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June 17, 2011

Via Hand Delivery

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

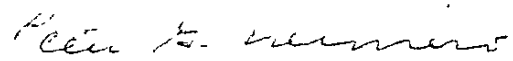
Re: ***Joint Submission of HSBC, Household and Beneficial entities in response to Judge Barisonek's April 25, 2011 Letter, Docket No. F-238-11***

Dear Judge Barisonek:

This firm represents HSBC Bank USA, N.A., HSBC Mortgage Corporation (USA), Beneficial Financial I Inc., successor by merger to Beneficial New Jersey, and Household Finance Corp III, misidentified in Administrative Order 01-2010 as Household Finance Co (collectively, HSBC)

Enclosed is HSBC's submission in response to Your Honor's supplemental request for information dated April 25, 2011, pursuant to Administrative Order 01-2010 dated December 20, 2010, as modified by the Supplemental Administrative Order dated January 31, 2011

Respectfully submitted,



Peter G Verniero

Encls

cc: Superior Court Clerk (w/ enclosures via e-mail)

FILED Jun 16, 2011

IN THE MATTER OF RESIDENTIAL MORTGAGE FORECLOSURE PLEADING AND DOCUMENT IRREGULARITIES	Administrative Order 01-2010 Docket No. F-00238-11 **CERTIFICATION OF SCOTT A. WHITNEY IN RESPONSE TO THE REQUEST FOR INFORMATION DATED APRIL 25, 2011 FROM THE HONORABLE WALTER R. BARISONEK**

SCOTT A. WHITNEY, being of full age, hereby certifies and states as follows:

1. I am a Vice President of CML Default Services at HSBC Consumer and Mortgage Lending I have held this position for approximately three years and am responsible for management and oversight of the foreclosure process for all HSBC real estate entities I have been employed by various HSBC entities since September 2002.

2 I make this Certification on behalf of HSBC Bank USA, N.A ("HSBC Bank"), HSBC Mortgage Corporation (USA) ("HSBC Mortgage"), Beneficial Financial I Inc , successor by merger to Beneficial New Jersey ("Beneficial"), and Household Finance Corp III, misidentified as Household Finance Co ("Household", together with Beneficial, "Consumer Lending") (HSBC Bank, HSBC Mortgage, Beneficial and Household are collectively referred to herein as "HSBC") in response to the supplemental request for information dated April 25, 2011 ("Supplemental Request") by The Honorable Walter R. Barisonek pursuant to the Administrative Order 01-2010 issued by the Honorable Glenn A. Grant, Acting Administrative Director of the Courts, dated December 20, 2010 as modified by the Supplemental Administrative Order dated January 31, 2011 (collectively, the "Administrative Order"). The policies and procedures discussed below apply to each of these HSBC entities except as noted elsewhere herein.

3 HSBC Mortgage assigned its servicing responsibilities to HSBC Bank as of June 13, 2011

4. I am authorized to make this Certification on behalf of HSBC and I am fully familiar with the facts set forth herein through my personal knowledge and from my personal review of HSBC's business records, which HSBC maintains in the ordinary course of its business

Introduction

5 HSBC recognizes the importance of the integrity of its foreclosure process, including with respect to uncontested residential foreclosures. Many precautions are taken to help ensure that proper procedures and requirements are followed for foreclosure actions in New Jersey Of the 23,960 total mortgages serviced by HSBC in New Jersey as of December 31, 2010, only 1,792 were subject to either contested or uncontested foreclosure actions (approximately seven percent). HSBC's processes, which include extensive outreach to borrowers in default prior to commencement of formal foreclosure actions, protect borrowers to ensure that foreclosures are processed properly in each case when necessary as an avenue of last resort. .

6. While HSBC periodically evaluates its foreclosure processes and continues to implement improvements, the safeguards historically employed by HSBC to date have protected borrowers from prejudice during the foreclosure process I am unaware of any instance in which HSBC has wrongfully foreclosed upon a residence in New Jersey under circumstances in which the borrower was not in fact in default

7. Nevertheless, in an abundance of caution in light of the controversy currently surrounding uncontested residential foreclosures generally, HSBC voluntarily suspended all new filings of foreclosure actions in New Jersey and instructed all of its New Jersey foreclosure firms

to suspend foreclosure activities for all pending uncontested residential foreclosure actions HSBC's decision in this regard in no way reflects any lack of confidence in its own practices but is rather a demonstration of good faith and an indication of how seriously HSBC takes the recently publicized concerns about foreclosures generally. The decision to suspend pending foreclosures has provided HSBC an opportunity to validate its belief that its policies and practices are indeed appropriate. The responses below describe HSBC's policies and procedures currently in effect and that will be applied to New Jersey foreclosure actions when those actions resume in the future

Question 1(a). Personal Knowledge and Review of Business Records

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.

