Last Assignee of Record \_\_\_\_\_

Notes

- |                             |         |        |         |
|-----------------------------|---------|--------|---------|
| Note                        | Yes ___ | No ___ | N/A ___ |
| Mortgage                    | Yes ___ | No ___ | N/A ___ |
| Copy of Payoff              | Yes ___ | No ___ | N/A ___ |
| 360/365 Calculation         | Yes ___ | No ___ | N/A ___ |
| Military Verification       | Yes ___ | No ___ | N/A ___ |
| Payment History             | Yes ___ | No ___ | N/A ___ |
| Loan Info Screen (InterInq) | Yes ___ | No ___ | N/A ___ |
| Other                       | _____   | _____  | _____   |

**Created By**

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Signature \_\_\_\_\_

**Reviewed By**

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Signature \_\_\_\_\_

# New Jersey Certification Process

EXHIBIT "D"



Effective Date: 06/01/2011	Version No. & Date: 1.0 06/01/2011	Section No. 255.50
Corresponding Policy: N/A	Primary Procedure Owner(s): SVP – Default Administration	Secondary Procedure Owner(s): SVP – Default Administration
Documents Affected: New Jersey Certifications	Systems Utilized: InterInq, DTS, MSP, Excel, PaperVision	
		

## BLS Process and Procedure Guidelines

- This Procedure or Process must be implemented exactly as written by each BLS department.
- This Procedure or Process supersedes any contradictory or pre-existing process or procedure currently in place
- The Procedure or Process must support the objectives as presented in the associated policy
- Each impacted department must provide written procedures that meet the policy objectives for review and acceptance by QAD within no later than thirty (30) days of policy introduction. Procedures developed that requires IT involvement must be accompanied by a Helpdesk ticket or PIR and must have a temporary secondary process for policy adherence
- Policy Review – every twelve (12) months or as necessary, if regulatory environment changes.

### PURPOSE:

### PROCEDURE/RESPONSIBILITIES – FORECLOSURE COORDINATOR (“FC”)

- Foreclosure Coordinator (“FC”) will prepare the support package that will include all relevant information required to facilitate a legally acceptable review for the certification.
  - Support package will include copies of the following:
    - Note and any/all endorsements or allonges,
    - Mortgage,
    - Last Assignment;
    - Print out of the loan information screen from the loan servicing system,
    - Pay history from the loan servicing system,

## New Jersey Certification Process



- Payoff and, if applicable for commercial loans, a 360/365 Breakdown Calculation spreadsheet;
  - Proof of military status for each note holder, mortgagor, and guarantor, in an affidavit if required by applicable law;
  - Complaint (including all exhibits),
  - HUD 1;
  - Last Notice(s) of Intention to Foreclose/Breach Letter(s);
  - Affidavit/Certification of Proof of Amount Due, if applicable,
  - Affidavit/Certification of Additional Sums, if applicable,
  - Final Judgment, if applicable,
  - Writ of Execution, if applicable, and
  - Other document(s) or court pleading(s) provided by Attorney or required by applicable law as having been read or reviewed by the Reviewer.
- Upon creation of the support package, FC submits the completed package to the Reviewer for review and signature;
  - (Upon review by Reviewer/Officer) Support package and completed documents are returned to the FC who is required to image the executed package before submitting/returning the package and the executed certification to the Attorney;

### **PROCEDURE/RESPONSIBILITIES – REVIEW FORECLOSURE COORDINATOR**

- Review Foreclosure Coordinator (or Officer) reviews the documents for accuracy and addresses any questions/concerns with the FC and/or Attorney (if applicable),
  - The name and title of the officer/reviewer, along with his or her responsibilities, must be outlined in the certification form

### **PROCEDURE/RESPONSIBILITIES – MANAGEMENT**

- Management at each location will keep a list of authorized personnel who are approved to sign on behalf of the company.

**SAS 70 Impact:**

**Departmental Dependencies (if applicable):**

**Support Documentation (supports compliance with policy):**

# New Jersey Certification Process



## Test Script:

## Approvals & Sign-off

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I accept and approve this Procedure Document and authorize its dissemination to the areas impacted. In signing this document, you are in agreement that the above work meets your specifications. Please note that changes to any elements of this procedure or process, after sign-off, will be subject to an additional review prior to implementation. Approval on record in the GRC site.

### Business Owner(s) –

**Quality Assurance** – Mike Baker  
**Training Manager** – Jill Scott

The Internal Audit Department have read and been informed about the content, and requirements of the guidelines in this Procedure Document

**Internal Audit Department** – Gladys Moure  
**Business Improvement Group** – David Elkins, Darin Phillips, Eliot Geiber, Mohan Prasad, Jesse Miller, Rachel Kobetz, Stephen Hill

# Authorized Affiants & Notaries Policy

EXHIBIT - E



<b>Effective Date:</b> 05/01/2011	<b>Version No. &amp; Date:</b> 1.0 05/01/2011	<b>Section No.</b> 1311.00
<b>Policy Owner(s):</b> MD – Loan Servicing SVP- Default Administrations	<b>Primary Contact:</b> SVP – Default Administration	<b>Prepared by:</b> Quality Assurance Department
<b>Documents Affected:</b> Affidavits (all types)	<b>Department(s) Impacted:</b> All BLS	
		

## BLS Policy Guidelines

- This document is the parent policy of any associated procedure or appendices. Questions related to this policy should be addressed to the Quality Assurance Department.
- This Policy must be implemented exactly as written by each BLS department.
- This Policy supersedes any contradictory or pre-existing policy language in any BLS department.
- Each department impacted by this policy must provide written procedures that meet or exceed the policy objectives for review and approval by QAD within thirty (30) days of policy introduction. Procedures developed that require IT Involvement must be accompanied by a Helpdesk ticket or PIR and must have a secondary process for compliance.
- Policy Review – every twelve (12) months or as necessary, if regulatory environment or business model changes.

**Purpose:** In order to ensure that Affidavits are executed properly and in accordance with applicable rules and regulations BLS has established an approved list of authorized personnel for both signing affidavits and acting as notary

# Authorized Affiants & Notaries Policy



## Authorized Signers of Affidavits

Office Location	Name	Title	Effective Date of Authority (renewed yearly)	Type of Affidavit Authorized
Coral Gables	Tina Bado	Assistant Vice President	1/01/2011	FC, BK
Coral Gables	Matthew Coburn	Manager	12/01/2010	RC
Coral Gables	Katie Sovic	Senior Vice President	01/01/2011	BK, EV, FC, RC, RV
Coral Gables	Zoraida Torriani	Bankruptcy Manager	12/21/2010	BK
South Lake	Karen Griffith	Vice President	01/01/2011	BK, FC
South Lake	Bob Repass	Senior Vice President	01/01/2011	BK, FC
Pompano	Craig Stein	Vice President	01/01/2011	BK, EV, FC, RC, RV
Pompano	Alvaro Patarroyo	REO Closing Manager	01/01/2011	RC
Puerto Rico	Nellie Soto	Vice President	01/01/2011	BK, EV, FC, RC, RV
Coral Gables/Pompano/South Lake		Asset Managers*	01/01/2011	
Coral Gables	Rosy Brito	REO Closing Manager	01/01/2011	RC
Coral Gables	Doris Macias	REO Closing Manager	01/01/2011	RC
Coral Gables	**Tom Marvin	Senior Asset Manager	01/01/2011	FC, RV

**Legend: BK – Bankruptcy, EV – Eviction, FC – Foreclosure, RC – REO Closing, RV - Receivership**

### Note:

- Any authorized signer can execute any documents for any office.
- \*Authorized personnel with personal knowledge execute non-standard affidavits and loss mitigation affidavits. The Legal Department or (Legal) Default Administration makes determination/selection
- \*\*Person authorized to execute documents related to commercial loans only.
- Documents in a language other than English are signed by personnel fluent in that language.

### Approved Notaries

Office	Name	Effective Date of Authority (renewed yearly)
Coral Gables	Nicole Alvarez-Moll	01/01/2011
Coral Gables	Sandra Burgess	01/01/2011
Coral Gables	Sasha Cohen	01/01/2011
Coral Gables	Rosa Brito	01/01/2011
Coral Gables	Matthew Coburn	01/01/2011
Coral Gables	Doris Macias	01/01/2011
Coral Gables	Julissa Rivera	01/01/2011

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## Authorized Affiants & Notaries Policy



**BAYVIEW**  
LOAN SERVICING

Coral Gables	Cristina Pizarro	01/01/2011
Coral Gables	Christine Raymond	01/01/2011
Coral Gables	Hannah Wilson	01/01/2011
Coral Gables	Paulette John	01/01/2011
Coral Gables	Tanya Rigg	01/01/2011
Coral Gables	Neil Russillo	01/01/2011
Pompano	Cynthia Adams	01/01/2011
Pompano	Nicole Francis	01/01/2011
Pompano	Jennifer Chin	01/01/2011
Pompano	Alvaro Patarroyo	01/01/2011
Pompano	Nancy Nadeau	01/01/2011
Pompano	Michaela Williams	01/01/2011
Puerto Rico	Alberto Naraez	01/01/2011
South Lake	Tiana Banes	01/01/2011
South Lake	Ken Castillo	01/01/2011
South Lake	Arthur Finley	01/01/2011

➤ Represents the main group authorized to notarize documents for the Default Administration group.

