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June 15, 2011

**By Hand Delivery and Electronic Filing via JEFIS**

Hon. Walter R. Barisonek, J.S.C.  
Union County Courthouse  
2 Broad Street, Courtroom 101  
Elizabeth, New Jersey 07207

**Re: *In the Matter of Residential Mortgage Foreclosure Pleading  
Docket No. F-238-11: Administrative Order No. 01-2010***

Dear Judge Barisonek:

This firm represents Sovereign Bank ("Sovereign") in connection with the above-captioned Administrative Order. On April 25, 2011, Your Honor issued a letter Order (the "Order") requesting that Sovereign produce detailed information as to certain of its foreclosure related policies and procedures. In response to that Order, Sovereign is herein providing the following Certifications.

(1) Certification of Simone A. Marino, attached hereto as Exhibit A. Mr Marino provides information in response to the majority of the requests in the Order concerning the review and execution of foreclosure-related documents, training and communications with foreclosure counsel.

(2) Certification of Domingas I. Ramos, attached hereto as Exhibit B. Ms. Ramos provides information concerning the payment processing systems of Sovereign as well as employee access to the payment records in response to portions of Question 1c of the Order.

(3) Certification of Robert J Roberts, attached hereto as Exhibit C. Mr Roberts provides information about the mortgage servicing platform and third party vendor access to the Sovereign business records in response to portions of Question 1c of the Order.

In response to Question 2 in the Order, Sovereign has identified three servicers who service Sovereign loans in New Jersey, Valley National Bank Mortgage Services ("VNB"), the Central Loan Administration & Reporting ("CENLAR") and Weichert Financial Services ("Weichert"). I have attached two of the three responses from those subservicers:

(4) Certification of Donna Finch of VNB, attached hereto as Exhibit D; and

(5) Certification of Steven T. Kravitz of Cenlar, attached hereto as Exhibit E.

Hon. Walter R. Barisonek, J.S.C.  
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Weichert employs Dovenmuehle Mortgage, Inc. ("DMI"), to act as the sub-servicer on the Sovereign loans. However, Weichert/DMI only service 10 residential mortgage loans on properties in New Jersey for Sovereign, and only 1 of those 10 loans is currently in foreclosure. Weichert has requested that DMI provide the information in the Order concerning its servicing of the 10 loans. However, as of the date of this submission, DMI has not yet provided the requested certification. If and when we receive additional information from DMI, we will provide that immediately to Your Honor.

We are available to discuss any of the information provided herein.

Respectfully submitted,



Travis P. Nelson

Enclosures

cc: Superior Court Clerk (w/ enclosures email to [SCCOForeclosure.Mailbox@judiciary.state.nj.us](mailto:SCCOForeclosure.Mailbox@judiciary.state.nj.us))  
Sovereign Bank  
Diane A. Bettino, Esq., Reed Smith, Counsel for Sovereign Bank

# **Exhibit “A”**

**REED SMITH, LLP**  
*Formed in the State of Delaware*  
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**Attorneys for Sovereign Bank**

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

**SUPERIOR COURT OF NEW JERSEY**  
**ADMINISTRATIVE ORDER: 01-2010**  
**DOCKET NO.: F-00238-11**

**CERTIFICATION OF SIMONE A. MARINO IN SUPPORT OF SOVEREIGN BANK'S  
RESPONSE TO THE ADMINISTRATIVE ORDER DATED APRIL 25, 2011**

1. I am currently the Senior Vice President in charge of Sovereign Bank's Consumer Loan Default Department. I am a seasoned professional with more than 30 years experience in the residential and commercial mortgage servicing industry.
2. I joined Sovereign Bank in 2007 through the merger/acquisition of Independence Community Bank where I assumed the role as the Assistant Mortgage Servicing Manager. I was assigned full responsibility for the Consumer Default structure in January, 2009.
3. Prior to joining Sovereign Bank, I was the Director of Mortgage Servicing for Summit Bank from 1987 to 2001. I later joined Staten Island Savings Bank/Independence Community Bank where I acted in a senior management role relative to Consumer and Commercial Real Estate loans
4. I have a BS degree in Economics from the City University of New York. I am active in various activities sponsored by the Mortgage Bankers Association, the Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("Freddie Mac")

5. I submit this Certification in support of Sovereign Bank's response to the April 25, 2011 Order directing Sovereign and certain other named foreclosure plaintiffs to provide information about their policies and procedures regarding the accuracy, content and execution of any certification/affidavit filed with the Court

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.**

6. Sovereign takes its obligation to provide current, accurate information about each borrower's mortgage loan account seriously. In that regard, Sovereign has implemented procedures that require multiple quality control checks before information about a loan is released to outside foreclosure counsel for filing with the court. Moreover, Sovereign has taken the heightened awareness of foreclosure-related issues as an opportunity to conduct a comprehensive review and revision of its policies and procedures. Sovereign is continuing to conduct such a review.