8. In response to question 1(a) of the Supplemental Request, employees of HSBC who execute certifications in New Jersey and elsewhere consistently have had appropriate knowledge of the relevant aspects of the borrower's loan file and signed certifications that accurately reflect the information they reviewed.

9 HSBC has in place a number of processes and procedures to ensure that certifications and/or affidavits[1] are based upon the signer's personal knowledge and review of business records

10 HSBC requires that all certifications in New Jersey residential foreclosure proceedings be executed by an employee at the Manager level (or higher) Prior to signing, the

[1] Because certifications rather than affidavits are typically used in New Jersey, this certification will hereafter refer in most instances only to "certifications" in response to these requests for information However, the procedures for affidavits is the same with the exception of the notary process, which is also addressed below

Foreclosure Manager who executes a certification receives a review package, which is prepared by a Foreclosure Specialist in the HSBC Foreclosure Review Department ("Foreclosure Department"), and reviewed and signed off on by HSBC's Late Stage Default Quality Review Department ("Quality Review Department") prior to being delivered to the Manager. The review package includes all source documents necessary to verify the substantive accuracy of the certification, including a print out of the draft certification initially prepared by outside foreclosure counsel, the payoff statement to confirm the financial information for the mortgage loan, and any loan documents, correspondence and other business records relevant to the information contained in the certification.

11. Upon receipt, the Foreclosure Manager reviews the draft certification, including all documents in the package and validates the accuracy of the information contained in the certification. Upon verifying that the information in the certification is correct, the Foreclosure Manager executes the certification.

12 If the information in the draft certification is not correct, or the Foreclosure Manager's review discovers a discrepancy between the information in the certification and the information in the review package, the Foreclosure Manager does not execute the certification, but instead returns the package to the Quality Review Department. After the correct documentation is located and/or the certification is amended to reflect the loan information correctly, the review process is repeated until the Foreclosure Manager, through his or her personal review, is satisfied that the certification is substantively correct and executes the certification Individual steps in this process leading up to the certifier's review are described in additional detail in the responses that follow.

Question 1(b)(i). Lawful Execution of Certifications

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.

13. In response to question 1(b) of the Supplemental Request, while "robo-signing" has been a focus of the media in recent months, HSBC has not been accused of this practice in New Jersey In New Jersey, HSBC primarily utilizes certifications, as opposed to affidavits, for presenting evidence admissible in New Jersey Courts consistent with the advice of New Jersey foreclosure counsel and in compliance with New Jersey Rule 1:4-4(b). The certification procedure thereby eliminates notarization issues that other lenders and servicers in other states reportedly have experienced with respect to affidavits

14. As described in response to question 1(a) above, HSBC requires that all foreclosure documents be executed by someone with appropriate seniority and only after they have personally reviewed business records kept in the ordinary course of business that are sufficient to validate the substantive accuracy of the certification.

15. In all instances, certifications in residential foreclosure proceedings must be executed by an employee with sufficient authority of at least the Manager level. If there is a need to execute a certification by a third party on behalf of HSBC (for example, for HSBC loans that are services by another entity) approval must be obtained in advance by someone in the position of Director, or higher.

16. In the rare event that an affidavit is submitted instead of a certification during the course of a New Jersey residential mortgage foreclosure proceeding, HSBC policies and procedures require that the Foreclosure Manager, after reviewing the package and verifying the information as described above, execute the affidavit in the presence of a notary HSBC maintains strict policies and procedures for notarized documents that require, among other

things, that the notary must (1) either know the affiant or request an acceptable form of identification; (2) confirm that the affiant understands the document, (3) check the date and location on the document; (4) determine whether the document requires an oath or acknowledgement, and (5) witness the physical act of signing of the document.

17. An HSBC Compliance officer performs monthly reviews of the notary status of employees authorized to notarize legal documents. The Compliance Department ("Compliance") also performs a semi-annual quality control review to help ensure that these monthly reviews of the notary lists are being completed.

18. HSBC's Quality Review Department maintains, reviews and updates a list of approved signers who are authorized to sign certifications and affidavits for residential foreclosure actions. To become an approved foreclosure signer for a particular HSBC corporate entity, the relevant department manager must submit a request to the Late Stage director, with copies to Quality Review management, along with proof that the prospective signer has completed business records training. If approved by the director, the department manager sends the necessary documentation to the corporate secretaries to have the individual added to the approved signing authority list for the relevant corporate entity.