• Appoints to the lists above are made and/or confirmed by a Senior Vice President or above.

### RESPONSIBILITIES – Affiants

- Any affiant must attest as to the authenticity and foundation of any such business records or documents that the affidavit covers, typically by indicating that he or she has personal knowledge as to the contents of those documents. The Affiant should expressly state that he or she: (1) has personal knowledge of the companies' ordinary course of business with respect to the creation and maintenance of business records; and/or (2) has personally reviewed all of the documents.

### RESPONSIBILITIES – Notaries

- Notary duties include administering oaths (where applicable), verifying signer's identities, reviewing documents for accuracy and completeness and witnessing the signature(s).
- Where applicable, Notaries must maintain a record of all notary transactions. Said record must contain the following:
  - Notarization date;
  - Description of each transaction;
  - Affiant's name, address;
  - Declaration of whether the Affiant is known to the notary;
  - Has a government issued identification;
  - Relationship between witness and Affiant,
  - Address of witness
- Where applicable, Notaries must use a seal when completing the notarization process.

### State Specific Action:

- Notaries in Texas to administer verbal oath to affiant

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# Authorized Affiants & Notaries Policy



Note. Notaries in offices outside of Texas to administer verbal oath as required by law.

**SAS 70 Control: None**

**KEY DEFINITIONS: None**

**Exception to Policy/Procedure: None**

**References/ Appendices:**

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## Approvals & Sign-off

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I accept and approve this Policy Document and authorize its dissemination to the areas impacted. In signing this document, you are in agreement that the above work meets your specifications. Please note that changes to any policy elements after sign-off will be subject to an additional review and may delay the policy time and scope.

<b>Chief Compliance Officer:</b>		
<b>Business Owner(s):</b>	<b>Katie Sovic</b>	<b>Senior Vice President</b>
	<b>Craig Stein</b>	<b>Vice President</b>
<b>Senior Management:</b>	<b>Matt Sovic</b>	<b>Managing Director</b>
<b>Quality Assurance Department:</b>	<b>Mike Baker</b>	<b>Vice President</b>
<b>Training Department:</b>	<b>Jill Scott</b>	<b>Training Manager</b>

The following have been informed about the content, and requirements of the guidelines in this Policy.

**Internal Audit Department** – Gladys Moure, Vice President

**Business Improvement Group** – David Elkins, Darin Phillips, Eliot Gelber, Mohan Prasad, Jesse Miller, Rachel Kobetz, Stephen Hill

# Standards for Affidavits and Sworn Statements in Foreclosure and Bankruptcy Proceedings Policy



<b>Effective Date:</b> 06/01/2011	<b>Version No. &amp; Date:</b> 1.0 06/01/2011	<b>Section No.</b> 1314.00
<b>Policy Owner(s):</b> SVP – Default Administration	<b>Primary Contact:</b> VP – Default Administration	<b>Prepared by:</b> Quality Assurance
<b>Documents Affected:</b> Affidavits	<b>Department(s) Impacted:</b> All BLS	<b>Related Policies</b> Documents and Affidavits Policy, Notary Practices Policy
		

## BLS Policy Guidelines

- This document is the parent policy of any associated procedure or appendices. Questions related to this policy should be addressed to the Quality Assurance Department.
- This Policy must be implemented exactly as written by each BLS department.
- This Policy supersedes any contradictory or pre-existing policy language in any BLS department.
- Each department impacted by this policy must provide written procedures that meet or exceed the policy objectives for review and approval by QAD within thirty (30) days of policy introduction. Procedures developed that require IT involvement must be accompanied by a Helpdesk ticket or PIR and must have a secondary process for compliance.
- Policy Review – every twelve (12) months or as necessary, if regulatory environment or business model changes.

**PURPOSE:** To ensure that affidavits and other sworn documents are accurate and executed by authorized signors in accordance with applicable law.

### RESPONSIBILITIES - All Departments that prepare, review and sign Affidavits and other Sworn Documents

- > All affidavits and sworn statements shall be based on the affiant's review of business records and/or personal knowledge when the affidavit or sworn statement so states as required by applicable law
- > Factual assertions made in affidavits and sworn statement shall be accurate, complete and reliable
- > The affiant shall be competent to testify on the matters stated

## Standards for Affidavits and Sworn Statements in Foreclosure and Bankruptcy Proceedings Policy



- Affiants shall have reviewed competent and reliable evidence to substantiate the customer's default and the right to foreclose, if applicable, including the customer's loan history and required ownership documentation.
- Separate affidavits or sworn statements shall be used where one affiant does not have requisite personal knowledge of all required information.
- All affidavits and sworn statements shall accurately identify the affiant's employer and his or her position or title with the employer. If the affiant is executing the document on behalf of a party other than the affiant's employer, the affiant shall identify his or her authority to execute the affidavit or sworn statement.
- Affidavits and sworn statements, including their notarization, shall fully comply with all state law requirements
- Affidavits and sworn statements shall not contain information that is false or unsubstantiated
- BLS shall not use incentives that encourage undue haste or lack of due diligence by employees or third-party agents or trustees.
- Affiants shall be individuals, not entities, and affidavits and sworn statements shall be signed by hand signature of the affiant. Signature stamps and any other means of electronic or mechanical signature are prohibited.
- When using a form affidavit or sworn statement, affiants shall not leave blanks or incomplete statements in the affidavit or sworn statement.
- Affiants shall date their signatures on affidavits or sworn statements.
- If applicable, notaries employed and utilized by BLS shall maintain a log or other written record that identifies all notarizations executed by each notary.

**SAS 70 Control: None**

**KEY DEFINITIONS: None**

**Exception to Policy/Procedure: None**

# Standards for Affidavits and Sworn Statements in Foreclosure and Bankruptcy Proceedings Policy



## References/ Appendices:

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## Approvals & Sign-off

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I accept and approve this Policy Document and authorize its dissemination to the areas impacted. In signing this document, you are in agreement that the above work meets your specifications. Please note that changes to any policy elements after sign-off will be subject to an additional review and may delay the policy time and scope.

**Chief Compliance Officer:** – Robert Pondolfi, Esq.

**Business Owner(s):** Katie Sovic, SVP – Default Administration  
Craig Stein, VP – Default Administration

**Managing Director / Senior Vice President:** Katie Sovic, SVP – Default Administration

**Quality Assurance:** Mike Baker, VP

**Training Manager:** Jill Scott, Manager

The Internal Audit Department have read and been informed about the content, and requirements of the guidelines in this Policy.

**Internal Audit Department** – Gladys Moure

**Business Improvement Group** – David Elkins, Darin Phillips, Elliot Gelber, Mohan Prasad, Jesse Miller, Rachel Kobetz, Stephen Hill

Bayview New Jersey Foreclosure Review Certification

EXHIBIT - 69

Loan Number:  
Borrower Name(s):  
Property Address:  
NJ Case Docket No.:

I, the undersigned, an employee of the plaintiff, have personally reviewed the plaintiff's business records and documents relating to this case. I have further reviewed the Complaint and subsequent pleadings and documents filed with the Court in this foreclosure proceeding and have confirmed the factual accuracy of the information and the allegations contained therein.

The following documents have been reviewed. (please initial)

- Note and any/all endorsements or allonges and has been the holder of the note since the commencement of the foreclosure action.
- Mortgage and the assignment, if any has been assigned prior to the date of the filing of the complaint.
- Plaintiff's loan account records as to the referenced loan number
- Complaint
  - Complaint reviewed to confirm the accuracy of the following information:
    - Name of obligor, mortgagor, obligee and mortgagee;
    - Amount of the debt secured by the mortgage
    - Dates of execution of the note and mortgage
    - Date of default
    - Recording information for mortgage
    - Whether note has an adjustable or fixed interest rate
    - Whether or not mortgage is purchase money mortgage
    - Property address and tax block & lot number reference
    - NJ Notice of Intention to Foreclose sent prior to filing complaint in accordance with the note, mortgage and New Jersey law.
- Affidavit or Certification of Proof of Amount Due duly executed and had the authority to execute.
- Affidavit or Certification of Additional Sums duly executed and had the authority to execute.
  - (filed or to be filed subsequent to judgment but prior to sale in the event of additional advances after execution of the Affidavit or Certification of Proof of Amount Due)
- Final Judgment
- Writ of Execution
- Other document or court pleading \_\_\_\_\_

I, the undersigned, further acknowledge that the law firm of \_\_\_\_\_ relies on the referral received, account information provided by the plaintiff, the notarized documents, and this Review Certification in order to certify to the Court the accuracy of the information contained in the documents and pleadings filed or to be filed in this foreclosure proceeding. Upon my own inspection of the papers filed with the Court and other diligent inquiry, to the best of

my knowledge, information and belief, the complaint, supporting certifications and all other documents filed in support of this action for foreclosure are complete and accurate in all relevant respects.