7. To ensure the accuracy of information filed with the court, Sovereign has implemented a procedure for the execution of legal documents. Examples of legal documents include Affidavits, Verifications, Assignments, Substitution of Trustee forms, Complaints and any other documents that require the verification of information contained in Sovereign's internal systems. Moreover, originals of critical loan documents, such as the note, mortgage, title policy, and assignment, are kept at with by Sovereign or with the appointed custodian (depending upon the owner/holder of the loan).

8. During the foreclosure process, the account is assigned to a Default Specialist or Default Analyst, who serves as Sovereign's foreclosure representative on that account. Among other things, the foreclosure representative has the following responsibilities:

- a. Ensure that the Fannie Mae and Freddie Mac portfolios are processed according to their respective guidelines;
- b. Monitor foreclosure sales and report applicable results;

- c. Monitor the foreclosure process including timelines and attorney performance;
- d. Prepare charge-offs and first write downs accurately per established guidelines;
- e. Prepare documents required by borrowers, attorneys, investors and courts to assure compliance with timelines and regulations;
- f. Review and process payments timely;
- g. Track tasks in the LoanServ system to ensure the timely completion of foreclosure related tasks.

9. The foreclosure representative is responsible for interacting with outside counsel regarding documentation that is required to commence and complete a foreclosure. At the initial referral stage when a loan is first referred for foreclosure, Sovereign's foreclosure representative provides foreclosure counsel with current and accurate copies of loan related documents contained in Sovereign's records. These documents include the mortgage, any assignments, the note, the payoff figure and the name and address of the borrower(s). Before these documents are released to foreclosure counsel, Sovereign's Foreclosure Quality Control ("FQC") Team reviews the documents for accuracy based on a detailed checklist. The FQC Team is responsible for Quality Control, including reviewing original documents that are hand delivered to the Consumer Loan Default Department, conveying their findings on their review of documents, shipping original documents to foreclosure counsel, maintaining a tracking spreadsheet and compiling monthly findings for distribution to management. In reviewing the documents for accuracy, the FQC Team also reviews the Bank's records to ensure that the account is properly in a foreclosure status. The process involved in referring a loan for foreclosure is further discussed in the response to question 1.f.

10. When foreclosure counsel presents a legal document for execution and/or when Sovereign is asked to prepare a legal document for filing with the court, the foreclosure representatives are required to comply with Sovereign's policy on the Execution of Legal Documents. The policy requires that the foreclosure representative: 1) confirm that all factual information in a legal document is accurate; 2) determine who can sign the legal document and facilitate document execution; and 3) pull all

related documentation from Sovereign's records to verify the accuracy of the information contained in the legal document.

11. In most circumstances, outside foreclosure counsel informs the foreclosure representative whether a legal document can be executed by the foreclosure representative or whether it must be executed by a bank officer. If an officer's signature is necessary, the foreclosure representative must provide the Bank officer with the legal document as well as copies of all supporting documentation in the Bank's records verifying the information contained in the legal document. The officer must read the legal document in its entirety and must check every piece of factual information against the information contained in the Bank's records.

12. The signor of certain legal documents must have personal knowledge of the facts stated in the document before signing them. The signor of any legal document must review and verify the accuracy of the information contained in the legal document by verifying the information against the records of the Bank prior to execution.