19. Each day, HSBC conducts an audit on a sample of executed foreclosure affidavits and/or certifications In addition, HSBC also started to conduct a monthly document execution review, which compares the names on a sample of executed affidavits and certifications against the approved signing authority lists. The result of each monthly sample are forwarded to the Quality Review Department management, the Legal Department ("Legal"), Compliance, and the Operations Risk Management team ("ORM") The signing authority lists are also reviewed quarterly for updates and modifications for approval by a Late Stage director

Question 1(b)(ii). Authority to Sign on Behalf of Plaintiff

State the processes and procedures in place to ensure that the person executing the certification/affidavit, pursuant to (a), has the authority to act in behalf of the plaintiff/servicer.

20. HSBC policies and procedures ensure that a person with proper authority executes certifications. They do this on two levels: first, that the HSBC entity itself has proper authority to act on behalf of the plaintiff/servicer in any particular residential mortgage foreclosure action, and second, that the individual signer has proper authority to sign on behalf of that HSBC entity

21. HSBC itself services the vast majority of residential mortgage loans that it either originated or acquired, for example through the acquisitions of Household and Beneficial HSBC therefore has proper authority to execute certifications on behalf of its own loan portfolio With respect to residential mortgages that HSBC services for other non-affiliated mortgagees, HSBC executes certifications in a manner consistent with the servicing agreements between HSBC and the mortgagee

22. In either case, HSBC policies and procedures set forth a detailed process to ensure that the appropriate HSBC entity has authority to commence each foreclosure action and execute certifications in support of such actions. HSBC's policies and procedures require that each certifier verifies through his or her own personal knowledge and/or HSBC's business records that HSBC in fact has authority to execute the certification As described in more detail in response to question 1(c) in the accompanying certifications, information identifying the chain of title for each mortgage assignment from the mortgage loan's origination to the time of commencing a foreclosure action is tracked, and verified during HSBC's Legal Entity Review process

23. With respect to individual execution authority, as described in response to question 1(b)(i) above, HSBC has policies and procedures in place to ensure that only

individuals on an HSBC entity's signing authority list can execute foreclosure documents on behalf of that particular HSBC entity.

Question 1(c).Record Keeping System

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.

24 This response supplements information in response to Question 1(c) contained in the Certification of Susan Wojnar, submitted herewith.

25 Following default on a mortgage loan, information relating to the delinquent account is loaded onto the LPS Desktop ("LPS") system.[2] LPS is an electronic communication portal with outside foreclosure counsel that is operated by Lender Processing Services, Inc In addition to providing access to documents in the mortgage loan file, LPS contains a secure e-mail communications function that permits HSBC to communicate with its foreclosure counsel during the prospective foreclosure process LPS is used to share information with outside foreclosure counsel to prepare for foreclosure.

26 As with the other systems of record, LPS is also password protected Only individuals authorized by HSBC can update information on a loan account in LPS. Such authorizations are provided only after the individual has been approved by three authorization checks

27 Although the time may vary depending on work-out arrangements and other factors, a delinquent account is not referred to outside foreclosure counsel until at least fifty-nine days after default, and in many instances even longer. For example, delinquent loans owned by

[2] This process is automated for accounts serviced on the LPS MSP and MortgageServ systems, but is done manually for legacy accounts on the Century II system that is not directly compatible with LPS.

HSBC entities are typically not referred to outside foreclosure counsel for approximately 120 days after default. HSBC, however, actively continues to seek work-outs or other resolution with the borrower during this time in an effort to avoid formal foreclosure proceedings, as described in more detail in the Certification of Donald J. Scarcello, submitted herewith.

28. Any additional updates relating to an account are automatically updated in LPS during the foreclosure process at the time that it is entered into the LPS Mortgage Servicing System ("LPS MSP") or MortgageServ servicing record systems. Although the Century II servicing record system is not directly compatible with LPS and therefore can not be automatically updated, information for legacy mortgage accounts still on Century II is manually updated on LPS within a day (LPS MSP, MortgageServ and Century II are referred to herein collectively as the "Servicing System") Foreclosure counsel therefore has contemporaneous access to the most up-to-date information on HSBC's systems of record relating to mortgages that are in foreclosure and can modify, stay or dismiss such proceedings accordingly

29. Moreover, in the event that a payment from the borrower or other activity is relevant to a pending foreclosure action against that borrower, HSBC has a Foreclosure Hold Monitoring team that reviews all foreclosure holds for accuracy and helps ensure that holds on mortgage foreclosures are recorded properly in HSBC's Servicing System and handled appropriately by HSBC's Foreclosure Department and outside foreclosure counsel HSBC's policies and procedures thereby protect borrowers against unwarranted foreclosure where an account is no longer in default or a work-out resolution has been reached

Question 1(d). Review of Certifications for Accuracy

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.