\_\_\_\_\_  
Signature

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Responsibilities:

Bios of Main Foreclosure Affiliants, Bayview Loan Servicing, LLC (06/01/2011)

**Craig Stein** is the Vice President of Default Management. He currently manages the foreclosure and bankruptcy areas of the firm. Mr. Stein has been with Bayview for 6 years and previously worked as in-house counsel. He has worked in the mortgage industry for 14 years starting at Ocwen Federal Bank ("Ocwen") in October 1997. Mr. Stein started as a foreclosure coordinator at Ocwen and has been involved in several other aspects of the industry since leaving Ocwen in October 1998. Such positions have included title review and closer as well as working with warehouse lenders and mortgage loan purchasers (including Fannie Mae) on the origination side of the business. Mr. Stein received a Juris Doctor from Nova Southeastern University on June 30, 1997 and a Bachelor of Arts in Law and Society from the American University on May 9, 1993.

**Karen Griffith** is the Vice President of the Southlake Texas Office. Her responsibilities include facilitating interaction between the Miami home office and Dallas, Texas Operations departments; Loan Counseling, Customer Service, Foreclosure, Bankruptcy, and Special Loans. Ms. Griffith joined Bayview Loan Servicing in May 2001 as a Loan Counselor; she was promoted to Manager in 2003 and was responsible for the servicing of the Bayview First Funding acquisition portfolio. In 2006 she was promoted to Assistant Vice President. Ms. Griffith was subsequently promoted to Vice President in 2010. Prior to working for Bayview Loan Servicing, Ms. Griffith worked for Associates Financial Services, from 1993 to 2001, where her main responsibilities included collection of 30 & 60 day accounts and sourcing personal and Real Estate loans, title and collateral search, abstract search, on site appraisal for originated and closed loans. She has more than 18 years experience in loan servicing in the default administration arena.

**Kathleen M. Sovic** is the Senior Vice President of Default Administration. She currently manages several functions within Bayview Loan Servicing, LLC, including foreclosure, bankruptcy, eviction, litigation, repurchase, REO closing, and title review and resolution, related to residential and commercial loans. She began her tenure in 1999 as a Vice President managing collections, foreclosure, bankruptcy, and claims and was promoted to First Vice President in December, 2004. Prior to joining the company she worked for Ocwen Federal Bank, FSB, in West Palm Beach Florida, which she joined in 1993, where she was responsible for managing bankruptcy, eviction, legal workout, REO closing, and title review and resolution. Ms. Sovic earned a J.D. degree from Stetson College of Law in St. Petersburg, Florida and a Bachelor of Science degree in Business Administration with a major in Finance from the University of Florida in Gainesville, Florida.

**Robert D. Repass** is Senior Vice President of Bayview Loan Servicing. He oversees all aspects of Default Management, including Loan Counseling, Foreclosure, Bankruptcy and Residential Asset Management as well as overseeing Customer Service in the Dallas, Texas operation of Bayview Loan Servicing. Mr. Repass joined the firm in January 2001. Mr. Repass has over twenty-five years experience in the mortgage industry. Prior to joining Bayview Loan Servicing, Mr. Repass was Operations Vice President for Associates Financial Services. Mr. Repass attended North Carolina State University.

**Tina Bado**, Assistant Vice President of Default Administration. Ms. Bado joined Bayview Loan Servicing, LLC in 2010. She is responsible for assisting with managing the foreclosure and bankruptcy areas of BLS. Prior to joining BLS she was Senior Vice President of Default Administration and Special Assets at BankUnited, overseeing the daily operations of Consumer and Residential Collections, Foreclosure, Eviction, Claim processing, Bankruptcy, REO and Short Sales. Ms. Bado also worked as Assistant Servicing Manager, Vice President at Universal American Mortgage Company responsible for the daily operations of loan servicing. She has more than 25 years experience in loan servicing specializing in default administration.

**NJ Verification/Affidavit Checklist**

BLS # \_\_\_\_\_

- Plaintiff name correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Borrower(s) name(s) correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Officers Name and Title correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Due Date correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Calculation Dates correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Balance correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Interest correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Per diem correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Late Fees correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Default Interest correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Prepayment Penalty correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Escrow amounts correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- OTH Funds amounts correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Borrower Credits correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Debt Deferment correct? Yes \_\_\_ No \_\_\_ N/A \_\_\_

**Documents Attached:**

- Allonge Information Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Latest Breach Letter Yes \_\_\_ No \_\_\_ N/A \_\_\_
- HUD-1 Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Last Recorded Assignment Yes \_\_\_ No \_\_\_ N/A \_\_\_

Name of Last Assignee of Record \_\_\_\_\_

Notes \_\_\_\_\_

- Note Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Mortgage Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Loan Info Screen Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Copy of Interest Changes Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Copy of Payoff Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Copy of Pay History Yes \_\_\_ No \_\_\_ N/A \_\_\_
- 360/365 Calculation Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Military Verification Yes \_\_\_ No \_\_\_ N/A \_\_\_
- Other: \_\_\_\_\_ Yes \_\_\_ No \_\_\_ N/A \_\_\_

**Created By**

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Signature \_\_\_\_\_

**Reviewed By**

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Signature \_\_\_\_\_

**2**

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IN THE MATTER OF RESIDENTIAL  
MORTGAGE FORECLOSURE PLEADING  
AND DOCUMENT IRREGULARITIES

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

Certification of Monica M. Hadley  
on behalf of Capital One, N.A

**CERTIFICATION OF MONICA M. HADLEY  
IN RESPONSE TO THIS COURT'S REQUEST DATED APRIL 25, 2011**

I, MONICA M. HADLEY, certify as follows:

1. I am a Vice President for Capital One, N A ("Capital One") I have worked in the mortgage and banking industry since 1993 in various servicing functions, including bankruptcy, foreclosure, collections and loss mitigation. I have been employed with Capital One for approximately two years.

2. Capital One, N A is a servicer for loans held in certain securitized trusts for which U.S. Bank National Association serves as the Trustee. I submit this certification on behalf of Capital One, in response to this Court's request, dated April 25, 2011, for information related to the processes and procedures Capital One's employees follow to ensure that information contained in a certification or affidavit submitted to the Court under Rule 464-1 et seq. is accurate and reliable

3. My responsibilities at Capital One include management of the foreclosure process generally, including management of the 17 Capital One team members who work foreclosure accounts. This certification is based upon my personal knowledge and my review of the procedures of Capital One.

4. Below I have set forth each of the Court's specific requests followed by Capital One's response:

Request 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.

Capital One follows a rigorous review process for all documents that are to be executed internally and filed with the courts in connection with either a foreclosure or bankruptcy, as follows:

Documents prepared by Capital One's foreclosure attorney or trustee under a deed of trust that require the signature of a Capital One representative are uploaded into an electronic attorney communication tool, called "Process Management." These documents would include, for example, a Substitution of Trustee under a Deed of Trust, Assignments, and Judgment Affidavits. Process Management allows Capital One to track and manage the process by which the documents are reviewed, executed and then returned to counsel.

Once uploaded to Process Management, a new "process" is opened called "Signature Required," which relates to the specific document. Process Management then creates prompts to Capital One's employees which are programmed to have the document returned within seven (7) business days. The prompts from Process Management are worked daily

Capital One has a Quality Control team of 4-6 individuals who are responsible for reviewing the documents. Each document undergoes a minimum of three (3) reviews. The first two reviews are completed by a member of the Quality

Control team (a different member for each review) with the third review completed by the Manager who executes the document

Each reviewer must read the document in its entirety and confirm all information in the document that is taken from Capital One's records. For example, the name of the borrower and all names of parties signing the Note are confirmed against a scanned copy of the original Note, the property address and legal description are confirmed against a scanned copy of the Mortgage or Deed of Trust or Title Report, the name of the holder or owner of the loan is confirmed against the Investor Code on the loan account record and a separate key, listing the full investor names; and so on. The reviewer can access all loan documents, including without limitation the Note, Deed of Trust or Mortgage, and Title Report, from Capital One's imaging system where scanned images of all loan documents are retained. If information is confirmed from Capital One's system of record, i.e., the Mortgage Servicing Platform ("MSP"), the reviewer is required to print a copy of the MSP computer screen reviewed, which is kept with the document reviewed. For example, if the monthly payment amount or unpaid principal balance is confirmed with MSP, the MSP computer screen showing this information is printed.