13. If the legal document requires notarization, the signor must execute the legal document in the presence of a notary public. Under no circumstances is a notary permitted to attest to the signing of a legal document without the signor being present before them. The notary is expected to comply with the law of the jurisdiction where the document is notarized, in this case Pennsylvania. The relevant Pennsylvania law requires the following in connection with the notarization of a document:

***Determining Identity of Person Appearing. –***

*(a) The officer notarizing the instrument shall know through personal knowledge or have satisfactory evidence that the person appearing before the notary is the person described in and who is executing the instrument For the purposes of this act and section 5 of the act of July 24, 1941 (P.L.490, No.188), known as the "Uniform Acknowledgment Act," "personal knowledge" means having an acquaintance, derived from association with the individual in relation to other people and based upon a chain of circumstances surrounding the individual, which establishes the individual's identity, and "satisfactory evidence" means the reliance on the presentation of a current, government-issued identification card bearing a photograph, signature or physical description and serial or identification number, or the oath or affirmation of a credible witness who is personally known to the notary and who personally knows the individual.*

*(b) In certifying a copy of a document or other item, a notary public shall determine that the proffered copy is a full, true and accurate transcription or reproduction of that which was copied.*

57 PA. STAT. ANN. § 158.1 (West 2011).

14. Once the foreclosure representative or Bank officer has executed a legal document, the legal document is submitted to the FQC team for final review before delivery to outside counsel. The foreclosure representative provides the FQC team with the legal document, the copies of all documents that support the information contained in the legal document and a mailing envelope for delivery of the document to outside counsel. As noted above, the FQC Team verifies from the Bank records that the account is properly in a foreclosure proceeding.

15. The FQC team is responsible for reviewing the legal document and all supporting documents to ensure the accuracy of the legal document. However, if the FQC team finds any errors in the legal document, the legal document must be returned to the foreclosure representative for re-verification of the information contained in the legal document. The FQC team member makes a photocopy of the legal document and all supporting documentation for review and notation purpose. If all information on the legal document is accurate, the FQC team member scans the documents into the Bank's Synergy document imaging retention system. In addition, incorrect notated documentation is also scanned and retained for Quality Control intentions. The verified original legal document is then sent to the foreclosure attorney. The foreclosure representative must confirm filing of the legal document and obtain an "as filed" copy for the Synergy system.

**1.b.i. STATE THE PROCESSES AND PROCEDURES YOU HAVE IN PLACE TO ENSURE THAT THE INDIVIDUAL WHO EXECUTES THE CERTIFICATIONS/AFFIDAVITS EXECUTED IT ACCORDING TO LAW, AND THAT THE SIGNATURE IS A VALID LAWFUL SIGNATURE**

16. Sovereign incorporates herein its answer to question 1.a. In addition to the information contained in the answer to question 1.a., Sovereign has a system in place to ensure that the signature that appears on the legal document is that of the person who signed the document. After a legal document is executed by a foreclosure representative or a Bank officer as detailed above, the document is sent to the FQC team. Sovereign maintains a limited and specified listing of authorized signers. Each FQC team member has a facsimile copy of the signature of each of the foreclosure representatives as well as the signatures of the applicable Departmental Bank officers. Sovereign does not use digital or stamp signatures. As part of the quality control process, the FQC team member is required to compare the signature on the legal document with the facsimile signature of the signor of the legal document. If the signature on the legal document does not match the facsimile signature in the possession of the FQC team member, the legal document must be returned to the foreclosure representative to re-start the verification process.

**1.b.ii. STATE THE PROCESSES AND PROCEDURES IN PLACE TO ENSURE THAT THE PERSON EXECUTING THE CERTIFICATIONS/AFFIDAVITS, PURSUANT TO PARAGRAPH (a) HAS THE AUTHORITY TO ACT IN BEHALF OF THE PLAINTIFF/SERVICER**

17. As Sovereign employees, foreclosure representatives have the authority to execute certain legal documents on behalf of Sovereign. A document that has an impact on the chain of title to property must be signed by a Bank officer. Bank officers are authorized by the Board of Directors to execute documents on behalf of the Bank and the authority granted to them is memorialized in a corporate resolution. Other documents such as complaints and affidavits may be executed by Sovereign foreclosure representatives in their capacity as Sovereign employees.

18. Sovereign services loans for Fannie Mae and Freddie Mac for properties located in New Jersey. In New Jersey, the loans that Sovereign services for Fannie and Freddie close in Sovereign's

name and the mortgage is held of record by Sovereign. Sovereign forecloses in its own name and executes documents on its own behalf.