30. In response to question 1(d) of the Supplemental Request, HSBC notes that at the current time, it has suspended all residential foreclosure actions in New Jersey. However, current HSBC practices and procedures employ a number of safeguards to help ensure the accuracy of information in its foreclosure certifications and affidavits

31. Outside foreclosure counsel is typically responsible for the initial draft of certifications to be submitted to the court As explained above, foreclosure counsel has access through LPS to the most current information relating to the loan accounts. HSBC expects foreclosure counsel to use this information, and to check its draft certification against the imaged original loan documents, prior to transmitting the draft certification to HSBC.

32. Once received, HSBC policies and procedures require that the authorized signer personally review all of the specific business records on the Servicing System that are referenced in the certification. During the review process, the signer must validate financial data and other information contained in the certification, such as the loan balance.

33. If the information in the certification does not correspond with HSBC's records maintained in the ordinary course of business, the certifier must either amend the certification prior to execution to reflect the correct information, or return the unsigned certification to outside foreclosure counsel to be amended. To the extent that the certifier is not able to verify certain documents or information contained in the certification through a personal review of HSBC's records maintained in the ordinary course of business, the certifier must revise the certification to

exclude any reference to material that the certifier was unable to review or verify prior to execution, or return the unsigned certification to outside foreclosure counsel to be revised. To facilitate this review process, HSBC has developed a check list of the required documents for certifications of amount due that the signer must personally review prior to execution

34. HSBC also employs various quality control procedures to help facilitate the review of amounts due and other figures that typically appear in certifications and to further eliminate the risk of human error in such calculations. For example, the HSBC Foreclosure Department documents financial information at the point in time in which the certification is to be executed, such as imaging and retaining the payoff statement from HSBC's Servicing System as a means to verify and memorialize the figures contained in the certification. HSBC's policies and procedures thereby help ensure consistency in determining the fees, interest, late charges and other financial information assessed within foreclosure certifications

Question 1(e). Training Programs for Certifications

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.

35. In response to question 1(e) of the Supplemental Request, all individuals that draft or execute certifications or affidavits are required to take HSBC's business records training course. This program is taught in a classroom setting using a power point presentation that covers loan servicing and record keeping procedures and best practices to educate employees on HSBC's business practices relating to boarding, maintaining and servicing mortgage loan business records. The business records training provides employees who execute certifications for foreclosure purposes with information about HSBC's loan servicing processes and controls in order to confirm the reliability of electronically-stored information as well as hard-copy

documents that HSBC employees access in the normal course of business, which certifiers rely upon when reviewing and executing certifications.

36 Included in the business records training program is instruction regarding the monitoring and maintenance performed to help assure the integrity of the Servicing System, the safeguards HSBC employs to help assure the accuracy of the information and to identify and correct any errors that may occur, the controls HSBC has in place to secure information on the Servicing System, and the procedures by which information is collected from source materials and input on the Servicing System

37. The training program helps ensure that each HSBC certification signer has actual personal knowledge of the mortgage loan account as well as the appropriate procedures for creating, executing and maintaining HSBC business records At the conclusion of the business records training program, each participant is certified for one year. Employees must thereafter repeat the course each year to maintain their certification.

38. Following their training, each notary and employee with authority to execute documents on behalf of HSBC are annually required to read and acknowledge, in writing and in the presence of senior management, that they understand and will fully comply with the requirements of their respective appointment To the extent that questions arise during the course of their duties, these employees are instructed to report to their respective direct line manager, who administers the training.

39. In addition, HSBC employees are periodically informed of new developments in foreclosure law and procedures through workshops presented by outside foreclosure counsel Foreclosure counsel also periodically send written updates to HSBC's Foreclosure Department to keep employees up to date on such developments in between workshops.

Question 1(f). Current and Accurate Information to Foreclosure Counsel

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.

40 In response to question 1(f) of the Supplemental Request, when foreclosure is deemed appropriate by HSBC's Foreclosure Department, HSBC retains one of a selected panel of New Jersey outside counsel that specializes in residential foreclosure law to commence and oversee the foreclosure action from start to finish. HSBC currently uses only four outside foreclosure counsel for residential mortgage foreclosures in New Jersey. Each of these firms is highly specialized, experienced and knowledgeable in this area of law. Foreclosure counsel is retained for the purpose of using its expertise to ensure that foreclosure documentation is properly prepared in compliance with state and federal foreclosure laws As previously mentioned, I am unaware of the wrongful sale of a residence for which the borrower was not in default resulting from an HSBC foreclosure action in New Jersey in 2010 or 2011.