Each reviewer must complete a Document Execution Checklist. The Checklist is kept with the document reviewed in the review process. The Checklist includes the reviewer's name and the date reviewed, and shows the information reviewed by each reviewer.

If the reviewer finds a clerical error in the document, e.g., a comma is missing or a word is misspelled, the reviewer will make the correction before the

document goes to the second level review. However, if the error is non-clerical, the document is return to Capital One's counsel to be revised. After revision, the document must then be resubmitted into Process Management and the review process is begun again.

Assuming the document passes the first review, the document, with copies of all screen prints reviewed and the Document Execution Checklist, is passed to a second level reviewer, who then completes, once again, the very same review. The second level review follows the same process as that described above for the first level review.

If the document passes the second level review, the document, screen prints and Checklist, are given to the Manager who will ultimately execute the document. The Manager then reviews the document, following the same procedure described above as for the first level review. Once the document passes this third review, it can then be executed by the Manager.

A copy of the final executed document, the Document Execution Checklist, and all screen prints reviewed are input into Process Management.

The entire process is subject to internal audit by Capital One's auditors.

Request 1(b)(1) 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.

There are a limited number of Capital One employees authorized to execute documents to be filed or recorded in connection with a foreclosure or bankruptcy, each of whom must be at the Associate Management level or above.

Individuals authorized to sign on behalf of MERS must first be an officer of Capital One, N.A. The individual must be certified by MERS, which requires the individual to take a test, and the individual is then made an officer of MERS with authority to sign on its behalf.

Individuals who sign on behalf of an Investor can do so only if a separate Power of Attorney document has been given by the Investor.

Individuals signing on behalf of Capital One, N.A. must be duly authorized by corporate authorization prepared by Capital One's legal department.

All documents on which the Notary Public performs a notarial act must have the signature affixed in the Notary's presence. Capital One requires that, for any *jurat* or statement under oath, the Notary Public must have the signer physically raise his or her right hand and state an oath pertaining to the contents of the document. Capital One requires the Notary Public to maintain a log book in accordance with state requirements for any documents that are notarized on its behalf.

Request 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.

See response to Request 1(b)(i) above.

Request 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. If you are currently making or anticipate making changes, state the changes to be made and when they will be implemented.

All loan documents, including assignments, are scanned and the images are stored electronically. Capital One's employees, properly authorized by their management, have access to the electronic, scanned imaging system.

Payments made by borrowers are posted by a separate department which posts payments at the time they are received. The transactions are recorded in Capital One's system of record, MSP, which is programmed to properly apply payments and calculate amounts due.

Request 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.

See response to Request 1(a) above.

Request 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.

As stated above, individuals authorized to execute documents must be at the Associate Management level or above. This means the individual already has at least five years experience in the mortgage servicing industry, including without limitation, reviewing loan documents and loan records. In addition, the individual is given on-the-job training in the process. In fact, certain of the authorized signers were personally involved in developing and implementing the process outlined in response to Request 1(a) above.

In addition to the training or certification required of a Notary Public by applicable state law, Capital One requires the employee to also complete classroom training conducted by Capital One's Legal Department and a regularly scheduled refresher online training module.

Request 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

The information provided to foreclosure counsel comes directly from Capital One's scanned imaging system (containing the loan documents) and its system of record, MSP. The information is verified in the detailed review process outlined in response to Request 1(a) above.

Request 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.

See response to Request 1(a) above. In addition, foreclosure counsel reviews all documents independently prior to court submission.

Request 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.

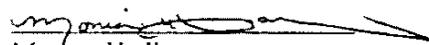
The review process described in these responses, as well as the training requirements, was developed with the input and guidance of Capital One's Legal Department. The review process is subject to internal audit by Capital One's auditors. In addition, external auditors review Capital One's servicing operation for compliance under the various servicing agreements, Reg AB and uniform servicing standards.

5 Capital One's affiliate, Greenpoint Mortgage Servicing, Inc., is a master servicer for loans held in certain securitized trusts for which U.S. Bank National Association is a Trustee. However, all of this servicing is currently subserviced to BAC Home Loan Servicing (Bank of America)

Certification of Monica M. Hadley  
June 8, 2011  
Page 8 of 8

6 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.

Dated. June 8, 2011

  
Monica Hadley

**3**



6. Referencing the letter dated April 25, 2011 from Walter R. Barisonek, A.J.S.C. Ret. Special Master, this Court requested responses to specific questions repeated below for reference. Based on my personal knowledge of Ocwen's current practices and procedures involving the Contract Management Department, I can state the following:

**Paragraph 1.a.** *"State what processes and procedures you have to ensure that the certifications/affidavits submitted are based upon the person's personal knowledge or that the person's review of business records would be admissible in evidence in a New Jersey Court."*

As a matter of business practice, Ocwen has processes and procedures in place to ensure certifications/affidavits executed by an Ocwen employee are based upon the signor's personal knowledge. This starts with the hiring process and carries through the on-going Contract Management training process so that signors are given the necessary tools and information to perform their daily job functions appropriately. Prior to verifying or executing a document for Ocwen, each employee in the Contract Management Department must complete a detailed training program and pass the applicable tests confirming the appropriate level of understanding of the materials. The training is geared toward an understanding of (i) Ocwen's business records, (ii) how Ocwen's business records are updated and maintained, (iii) the type of documents submitted in foreclosure proceedings and (iv) the rules associated with the verification and execution process. Relevant portions of Ocwen's training materials are provided below:

**Introduction to the Training Modules of Contract Management:**

Welcome to the Contract Management ("CM") Department at Ocwen Loan Servicing, LLC, "Ocwen". The CM Department has the following 3 modules in the Affidavit training program.

- 1) Identifying Each Document
- 2) Executing, Witnessing and Notarizing the Document
- 3) Verifying the Document

Before a document can be executed and sent back to outside counsel, it must follow the quality control process set forth in the training modules. You must review each module and pass a final test before you can advance to the next module. Each module accompanies a "Hands on Training" Program.

**The minimum "Hands on Training" Timeline is as follows:**

- 1) Identifying each Document: 5 Days
- 2) Executing, Witnessing and Notarizing the Document: 5 Days
- 3) Verifying the Document: 20 Days

A Contract Manager will audit your work for accuracy. After you have passed the audit, you will begin the next training module and corresponding Hands on Training.

When a loan defaults and the process of foreclosure begins, documents are initially drafted by local outside counsel hired by Ocwen to safeguard the investor's interest. These documents are sent to the CM Department for verification and execution.

The documents that the CM Department verifies and executes are used for legal proceedings. The accuracy of the document is essential to the validity of the legal proceeding. Employees may be asked to execute documents under penalty of perjury and swearing under oath to the validity of the information contained in the document. Therefore, it is critical that each employee executing a document fully understand its contents and purpose.

As a signor, also known as the affiant, testimony may be required regarding the facts contained in the document. The affiant may be questioned under oath, among other things, about the validity of the facts contained in the document and also their authority to execute the document.

#### The Cycle of a Document:

Before a document is verified and executed, it must follow the proper steps for quality control.

1. Local outside counsel sends the drafted document and any supporting exhibits to the assigned Ocwen Affidavits Mailbox.
2. The front line Contract Management Team opens the document from the Affidavit Mailbox.
3. The frontline Contract Management Team performs a quality check and pre-verifies the document using the information found in Ocwen's business records, including, but not limited to, REALServicing®, Contract Imaging System (CIS), Contract Management System (CMS) and the Foreclosure Matrix. They are responsible for verifying the accuracy of each document, including, but not limited to, Borrower(s) name(s), Trustee on record, recording information, financial information and dates on each document.
4. Once the above steps are complete, the frontline Contract Management Team member moves all of the documents to the Affidavit folder for the Execution Contract Management Team.
5. The frontline Contract Management Team Member uploads a comment, AFFSNT, to REALServicing® to indicate the document has been received and forwarded to the Execution Contract Management Team for verification and execution.
6. An Execution Contract Management Team member retrieves them from the printer and separates them for processing.
7. Once printed and separated, the documents are stored in a secure area in date order for verification and execution.
8. Documents are verified in expedited or in date order (oldest in date first). The Signor verifies the accuracy of each document he/she will sign against Ocwen's business records, including, but not limited to, Borrower(s) name(s), Trustee on record, recording information, financial information and dates on each document.