19. Sovereign also services loans for four securitization trusts that own loans relating to New Jersey properties. These loans closed in a variety of names and are subsequently assigned to the trustee. Sovereign has a current and valid power of attorney to act for the trustees of each of these trusts. A foreclosure of a mortgage that is subject to one of the securitization trusts is commenced in the name of the trustee. The identity of the foreclosing entity is verified through Bank records. Sovereign is authorized, pursuant to the powers of attorney noted above, to execute legal documents on behalf of the trustees

20. Any New Jersey mortgage that stands in the name of Mortgage Electronic Registration System ("MERS"), as nominee for the lender, is assigned to Sovereign prior to the commencement of the foreclosure. Sovereign then commences the foreclosure in its own name and executes documents on its own behalf.

**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**

21. A responsive answer to the information called for in this question is detailed in the separate Certification of Domingas I. Ramos.

**1.d. STATE THE REVIEW PROCESS YOU HAVE IN PLACE TO ENSURE THAT ANY CERTIFICATIONS/AFFIDAVITS SUBMITTED TO THE COURT ARE 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**

25. Sovereign incorporates herein its answer to question 1.a.

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 AFFIDAVITS IS BASED UPON PERSONAL KNOWLEDGE OR BUSINESS RECORDS WHICH WOULD BE ADMISSIBLE IN A NEW JERSEY COURT.**

26. When issues surrounding the execution of legal documents first arose nationally in late fall/early winter 2010, Sovereign immediately began the process of drafting a procedure to ensure that the execution of legal documents was handled in a uniform manner that would ensure the integrity of the information contained in the legal documents. Due to the comparatively small size of the foreclosure staff at Sovereign, employees are trained by their supervisor. In November, 2010 Sovereign also conducted a training program for the default department employees that focused on the execution of legal documents, the importance of the contents of the legal documents and the need for accuracy of the information contained in the legal documents. The training was run by a supervisory staff member in Sovereign's Consumer Loan Default Department, who not only has oversight responsibilities as to the foreclosure function, but also has actually performed such functions. This training process covered such issues as document recognition, identification of business records necessary to verify factual information, requesting back-up information from foreclosure attorneys, the notary process (generally) and the ramifications of improperly executed affidavits. At that training session, each employee with the authority to execute legal documents was provided with a copy of the newly drafted policy. The employees were required to review the policy and sign a statement acknowledging their understanding of the contents of the policy. The same training was conducted again in February, 2011. When changes are made to Sovereign's policies and procedures, each department that is effected by the changed policy holds a department meeting where the employees are informed of the change. The employees will be required to review the changed materials and sign a statement acknowledging their understanding of the changed policy. Such a process is employed for significant changes in policy and procedure that affect the foreclosure process. Further, all employees in the foreclosure function are tested for competency before they are approved for regular service. Only after an employee has completed the training program

and the supervisory training staff is satisfied that the employee has a demonstrated knowledge of the core competencies of the foreclosure function is the employee permitted to review and execute documents.

27. Sovereign's default department has been given approval to hire a dedicated trainer. The goal is to have the position filled by July 31, 2011. The trainer will be responsible for establishing regular training programs, e-learning programs, and updating training materials.

**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**

28. Sovereign incorporates herein its answer to question 1.a. In addition to the information contained in paragraph 1.a., the following procedures apply. Sovereign maintains an extensive process for ensuring that timely and accurate information is furnished to its New Jersey foreclosure counsel. In fact, Sovereign only uses one law firm in New Jersey to handle the majority of its foreclosures thereby limiting the possibility of communication issues. Sovereign Bank is currently in the process of analyzing and potentially implementing additional automated systems that will enhance overall attorney communication with representing attorneys.

29. The Sovereign Bank servicing system maintains records of active duty military personnel that military orders were provided. As an additional step in the process, when a loan is in default and ready to be referred for foreclosure, the FQC team first confirms that neither borrower is on active military duty by inputting the social security numbers into the following website. <https://www.dmdc.osd.mil/appj/scra/scraHome.do>. Sovereign Bank has reviewed its' servicing portfolio and based on the origination of these accounts, they have identified segments of the portfolio that require additional title review prior to foreclosure referral to attorneys. With respect to these accounts, the foreclosure representative must have a current owner rundown performed before the loan is referred for foreclosure. The foreclosure representative must also confirm that the mortgage is held of record by the same entity that is conducting the foreclosure. The foreclosure representative will also provide foreclosure counsel with the name and mailing address of the borrower, the property address, the contact

information of the foreclosure representative, a copy of the Note and Mortgage and all applicable assignments and a current payoff figure. The foreclosure counsel will review and report back any inaccuracies to the foreclosure representative. Before any loan is referred for foreclosure, the FQC Team reviews the information gathered by the foreclosure representative for accuracy. When the FQC team confirms that a loan is ready for a foreclosure referral through a review of the above noted documents, the loan is referred for foreclosure. During the foreclosure process, foreclosure counsel have easy access to Sovereign employees, including via telephone and email and in-person as required.