41. Outside foreclosure counsel is primarily responsible for initial drafting of pleadings, briefs and certifications to be filed with the court in a residential mortgage foreclosure proceeding. Foreclosure counsel is also expected to conduct a title search of the property and a military service check on the mortgagor(s) HSBC instructs foreclosure counsel to use these documents and other loan information provided to them by HSBC on LPS to facilitate their preparation of these documents. As explained above, outside foreclosure counsel has access to the most up to date information regarding the mortgage loan account through LPS, which is either automatically and simultaneously updated with any new information for accounts on the LPS MSP and MortgageServ servicing record systems, or is manually updated typically within 24 hours for legacy accounts on the Century II servicing record system.

42. Foreclosure counsel then transmits documents that require client review and/or signature, such as certifications and verified complaints, to the HSBC Foreclosure Department As described above, a Foreclosure Specialist in the Foreclosure Department then prepares a review package that includes all source documents necessary to verify the substantive accuracy of the certification, including a print out of the draft certification, the payoff statement to confirm the financial information for the mortgage loan, and any loan documents, correspondence and any other business records relevant to the information contained in the certification

43 All such documents are then delivered to HSBC's Quality Review department for a comprehensive review prior to execution. Quality Review uses source documents and screen prints from the Servicing System, along with any other documents referred to in the certification to confirm the accuracy of the content of the certification. A Quality Review checklist assists each reviewer with this task. If all evidentiary documentation is not provided, the certification is rejected and returned to the Foreclosure Department

44. In the event that Quality Review identifies any inaccuracies, they are corrected by the Foreclosure Department and then re-reviewed by Quality Review until the certification, verified complaint or other foreclosure document is confirmed to be accurate The results of each review are provided to Quality Review for any action, as necessary

45. Certifications verified as accurate by Quality Review are then transmitted to Foreclosure Management for signature. The executed certification is then returned to outside foreclosure counsel for further review and filing HSBC instructs its outside foreclosure counsel not to alter or amend certifications that have been executed by HSBC personnel.

46. HSBC relies on outside foreclosure counsel to further review the executed documents it receives from HSBC and to ensure consistency between HSBC executed

documents and any other documentation that foreclosure counsel intends to file with the court. HSBC foreclosure specialists and outside counsel communicate through LPS, e-mail and telephone in the event that any additional information or clarifications are required. To the extent that corrections need to be made, the above process is repeated until the certification, verified complaint, or other foreclosure document is verified to contain correct information according to HSBC records maintained in the ordinary course of business.

47 Following its final review, outside foreclosure counsel typically transmits the completed papers to an outside abstract company, such as Garden State Legal, that has extensive experience and expertise with foreclosure filings for yet another level of review to help further identify and avoid errors in form or substance prior to filing.

48 If subsequent review by outside counsel or the abstract company necessitates any change to a certification, verified complaint or other foreclosure document previously executed by an HSBC employee, it is HSBC's policy to require the executed document to be revised by outside counsel and sent to HSBC for re-execution with the correct information. Under no circumstances does HSBC authorize outside counsel to alter or amend a certification after it has been signed by HSBC. To the contrary, if a change to a prior signed certification is needed, a new certification is prepared and sent to HSBC for review and signature, as described above.

49 After review and approval by an abstract company, HSBC's outside counsel then typically files the documents with the Office of Foreclosure in Trenton or the Court before which the foreclosure action is pending.

Question 1(g). Final Review of Documents

State the review process you and foreclosure counsel have in place for the final review of documents to be submitted to the Court pursuant to Rule 4:64-1 et. seq.

50. The final review process is described above in response to question 1(f) of the Supplemental Request. These multiple levels of review by outside counsel prior to submission to HSBC for execution, HSBC's Foreclosure Department, HSBC's Quality Review team, the HSBC certifier, outside counsel following execution and the abstract company help ensure the accuracy of foreclosure documents executed by HSBC and filed with the Foreclosure Office or Court contain accurate information.

Question 2. Servicer Information

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

51 Consistent with the Special Master's instructions to our counsel, I have been informed that this question is not applicable to HSBC. Should the Court wish any further information or clarification from the entities that service HSBC's residential mortgage loans, HSBC remains ready to assist the Court in procuring such information

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 16, 2011

SCOTT A WHITNEY

IN THE MATTER OF RESIDENTIAL MORTGAGE FORECLOSURE PLEADING AND DOCUMENT IRREGULARITIES	Administrative Order 01-2010 Docket No. F-00238-11 **CERTIFICATION OF SUSAN WOJNAR IN RESPONSE TO THE REQUEST FOR INFORMATION DATED APRIL 25, 2011 FROM THE HONORABLE WALTER R. BARISONEK**