9. Once verified by the signor, he/she brings the documents to the Signing Room.
10. In the Signing Room, the notary shall give the prescribed oath to the signor.
11. Once the oath is given, the signing can commence.
12. After the documents are executed, they are brought out of the Signing Room and sorted by document type. The loan number, attorney code and document type are entered on a spreadsheet so that a status comment can be uploaded to each loan in REALServicing®.
13. Executed documents are then scanned into Ocwen's Imaging system, CIS.
14. Once scanned, the document is returned, via UPS, to local outside counsel who requested and drafted the document.

Additionally, as it relates to Ocwen's business records, Ocwen utilizes a number of integrated systems, including the REALServicing® servicing platform, REALResolution™, Contract Imaging (CIS) and Contract Management System (CMS). The systems and processes have been developed from Ocwen's experience in servicing mortgage loans for over 20 years. REALServicing® is a total life-of-loan, residential servicing software which documents the entire cycle from loan-setup and administration through default and, if necessary, Real Estate Owned (REO) asset management. Contract Management employees are trained on all of the relevant systems so they fully understand how the information is updated, maintained and stored. Ocwen takes a number of steps to ensure the accuracy and security of the information that is maintained in its business records. It annually obtains a Statement on Standards for Attestation Engagements (SSAE) No. 16, a widely recognized auditing standard developed by the American Institute of Certified Public Accountants (AICPA), to cover controls such as policies, procedures and safeguards that relates to all information system activities of REALServicing®.

Each certification/affidavit is verified against Ocwen's business records. The multiple quality checks in the verification process ensures that every certification or affidavit is reviewed and verified more than once. Each certification or affidavit must pass all levels of review and verification. All verbiage, financial data and content including exhibits are reviewed and verified against Ocwen's business records before the document is executed.

Ocwen's business records and compilations are made at or near the time of the transaction. Each entry made in REALServicing® is made in the normal and ordinary course of Ocwen's servicing activity. It is customary to make these types of entries which are involved in the review process and procedures necessary to verify and execute certifications or affidavits. It is Ocwen's policy to ensure that Ocwen employees executing certifications or affidavits possess personal knowledge of Ocwen's business records and review Ocwen's business records prior to executing the certification or affidavit.

knowing their testimony will be used as evidence in a legal proceeding. This policy is specifically outlined in Ocwen's training materials and procedures.

Ocwen works closely with New Jersey counsel to ensure overall compliance with the Rules of Evidence. Once a certification or affidavit is returned to local outside counsel additional validation of the executed document is made. Most foreclosure counsel subscribe with direct access to the necessary Ocwen business records through our external intranet access known as REALResolution™, which is supported by the data in REALServicing®, allowing for access to review the data but prevents outside counsel from making any changes. Alternatively, if outside local counsel does not subscribe to the REALResolution™ system, they will work closely with an Ocwen foreclosure coordinator assigned to the case for the required support to process documents needed in the foreclosure proceeding. Ocwen works closely with its New Jersey foreclosure counsel to confirm compliance in preparing all required certifications/affidavits.

As such, each certification or affidavit presented to Ocwen for execution is reviewed and verified several times against Ocwen's business records. The employee executing the certification or affidavit has personal knowledge of Ocwen's business records, which support the certification or affidavit and would be admissible in evidence in New Jersey Court.

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."*

As previously mentioned Ocwen works closely with and relies on its New Jersey foreclosure counsel to provide legal advice on local and state law. Ocwen maintains a network of preferred counsel in all states, including New Jersey. Ocwen's policies and procedures contain state-specific directives and training to enable employees to identify state or local nuances. The state or local requirements are developed with local counsel to ensure compliance with local rules and regulations. Ocwen also relies on the expertise of foreclosure counsel to ensure documents are properly drafted and executed in accordance with New Jersey laws and contain information within the scope of knowledge in which an Ocwen employee can certify. Additionally, Ocwen has taken steps to provide a more uniform approach to the document execution process by working with New Jersey counsel to develop a consistent format for documents.

The validity of the signature speaks not only to the proper authorization but that the execution

process is done in accordance with applicable notary laws. These subject matters are further described in Ocwen's training materials and policies and procedures. Certifications or affidavits are typically executed at Ocwen's servicing center located in the State of Florida, County of Palm Beach. A relevant portion of Ocwen's training materials for executing documents and compliance with applicable Florida notary laws is provided below:

**EXECUTION and NOTARIZING DOCUMENTS**

**When executing, witnessing, attesting or notarizing a document, it is a MUST that the signor and notary are in each other's presence while the document is being executed. The signor executing a document should be prepared to testify that the document was signed while in the presence of a Witness, Attester and/or Notary.**

**By signing your name as a Witness or Attester, you are stating that you were present during the execution of the document. As a Witness or Attester, you may be called to testify that you did indeed physically see the signor sign his or her name.**

**By signing as a Notary, you are required to administer the Oath. The Oath is any form of attestation or pledge by which a person signifies that he or she is bound in conscience and out of a sense of responsibility to a Supreme Being to the truthfulness for some statement. Willfully swearing to untrue statements constitutes perjury. In Florida, a notary public may not notarize a signature on a document if the person is not in the presence of the notary public at the time the document is executed.**

**Affiant's signature must be plainly legible. The name of the Affiant must be printed on the Affidavit in order to permit the true identity of the Affiant to be known.**

**THERE IS NO EXCEPTION TO THE PRESENCE REQUIREMENT!**

**PLEASE NOTE - You are not obligated to sign any document(s) which you do not completely understand. If you are verifying a document and have questions, set the document aside and at the end of the day bring the document to a Contract Manager.**

Additionally, in accordance with its procedures, the Ocwen employee must physically sign all certifications or affidavits in connection with the foreclosure proceedings. This means, the person executing the certifications or affidavits is not using a signature stamp. Under Florida law, a notary is prohibited from notarizing any signature if the signor is not present at the time of the notarization. A Florida notary may not notarize a signature on a document unless he or she personally knows, or has satisfactory evidence, that the person whose signature is to be notarized is the individual who is described in and who is executing the instrument. The notary clause shall include the type of identification, either based on personal knowledge or other form of identification, which the notary public is relying. Based on Florida's notary requirements, Ocwen established the "Signing Room"

sessions whereby the signors and notaries come together in one physical location to execute the certifications or affidavits. All signors are specially trained Ocwen employees with personal knowledge of Ocwen's business records and not a representative business entity. Pursuant to Ocwen's policies and procedures, the certifications or affidavits themselves are not executed if they contain blanks or are incomplete. The complete, reviewed and verified certifications and affidavits are dated by hand on the day the document is executed.

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."*

Per the Contract Management Department Policies and Procedures and training, Ocwen employees are authorized to execute documents pursuant to the company's corporate resolutions and the applicable power of attorney granted by the investor/trustee or owner of the mortgage loan. A specific corporate resolution is maintained by the Corporate Secretary detailing the individuals who can execute documents on behalf of Ocwen, and which documents they can execute. This corporate resolution is routinely made available to the Contract Management Department for purposes of verifying authority to sign. As part of the training process, the corporate resolution is reviewed so that the trainees recognize the types of documents and people who have the authority to sign those documents. Those Contract Management employees listed on the corporate resolution are given authority to execute the certification or affidavit.

Additionally, employees are required to review the Ocwen "Foreclosure Matrix" for pertinent information regarding the investor and authority to proceed to foreclosure. The Foreclosure Matrix is an Ocwen business record that reflects pertinent servicing business information, such as the entities for which Ocwen has a power of attorney such that Ocwen employees can execute documents on their behalf. It contains an investor's name, the necessary power of attorney information and the corresponding name of the entity to be identified as the plaintiff in the foreclosure proceeding. The matrix is regularly updated and validated by the Contract Management Department by reviewing the applicable Pooling and Servicing agreements and applicable powers of attorney.

There are other corporate resolutions that govern which employees are authorized to execute documents on behalf of other entities, such as Mortgage Electronic Registration Systems ("MERS"). A corporate resolution from MERS designates which Ocwen employees are authorized to execute

documents on behalf of MERS, including, but not limited, to assignments of mortgages. The Contract Management department periodically reviews that resolution, and requests updates from MERS as staffing changes may require.

By virtue of the signatory power outlined in the corporate resolutions, coupled with the investor authority specified on Ocwen's Foreclosure Matrix, the Contract Management employee is ensured they are executing the certification/affidavit with authority to act in behalf of the plaintiff/servicer.

**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."*

As previously mentioned, Ocwen's servicing system is based on the REALServicing® platform, which contemporaneously records data necessary to track servicing records for each loan. The system is regularly reviewed and assessed under the SSAE No. 16 standards for information controls. All of Ocwen's systems and business records are designed for the purpose of servicing mortgage loans, including the application of payments and details related to financial and loss mitigation activities (the "Servicing Records"). All of Ocwen's systems are integrated, particularly the servicing and loss mitigation activities. This ensures that information is timely and accurately available to all of Ocwen's employees who have the requisite access to the system. Business Records are made at or near the time by, or from information provided by, persons with knowledge of the activity and transactions reflected in such records, and are kept in the ordinary course of the business activity regularly conducted by Ocwen. It is the regular practice of Ocwen's mortgage servicing business to make and update its Servicing Records, which are reviewed and verified prior to executing the certification and/or affidavit.

Ocwen's loan servicing operation is organized into functional areas as briefly described below:

- *Loan Set Up:* Manages the initial boarding of assets. Loan Set Up is responsible for the set up and quality control of data input into the system.
- *Escrow:* Responsible for the management of the customer's escrow accounts, including, but not limited to, property tax and insurance payments that comply with regulations and the mortgage documentation
- *Cashiering:* Responsible for the processing of payments and payoffs through various sources.
- *Investor Reporting:* Responsible for the delivery of comprehensive reporting and timely

remittances to Ocwen's investor clients and trustees.

- *ARM*: Responsible for the updating and management of adjustable rate loans to ensure payment terms are adhered to and notifications are properly made.
- *Customer Care*. Provides customer service and early intervention efforts to customers.
- *Home Retention*. Works with customers on payment solutions, modifications, short sale or deed-in-lieu resolutions.
- *Bankruptcy*: Provides management over the bankruptcy process.
- *Foreclosure*: Provides management over the foreclosure process.

Each of these areas has access to the system based on user groups and defined security clearances. All changes made in the business records are documented with a date and time stamp as well as the user who performed the change. All users are required to take courses and pass tests related to Ocwen's Code of Business Conduct and Ethics, Information Security and Data Integrity, and other department specific courses.

Also, all of the servicing areas are audited by Ocwen's Internal Audit Department. 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.

Ocwen's Law Department also conducts regular reviews and assessments of both the Policies and Procedures for servicing as well as our compliance with those policies and procedures.

**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."*

As previously mentioned and incorporated herein, the hiring and training process reinforces the practices of Ocwen to submit timely and accurate information to the Court. The systems are timely and accurately updated. The steps taken by Ocwen's Contract Management employees to verify documents prior to execution are described additionally in the following summarization taken from relevant portions of the department's policies and procedures.

**Verifying a Document.**

Verifying is a CRUCIAL part of the Contract Management process. Each document that comes through the affidavit mailbox must be verified before it can be executed. Verifying the document means to determine the accuracy of each document so it can be executed and used in a legal proceeding. You are reviewing data that is in Ocwen's regularly updated business records to verify this information.

Initially, enter the "Contract Management Verification Review" alias code in REALServicing®. This step is very important since the alias code confirms that the document was received and is going through the Verification Process.

An Affidavit of Debt, also known as Affidavit of Indebtedness, Affidavit of Merit and Affidavit as to Amount Due and Owning, is a sworn statement telling the court the amount of funds owed by the borrower to the plaintiff. Remember that different Jurisdictions have different requirements. The type of documents will vary, however, the information contained in the documents will be similar and perhaps presented in a different fashion.

#### **Navigating through REALServicing®**

As a Contract Management Team Member you will be reviewing data that is in Ocwen's regularly updated business records to verify the information contained in the documents. REALServicing® is one of the many tools provided at Ocwen.

REALServicing® is a program that automates the entire cycle from Loan-Setup and Administration through Default and Real Estate Owned (REO) asset management. REALServicing® is the primary system of record for all servicing activities.

Additionally, as previously mentioned, preferred local outside counsel have access to certain Ocwen's business records through REALResolution™. Alternatively, if local outside counsel does not have direct access to the business records, they work closely with the Ocwen foreclosure coordinator assigned to the case to receive accurate and reliable information from Ocwen's business records. Also, Ocwen depends on foreclosure counsel to confirm the proper format for submission of the certification/affidavit before the New Jersey court and any cost or fees recoverable under New Jersey law.

The Contract Management Department becomes involved in the execution of certifications or affidavits after the foreclosure proceeding commences. Thus, an extensive review by various Ocwen departments was already performed to make the determination to commence a foreclosure proceeding. The certifications or affidavits are drafted by foreclosure counsel and presented to the Contract Management Department. The Contract Management Department completes the business record review, verification and execution process needed to render the certifications/affidavits admissible in a New Jersey court.

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.”*

Incorporated herein are all previously submitted relevant portions of the training material and policies and procedures. Additionally in response, Ocwen has an extensive training program geared toward an understanding of (i) Ocwen’s business records, (ii) how Ocwen’s business records are updated and maintained, (iii) the type of documents submitted in foreclosure proceedings and (iv) the rules associated with the verification and execution process. Prior to verifying or executing a document for Ocwen, each employee in the Contract Management Department must complete the training program and pass the applicable tests confirming the appropriate level of understanding of the materials.

Ocwen’s human resources department identifies potential candidates for the Contract Management Department who possess a natural attention to detail. Contract Management employees are required to complete the training and testing modules referenced previously, which is administered in the Affidavit training program.

A summarization of each Module is as follows:

**(1) Identifying each Document**

The major objectives for this Module are (a) Understanding the Cycle of Processing the documents submitted to Contract Management Department; (b) Identifying different document types; (c) Understanding the frontline Contract Management Team Verification process, (d) Understanding the Execution Contract Management Team Verification Process; (e) Become familiar with common document abbreviations used in the industry, (f) Understanding the function of Ocwen’s Vault Warehouse Facility

The Contract Management Department receives many different types of important documents daily. These documents are drafted by local outside counsel and sent to Ocwen for review and execution. The individuals who are authorized to execute the documents are given the authority by Ocwen’s Corporate Resolution. These documents are legal instruments, used by outside counsel in various legal proceedings in many States throughout the country. Each document has a specific use and purpose. The documents that are processed through the Contract Management Department also affect

other departments at Ocwen. It is important to understand each document and its classified category so it can be executed properly.

The documents which arrive in the Contract Management Department are classified into three general categories listed below. These categories are only established for internal sorting purposes and not meant to identify the complete legal ramifications of each document.

1. Affidavits with Financial Data
2. Foreclosure Pleadings
3. Affidavits Regarding Ownership of Parcel / Deeds

The printing and sorting process is established to separate the specific certification/affidavit needed for review and verification. Before a document is executed it follows the steps outlined previously in "The Cycle of a Document" process.

After the certification/affidavit completes "The Cycle of a Document" it is sent to Ocwen's Vault. The employees at The Vault image the documents into the Contract Imaging System, CIS. After the document is imaged, it is then returned to outside counsel for use in legal proceedings. When the certification/affidavit is imaged, Ocwen has an electronic paper trail of the executed documents pertaining to each loan.

## (2) Executing, Witnessing Notarizing the Document

The major objectives for this module are to (a) Understand the Florida notary requirements; (b) What does it mean to Witness and/or Attest a document (c) Corporate Resolution and Signing Authority; (d) Ocwen's Signing Room process.

The state of Florida requires all notaries to complete a mandatory three hour notary education course before becoming a notary public. The information in this module is a brief explanation of the notary functions and does not take the place of the three hour mandatory course. Before signing commences, the Notary administers the Oath to the Signor(s). When administering the Oath, it's the Notary's responsibility to make sure that the Signor understands that he or she is swearing, or affirming, that the contents of the document are true. It is the Notary Public's responsibility to keep his or her notary stamp in a secure place and in their possession at all times. A Notary Public may not notarize a signature on a document if the person is not in the presence of the Notary Public at the time the document is executed. Any Notary Public who violates this is guilty of a civil infraction, punishable by penalty not exceeding \$5,000.00, and the conduct constitutes malfeasance and misfeasance in the

conduct of official rules. It is no defense to the civil infraction that the Notary public acted without intent to defraud.

When a person attests or witnesses a certification/affidavit, they are bearing witness as one who gives evidence in a cause of action before a court and who attests or swears to facts or gives or bears testimony under oath. The witness/attester observes the execution of, as that of an instrument and/or to sign one's name to authenticate the instrument. A Contract Management employee takes part in the witnessing / attesting and/or Notary process.

Ocwen's Corporate Resolution provides specific authority for certain employees to act as corporate officers. Those Contract Management employees specifically named and authorized in Ocwen's Corporate Resolution are able to execute the certifications/affidavits by virtue of the corporate officer powers listed therein.

Once a certification/affidavit is completely reviewed and verified it is taken into the Signing Room for final review and execution in the presence of the notary.

### **(3) Verifying the Document.**

The major objectives for this module are to (a) Demonstrate how to navigate through Ocwen's business record databases for Servicing Record details; (b) Know how to verify a document against Ocwen's business records; (c) Know when to reject a document.