Susan Wojnar, being of full age, hereby certifies and states as follows

1 I am a Senior Vice President of Servicing Administration with HSBC Consumer & Mortgage Lending I have held this position for 2 years and am responsible for Note and Legal Entity Validation which includes the creation and execution of assignments out of MERS. I have been employed by HSBC since 1997

2. I make this Certification on behalf of HSBC Bank USA, N.A. ("HSBC Bank"), HSBC Mortgage Corporation (USA) ("HSBC Mortgage"), Beneficial Financial I Inc , successor by merger to Beneficial New Jersey ("Beneficial"), and Household Finance Corp III, misidentified as Household Finance Co. ("Household ", together with Beneficial, "Consumer Lending") (HSBC Bank, HSBC Mortgage, Beneficial and Household are collectively referred to herein as "HSBC") in response to the supplemental request for information dated April 25, 2011 ("Supplemental Request") by The Honorable Walter R Barisonek pursuant to the Administrative Order 01-2010 issued by the Honorable Glenn A. Grant, Acting Administrative Director of the Courts, dated December 20, 2010 as modified by the Supplemental Administrative Order dated January 31, 2011 (collectively, the "Administrative Order"). The policies and procedures discussed below apply to each of these HSBC entities except as noted elsewhere herein

3 HSBC Mortgage assigned its servicing responsibilities to HSBC Bank as of June 13, 2011

4 I am authorized to make this Certification on behalf of HSBC and I am fully familiar with the facts set forth herein through my personal knowledge and from my personal review of HSBC's business records which HSBC maintains in the ordinary course of its business

Question 1(c).Record Keeping System

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.

5. In response to question 1(c) of the Supplemental Request, HSBC uses reputable and widely recognized electronic record keeping systems for servicing residential mortgage loans HSBC Mortgage and HSBC Bank utilize the LPS Mortgage Servicing Platform system ("LPS MSP") developed by third-party vendor Lender Processing Services, Inc. for servicing their residential mortgage loan portfolios This software assists in managing workflow, record keeping, tracking payments and other loan servicing tasks.

6 Consumer Lending utilizes the MortgageServ platform for its HSBC loans, as well as Household and Beneficial loans originated since 2005. Consumer Lending also uses a proprietary system known as Century II for the remaining legacy Household and Beneficial mortgage portfolios No new mortgage loans are boarded on or serviced through Century II. In addition, HSBC uses an electronic image and workflow software system ("Panagon and IAW Filenet") to file and maintain workflow and/or loan document images relating to loans on the LPS MSP, MortgageServ, and Century II platforms

7 The policies and procedures described herein apply to each of these systems (LPS MSP, MortgageServ, Century II collectively, the "Servicing Systems" and Panagon and IAW Filenet collectively, the "Record System") When HSBC originated or acquired a residential

mortgage loan, information concerning the borrower(s), the real property securing the loan, the material loan terms (such as principal, interest rate, monthly payment and loan duration) were loaded systemically into the Servicing System by the New Loan Setup team. HSBC Bank's New Loan Setup group performs a quality control check of these entries.

8 Copies of the note, mortgage or deed of trust, title policy (where applicable), assignments, and other servicing records are loaded into the Record System or maintained in hardcopy files. Payment history, interest, and payoff information relating to the mortgage loan are tracked on the Servicing System These are standard business records that are maintained by HSBC in its ordinary course of business

9 New information on an existing account, such as receipt of a payment, correspondence with the borrower(s) or enrollment in a work-out program, is entered into the Servicing and/or Record System

10 Access to the mortgage loan account information on the Servicing and/or Record System is restricted by security passwords Only individuals authorized by HSBC have access to the Servicing and/or Record System to update the information regarding mortgage loan accounts Employees with access must enter a password to update entries. Security clearance is also tiered to restrict the level of access to appropriate individuals only I am not aware of any data security or integrity problems relating to any of these record keeping systems

11 When an account is delinquent for approximately 60 days (prior to referral to foreclosure counsel), HSBC performs a Legal Entity Review to validate the chain of title for the mortgage from the original lender to the current HSBC entity, and ensures that all intervening assignments are either recorded or prepared and then sent for recording in order to perfect the chain of title sequence This is done by reviewing original or imaged documents on the Record

System uploaded (or "boarded") by the HSBC Records Department in the ordinary course of business. The HSBC Legal Entity Review team ("LER Team") reviews the note, allonges, endorsements, mortgage, assignments, and any other relevant legal documents. When verifying the chain of title, the LER Team checks that the borrower(s) name(s) and property address from the original executed note and the original recorded mortgage match the information on the Servicing System

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 16, 2011

SUSAN WOJNAR

January 31 2011 (collectively, the "Administrative Order") The policies and procedures discussed below apply to each of these HSBC entities except as noted elsewhere herein