The verification process determines the accuracy of each document. All documents are reviewed against the data from Ocwen's business records kept in the normal course of Ocwen's business operations. Screen shots are used throughout the training module with specific examples of how to navigate and retrieve data from the Servicing Records to verify the data on the certification/affidavit.

Each document is verified completely, starting at the top of the document, continuing throughout to the last page, including any attachments or exhibits referenced therein. Financial data and verbiage is carefully reviewed to confirm there are no untrue statements

Any incorrect information on the document will result in the document being rejected. Outside counsel will be notified to redraft the document. Discrepancies resulting in rejection of a document include but are not limited to, The borrower(s) name is incorrect, the plaintiff is incorrect, the court

information is incorrect, the lender is incorrect, the loan number is incorrect, the recording information is incorrect, the financial data is incorrect, the signature block is incorrect, the Notary block is incorrect.

All training material are continually reviewed and updated as needed. The training modules are designed to ensure all Contract Management employees have the necessary skill to ensure a personal knowledge of the contents of the certification/affidavit based on Ocwen's business records, which will be admissible in a New Jersey court.

**Paragraph 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."*

For Ocwen's preferred network of local foreclosure counsel, Ocwen provides direct access via the intranet portal to its business records through REALResolution™. For all other counsel, the information from Ocwen's servicing records will be provided by a foreclosure coordinator. Thus, foreclosure counsel has the necessary account information available to prepare documentation to be submitted to the Court. Despite counsel having this access, Ocwen employees are nonetheless still required to verify and execute the documents. Ocwen has the standard procedures previously outlined to verify the information and ensure the documents accurately reflect the business records. Any certification or affidavit that is not accurate is rejected and sent back to foreclosure counsel with an explanation and supporting business record documentation, such as a REALServicing® screen shot, in order to have the certification or affidavit correctly redrafted.

**Paragraph 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."*

As outlined in the response to Paragraph 1 a-e Ocwen's verification process encompasses a multi-level review for documents submitted to the Court. The first review conducted by the front line Contract Management Team starts with a check of the form itself to make certain it complies with Ocwen's standard format. The front line Contract Management Team then verifies the information within the document, including the accuracy of the named plaintiff and any statements of fact or financial data. As the document moves through the process the document is reviewed and verified again by the Execution Contract Management Team, where the document must be additionally reviewed against the business records and verified that all contents are accurate in the certificate or affidavit. After verifying all information, the document proceeds to the "Signing Room" for execution.

and notarization. Once signed and notarized the certification or affidavit is forwarded to Ocwen's Vault to complete the scanning process for a permanent record of the executed document. Once a scanned version is saved within Ocwen's business records the original is then returned to local outside counsel for filing with the court.

**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.."

Ocwen is continually subjected to both internal and external audits as mandated by the industry. Ocwen has not made a specific decision yet as to whether it will 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.

6-9-2011 Date   
Carolyn Ciarlariello, Esq.

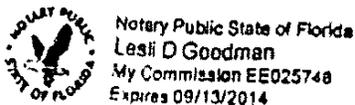
STATE OF FLORIDA )  
COUNTY OF PALM BEACH )

The foregoing instrument was acknowledged and sworn before me this 9 day of June, 2011, by Carolyn Ciarlariello as a manager of contract mgmt. dept. of Ocwen Loan Servicing, LLC, who is personally known to me or who has produced \_\_\_\_\_ as identification.

  
Notary Public - State of Florida

My Commission Expires:

**Lesli Goodman**



**4**

IN THE MATTER OF	)	SUPERIOR COURT OF NEW JERSEY
RESIDENTIAL MORTGAGE	)	
FORECLOSURE PLEADING	)	Administrative Order 0-1-2010
AND DOCUMENT	)	
IRREGULARITIES	)	Supplemental Administrative Order
	)	0-1-2010
	)	
	)	Docket #F-238-11
	)	
	)	Hon. Walter R. Barisonek

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CERTIFICATION OF JERRY FRENCH  
IN RESPONSE TO THIS COURT'S REQUEST DATED APRIL 25, 2011

I, Jerry French, hereby certify that the following information is true and accurate, based upon my personal knowledge and based upon my review of business records of Select Portfolio Servicing, Inc. ("SPS"), which it maintains in the ordinary course of business.

1. I am the Senior Vice President – Default Management of SPS, a third party mortgage loan servicer. I have been in this position since September 2007. I have been employed by SPS since November 2001. I have been employed in the mortgage servicing industry since 1990.
2. As Senior Vice President – Default Management for SPS, I have personal knowledge of, and am fully familiar with, SPS's foreclosure operations and foreclosure document review and signing processes as they relate to the State of New Jersey. In particular, I have been involved in the development and implementation of SPS's foreclosure procedures and am therefore the person best suited to sign and produce this Certification.
3. I submit this Certification pursuant to the Honorable Walter R. Barisonek's letter of April 25, 2011, related to Administrative Order 0-1-2010, Docket # F-238-11. A copy of this letter was provided to SPS by U.S. Bank National Association.

("U.S. Bank"). U.S. Bank has directed SPS to respond to specific questions from Judge Barisonck's letter.

4. SPS takes the Court's inquiry very seriously. Consequently, in addition to responding to the specific questions forwarded by the Court, for convenience I respectfully submit the following additional information about SPS and its foreclosure document practices in Paragraphs 5 through 21.
5. In September 2010, SPS's General Counsel, at the direction of SPS's Chief Executive Officer, initiated a review of SPS's practices relating to foreclosure affidavits and attestations ("foreclosure documents"), and authorized signers of such documents ("authorized signers").
6. Further, in October 2010, an independent review of SPS's General Counsel's review of foreclosure practices was conducted by an outside law firm.
7. Based on SPS's internal review and the review of outside counsel, SPS has concluded there are no issues of "robosigners" in SPS's foreclosure document process, and that SPS's foreclosure document process is designed to avoid factual errors in executed foreclosure documents.
8. SPS has a robust loss mitigation approach and supports home ownership retention. SPS was one of the first participants in the U.S. Government's Home Affordable Modification Program (HAMP).
9. For those customers who are not eligible for HAMP, fail to meet the HAMP requirements, or decline HAMP, SPS offers a proprietary loan modification option and will discuss alternative loss mitigation throughout the entire process. SPS views a foreclosure action as a last resort.

10. SPS customers are offered loss mitigation throughout delinquency and SPS communicates via telephone and written correspondence to our customers informing them of available loss mitigation options at SPS, including HAMP and SPS proprietary loss mitigation options.
11. In addition, before referring a file to a local foreclosure attorney, the SPS Consumer Assurance Review Department ("CARD") reviews the file to make certain that contact was made with the customer to offer loss mitigation options or if not, that multiple attempts at contact were made by telephone and in writing. CARD also reviews the file to confirm that payments from the borrower have been appropriately applied to the account and that the amounts due and owing on the mortgage are accurate.
12. SPS's Loss Mitigation, Loan Resolution, and Foreclosure Departments are all located in the same facility to promote cross-departmental coordination.
13. SPS's Foreclosure Department is directed by myself and the Vice President of Foreclosure who supervises the on-site foreclosure process at SPS, including supervision of the other authorized signers. New Jersey foreclosure documents are signed by a Vice President, Manager, or Supervisor in our Foreclosure Department
14. SPS does not utilize an "assembly line," "mass signers," "robot signers," or offshore resources for its foreclosure process, nor does SPS rely on foreclosure documents prepared by outside foreclosure counsel without requiring a thorough review of the certification against SPS's business records by the authorized signer.

15. Before a foreclosure document is signed, the authorized signer is required to personally review SPS's business records, including applicable account specific information and supporting material from the SPS system of record
16. If details in the foreclosure document are inaccurate or incomplete, the authorized signer is instructed, where appropriate, to either correct or reject the foreclosure document
17. When necessary, an authorized signer will delay signing a foreclosure document in order for them to personally research the account further.
18. If the foreclosure document is confirmed to be accurate, the authorized signer will sign the document. Authorized signers are limited to 25 foreclosure documents per day so that no authorized signer is under pressure to cut corners in order to review and sign a very large number of documents.
19. If necessary, the authorized signer will present the foreclosure document to be notarized by a registered notary who witnesses the signing and administers a notary oath. Notary acknowledgments comply with the Utah Notaries Public Reform Act: the Notary has personal knowledge of the identity of each signer, knows each signer's signature, and knows that each signer is authorized to sign the affidavit/attestation.
20. Authorized signers at SPS have significant foreclosure experience. Authorized signers at SPS have worked at SPS for an average of approximately seven years and the least tenured authorized signer has been with SPS for approximately four years

21. The Vice President and Manager of the Foreclosure Department routinely review issues and provide feedback to the other authorized signers as necessary

**Specific Responses to the Court's Letter Questions**

22. The questions from the Court's request of April 25, 2011 are set forth in turn below. SPS's responses immediately follow each question, but are organized by consecutively numbered paragraphs for the Court's ease of reference.

*1(a). State what processes and procedures you have to ensure that the certifications/affidavits submitted are based upon the 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.*

23. As described above, SPS does not utilize an "assembly line," "mass signers," "robosigners," or offshore resources in its foreclosure process. In addition, while SPS relies on foreclosure counsel to prepare foreclosure documents for it, the SPS authorized signer is required to conduct a detailed review of the foreclosure document to make sure it is accurate and supported by SPS's business records before it is executed.
24. When a foreclosure document is presented to SPS for signature, a copy of the document, together with hard copies of supporting documents and other business records, is delivered to the authorized signer for review.
25. Before a foreclosure document is signed, the SPS authorized signer is required to personally review SPS's business records, including account specific information and supporting material from the SPS system of record described below.

26. The authorized signer's signature is intended to reflect his or her personal review of and acknowledgement that the facts contained in the certification are supported by SPS's business records.

*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 valid lawful signature.*

27. SPS requires that each foreclosure document executed on behalf of SPS in connection with a New Jersey foreclosure action be prepared by or under the direction of a New Jersey attorney, in order to ensure compliance with applicable New Jersey laws.

28. SPS authorized signers are not permitted to use signature stamps—all signatures on foreclosure documents are required to be manual signatures.

29. When such documents are required to be notarized, they are required to be executed in the presence of a notary, who is personally acquainted with the signer and who witnesses the signing of the document by the named signatory and administers any oath required for such affirmations.

*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.*

30. As a third party mortgage loan servicer, SPS receives delegated authority to execute foreclosure documents on behalf of its clients through a servicing agreement and/or a power of attorney.

31. Each authorized signer who executes foreclosure documents on behalf of SPS has been authorized and appointed to sign such documents. This appointment, and the scope of the signer's authority to act on behalf of SPS, is set forth in a

corporate authority document prepared under the direction of SPS's Legal Department

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

32. Borrower payments are directed to be sent to a lockbox maintained by SPS. Payments are required to be processed upon receipt and application of payment is required to match the date upon which the payment was received by SPS. Payments are processed through an automated payment posting system, and exceptions to the automated payment application process are reviewed and cleared on a daily basis. This process takes place in a secure facility and is monitored by closed circuit camera. There are numerous safeguards built into the payment processing system to ensure that customer payments are posted accurately and in a timely manner. In addition, SPS's Servicing Risk Management Department audits the Cashiering Department and the payment posting process on a regular basis.
33. SPS's loan servicing system of record is based upon the widely-used MSP loan servicing system, which is used to service more than 50% of mortgages in the United States. Information contained in the MSP loan servicing system includes details of each loan, such as unpaid principal balance, interest rate, maturity date, due date, payment history, escrow and corporate advances made on the loan, etc.
34. Payment information is directly imported from the lockbox payment processing center into the MSP loan servicing system on a daily basis.

35. Each SPS employee using this loan servicing system is assigned a unique identifier. This loan servicing system incorporates both group and individual system permissions that restrict access to the system based upon what the individual actually needs to do within the system.
36. The ability to modify entries in MSP is limited to individuals whose job function requires them to make changes.
37. Whenever a change is made within this system, there is a record of additions to, changes to, or deletions from system information with respect to any mortgage loan, which includes the identity of any individual making the change.
38. This system tracks payment information, customer contact and communication history, and other critical information related to individual mortgage loans. This information is available to SPS's authorized signers when they execute any foreclosure document.
39. SPS has also created a proprietary system<sup>1</sup> that stores certain relevant information from the servicing agreements, including the name in which any foreclosure action is to be conducted. This system is integrated into SPS's loss mitigation system.
40. Although SPS regularly reviews its systems to identify potential improvements, SPS does not currently anticipate making any material changes to these systems

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<sup>1</sup> This system is called Lighthouse and will be described in more detail below

*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.*

41. As indicated above, SPS does not rely on foreclosure documents prepared by outside foreclosure counsel without a detailed review by the SPS authorized signer.
42. When a foreclosure document is presented to SPS for signature, a copy of the document, together with hard copies of supporting documents and business records, are required to be compiled and delivered to the authorized signer for review
43. Before a foreclosure document is signed, the SPS authorized signer is required to personally review applicable account specific information, which includes supporting material from the SPS system of record.
44. The authorized signer's signature is intended to reflect his or her personal review of and acknowledgement that the facts contained in the certification are supported by SPS's business records.
45. This information is available to and is required to be reviewed by SPS's authorized signers when they execute any foreclosure document
46. In addition, prior to any loan being referred to foreclosure, CARD is required to review the account to make certain that SPS has a copy of the Note and that it is properly endorsed or that an allonge is attached. CARD is also required to review

the loan to ensure there are no material open issues with the account that would warrant delaying the foreclosure process.

47. Although SPS regularly reviews its systems and practices to identify potential improvements, SPS does not currently anticipate making any material changes to these systems and practices

*1(e). State in detail 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.*

48. Each SPS authorized signer has significant foreclosure experience and training. Each of these employees is required to complete company-mandated compliance and servicing training as well as specific foreclosure-related training every year.
49. The average tenure at SPS for these authorized signers is over seven years and the least tenured authorized signer has been with SPS for four years.
50. Over the past two years, on average these employees each received approximately: (a) 20 hours of compliance-specific training (which includes our company-wide mandatory compliance refresher training and certification); (b) 25 hours of servicing-specific training; and (c) 5 hours of general corporate training.
51. In order to facilitate open dialogue and training opportunities, authorized signers and notaries typically are in the same room with the Vice President of Foreclosure and participate in a daily meeting in which they review and sign foreclosure documents. This enables them to discuss any questions they may have with other authorized signers.
52. The Vice President and Manager of the Foreclosure Department routinely review issues and provide feedback to the other authorized signers as necessary

*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.*

53. SPS uses a web-based system called LPS Desktop to handle communications between SPS and foreclosure attorneys in New Jersey. This system is used by a majority of residential mortgage loan servicers.
54. LPS Desktop is linked to SPS's servicing system of record, MSP, and provides the foreclosure attorney with information about the mortgage loan, including, but not limited to, the interest rate, payment due date, loan amount, date of the note, etc. New Jersey attorneys who process foreclosure actions on behalf of SPS have access to all data necessary to prepare accurate foreclosure documents. This system allows the attorney to request additional information as needed and tracks the communication and additional information provided by any SPS foreclosure employee.
55. In addition, SPS provides New Jersey foreclosure counsel with imaged copies of any relevant documents from the related mortgage loan collateral file.
56. SPS also has a proprietary system called "Lighthouse" that contains certain relevant information from servicing agreements, such as the name in which the foreclosure action is to be conducted. This name is automatically included in the referral of any foreclosure matter to local counsel.

*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*

57. Please see Paragraphs 23 through 56 above, for a description of the documentation and information provided to outside counsel in connection with any foreclosure document.
58. SPS uses the LPS Desktop technology to notify foreclosure counsel to stop or suspend the foreclosure process in certain circumstances (e.g., when loss mitigation has been approved, when bankruptcy has been filed by a borrower, when a borrower has reinstated the loan, or when other circumstances indicate that the foreclosure should not proceed).
59. As previously stated, SPS's foreclosure document process is designed to ensure that authorized signers do not rely on foreclosure documents prepared by outside counsel without conducting an independent review of those documents. Before a foreclosure document is signed, the authorized signer is required to review business records to confirm the accuracy of applicable account-specific information.
60. If details in the foreclosure document are inaccurate or incomplete, the authorized signer is required to either correct or reject the foreclosure document.

*1(h) State whether you utilized or intended 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.*

61. SPS's Servicing Risk Management ("SRM") Department audits the Foreclosure Department at least twice annually

62. In addition, under the direction of SPS's General Counsel, SRM audits the authorized signer and foreclosure document processes described in this Certification on a monthly basis
63. The Vice President of SRM is a former auditor from a national accounting firm
64. SPS has not retained an independent auditor to review the processes described herein. I believe that SPS is in compliance with the legal and regulatory requirements applicable to mortgage loan servicing in connection with foreclosure actions in New Jersey.
65. SPS is committed to full and complete cooperation with Judge Barisonek's request. If you have additional questions or require additional information about any of the issues addressed in this Certification, please contact me right away.

I certify that the foregoing statements made by me are based upon my personal knowledge and are true and correct to the best of my knowledge. This Certification does not waive any claim to privilege or confidentiality by SPS.

DATED: June 9, 2011

  
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Jerry French