3 I am authorized to make this Certification on behalf of HSBC and I am fully familiar with the facts set forth herein through my personal knowledge and from my personal

IN THE MATTER OF RESIDENTIAL MORTGAGE FORECLOSURE PLEADING AND DOCUMENT IRREGULARITIES	Administrative Order 01-2010 Docket No F-00238-11 **CERTIFICATION OF PHYLLIS I. JOHNSTON IN RESPONSE TO THE REQUEST FOR INFORMATION DATED APRIL 25, 2011 FROM THE HONORABLE WALTER R. BARISONEK**

Phyllis I Johnston, being of full age hereby certifies and states as follows:

1 I am a Senior Vice President of General Compliance with HSBC I have held this position for four years and am responsible for Servicing and Default Compliance. I have been employed by HSBC since September, 1977

2 I make this Certification on behalf of HSBC Bank USA, N A ("HSBC Bank"), HSBC Mortgage Corporation (USA) ("HSBC Mortgage"), Beneficial Financial I Inc., successor by merger to Beneficial New Jersey ("Beneficial"), and Household Finance Corp III, misidentified as Household Finance Co ("Household", together with Beneficial, "Consumer Lending") (HSBC Bank, HSBC Mortgage, Beneficial and Household are collectively referred to herein as "HSBC") in response to the supplemental request for information dated April 25, 2011 ("Supplemental Request") by The Honorable Walter R Barisonek pursuant to the Administrative Order 01-2010 issued by the Honorable Glenn A Grant, Acting Administrative Director of the Courts, dated December 20, 2010 as modified by the Supplemental Administrative Order dated January 31, 2011 (collectively, the "Administrative Order"). The policies and procedures discussed below apply to each of these HSBC entities except as noted elsewhere herein.

3 I am authorized to make this Certification on behalf of HSBC and I am fully familiar with the facts set forth herein through my personal knowledge and from my personal

review of HSBC's business records, which HSBC maintains in the ordinary course of its business

Question 1(h). Independent Auditor

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.

4 In response to question 1(h) of the Supplemental Request, HSBC is utilizing an independent auditor to review HSBC s processes and procedures.

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 16, 2011

Phyllis I Johnston

IN THE MATTER OF RESIDENTIAL MORTGAGE FORECLOSURE PLEADING AND DOCUMENT IRREGULARITIES	Administrative Order 01-2010 Docket No F-00238-11 **CERTIFICATION OF DONALD J. SCARCELLO IN RESPONSE TO THE REQUEST FOR INFORMATION DATED APRIL 25, 2011 FROM THE HONORABLE WALTER R. BARISONEK**

Donald J Scarcello, being of full age, hereby certifies and states as follows:

1 I am a Senior Vice President, Default Services for HSBC Mortgage Services, Inc. and HSBC Bank USA, N.A. I have held this position for approximately two years and am responsible for customer service and collection contact as well as loss mitigation (modification) processing.

2. I make this Certification on behalf of HSBC Bank USA, N.A. ("HSBC Bank"), HSBC Mortgage Corporation (USA) ("HSBC Mortgage"), Beneficial Financial I Inc , successor by merger to Beneficial New Jersey ("Beneficial"), and Household Finance Corp. III, misidentified as Household Finance Co. ("Household", together with Beneficial, "Consumer Lending") (HSBC Bank, HSBC Mortgage, Beneficial and Household are collectively referred to herein as "HSBC") in response to the supplemental request for information dated April 25, 2011 ("Supplemental Request") by The Honorable Walter R Barisonek pursuant to the Administrative Order 01-2010 issued by the Honorable Glenn A. Grant, Acting Administrative Director of the Courts, dated December 20, 2010 as modified by the Supplemental Administrative Order dated January 31, 2011 (collectively, the "Administrative Order") The policies and procedures discussed below apply to each of these HSBC entities except as noted elsewhere herein.

3. I am authorized to make this Certification on behalf of HSBC and I am fully familiar with the facts set forth herein through my personal knowledge and from my personal review of HSBC's business records, which HSBC maintains in the ordinary course of its business.

Question 1(c).Record Keeping System

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.

4 I submit this response to supplement the responses to question 1(c) contained in other certifications submitted herewith

5. Under HSBC policies and procedures, a mortgage loan is not eligible for foreclosure review until the borrower is at least 120 days past due Prior to and even during pending foreclosure actions, HSBC offers extensive loss mitigation options to defaulting mortgage loan borrowers During that time, HSBC makes numerous attempts to contact and notify the borrower of available loss mitigation opportunities HSBC works extensively with borrowers to avoid foreclosures if possible through these work-out plans often resulting in a loan modification This is consistent with HSBC's commitment to its borrowers to make foreclosure an option of last resort.

6. In fact, as soon as the loan is identified as delinquent, HSBC begins to contact the customer by telephone, letter and email to determine whether collection is possible HSBC uses these notifications to inform the customer about loan modification options

7 Since 2003, HSBC has offered a comprehensive mortgage loan modification program for its customers Once a modification is approved, the loan is placed "on hold" until the modification is finalized. As of December 2010, approximately 55% of HSBC's real estate

portfolio had been modified and/or re-aged HSBC's loan modification program has provided an average 25% reduction in payment relief to borrowers In addition, HSBC Bank also participates in the Home Affordable Modification Program ("HAMP") for its FNMA and FHLMC serviced loans.

8. If the customer does not qualify for loan modification, HSBC will offer the customer other options for avoiding foreclosure, such as a short sale or deed in lieu of foreclosure.[1] Borrowers often prefer these options to foreclosure because they afford greater control over the timing of the sale and the date by which the borrower vacates the property

9 HSBC also meets with customers face to face at various customer outreach events Letters are sent to customers to advise them about these outreach events. Customers who choose to attend are evaluated by HSBC personnel to determine whether they qualify for a loan modification, short sale or deed in lieu.

10 Furthermore, HSBC offers relocation assistance. This money can either be used towards moving expenses if the customer is required to move out of their home, or, if they have already relocated, towards any other expenses the customer may have

11. If all of these efforts prove unsuccessful by the time the borrower is 70 days past due, HSBC sends the customer a Notice of Intent to Foreclose consistent with New Jersey's Fair Foreclosure Act. For investor owned accounts, HSBC follows investor guidelines for sending the Notice of Intent to Foreclose, which are also consistent with New Jersey's Fair Foreclosure

[1] A short sale is when the borrower owes more on the mortgage loan than the home is worth and the borrower is afforded a certain period of time to sell the home prior to commencing a foreclosure action on the property. The borrower may then use proceeds from the sale to pay off the loan and the lender typically will waive its rights to collect any deficient amount due A deed-in-lieu foreclosure allows the borrower to transfer ownership of the residence directly to HSBC to satisfy the mortgage debt This option would be available only when the property is not subject to any other liens

Act HSBC does not, however, commence formal foreclosure proceedings at that time and continues to attempt to communicate with the borrower

12 Should these efforts fail, HSBC does not refer the delinquent loan to its Foreclosure Department to determine if the loan is eligible for foreclosure until the account is 120 days or more past due. The Foreclosure Review Department conducts an independent review to determine whether the account meets all state, federal and internal requirements for proceeding with a foreclosure action. The review includes a check to confirm that the borrower is in default, that the Notice of Intent letter was issued to the borrower, and that the appropriate loss mitigation efforts have been made. It is only after this review is complete that the matter may be referred to outside foreclosure counsel to commence foreclosure proceedings.

13. Only in those instances when the borrower does not respond or a work out plan is not feasible does HSBC pursue foreclosure – and then, only after the borrower has failed to make several months of payments. It is important to keep in mind that by the time a foreclosure sale is completed the borrower is, on average, approximately 20 months delinquent on the loan. Loss mitigation efforts, however, do not cease upon filing of foreclosure. HSBC still seeks to communicate with the borrower to reach a work-out solution even after the foreclosure process is initiated Should a loan modification or other work out be reached with the defaulting borrower, such information is reflected in the records systems.

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 17, 2011

Donald J Scarcello

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IN THE MATTER OF RESIDENTIAL MORTGAGE FORECLOSURE PLEADING AND DOCUMENT IRREGULARITIES	Administrative Order 01-2010 Docket # F-238-11 **RULE 1:4-4(c) CERTIFICATION**

David L. Cook, being of full age, hereby certifies and states as follows:

1. I am an attorney-at-law licensed to practice in the State of New Jersey and am Of Counsel at the law firm Sills Cummis & Gross P.C., attorneys for respondents HSBC Bank USA, N.A., HSBC Mortgage Corporation (USA), Beneficial Financial I Inc., successor by merger to Beneficial New Jersey, and Household Finance Corp III, misidentified as Household Finance Co. (collectively, "HSBC") in the above matter

2 The accompanying certifications of Scott A. Whitney dated June 16, 2011, Susan Wojnar dated June 16, 2011, Donald J. Scarcello dated June 17, 2011, and Phyllis I. Johnston dated June 16, 2011, contain their PDF signatures. I certify pursuant to R. 1:4-4(c) that these individuals have acknowledged the genuineness of their signatures and that the original signed documents will be filed if requested by the Court.

3. 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 17, 2011

DAVID L. COOK