**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.**

30. Sovereign incorporates herein its answer to question 1.a. and 1.f. In addition to the information contained in paragraphs 1.a. and 1.f., Sovereign employs the following processes

31. Sovereign Bank's foreclosure attorneys normally provide the documents that will be sent for recording or filing with the court. The foreclosure representative is the first line of quality control for the documents produced by our New Jersey foreclosure counsel. The foreclosure representative must not only review the document for accuracy, but must also print out or provide copies of all the documents used to verify the information provided by the foreclosure attorney.

32. The foreclosure representative can execute a legal document that falls within the scope of his/her authority. If a legal document needs to be executed by an officer, the foreclosure representative refers the legal document to the appropriate bank officer with all of the documentation needed to verify the information contained in the legal document attached. The legal document is then forwarded to the FQC Team for a final review before releasing the executed legal document back to the attorney.

**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.**

33. Sovereign has engaged an independent consultant to conduct a review of its foreclosure processes. The consultant will not focus specifically on compliance with New Jersey court rule 4:64-1 but will do a global review of Sovereign's foreclosure practices with the goal of strengthening and streamlining Sovereign's policies and procedures.<sup>1</sup>

**2. IF YOU ARE A PLAINTIFF IN UNCONTESTED RESIDENTIAL FORECLOSURE MATTERS AND ANY OTHER ENTITY, NOT A PART OF THESE PROCEEDINGS OR PART OF THE "BIG SIX" ACTS AS A SERVICER ON THOSE MORTGAGES, SECURE THE INFORMATION REQUESTED IN QUESTION #1 FROM THE ENTITY THAT PROVIDES THE SERVICING.**

34. Sovereign has three sub-servicers that service loans for properties located in New Jersey. Sovereign contacted each of these three servicers in writing, provided them a copy of the Administrative Order and asked that they provide the requested information before the June 15, 2011 response date.

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.



Simone A. Marino  
Senior Vice President  
Mortgage Default Department

Dated: June 15, 2011

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<sup>1</sup> While Sovereign endeavors to provide the Court with timely and fully responsive answers to the Court's questions in these proceedings, on advice of counsel Sovereign reserves any applicable privileges which it might have. Sovereign will continue to provide the Court with any and all documents that the Court may request, subject to any limitations imposed by applicable federal law.

# **Exhibit “B”**

**REED SMITH, LLP**  
*Formed in the State of Delaware*  
**Diane Bettino, Esquire**  
**Travis Nelson, Esquire**  
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**Princeton, New Jersey 08540**  
**(609) 987-0050**  
**Attorneys for Sovereign Bank**

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

**SUPERIOR COURT OF NEW JERSEY**  
**ADMINISTRATIVE ORDER: 01-2010**  
**DOCKET NO.: F-00238-11**

**CERTIFICATION OF DOMINGAS I. RAMOS IN SUPPORT OF SOVEREIGN BANK'S  
RESPONSE TO THE ADMINISTRATIVE ORDER DATED APRIL 25, 2011**

1. I, Domingas I. Ramos, am currently employed with Sovereign Bank ("Sovereign") as a Vice President and Assistant Director of Loan Servicing. In this capacity, I manage the Loan Servicing Operations (Commercial, Mortgage & Consumer) which includes responsibility for the Lockbox, Exception Payment Processing/Cashiering, Investor Reporting, Specialized Loans and General Ledger Accounting and Reconciling.

2. In addition, my responsibilities at Sovereign also include:

- a. Assisting in the management of Loan Servicing Operations;
- b. Assisting in the development and implementation of new loan acquisition and marketing initiatives;
- c. Assisting in the establishment and tracking of productivity standards;
- d. Assisting in the creation and implementation of new and revised workflows and procedures to ensure quality customer service;

e. Assisting in ensuring compliance with lending initiatives with regulatory requirements and internal policies and procedures.

3. I have 25 years of experience in the banking industry.

4. I make this Certification in support of Sovereign Bank's response to the April 25, 2011 letter issued by Judge Walter R. Barisonek. Specifically, I will address herein the process for receipt and application of payments, reconciliation of those payments and accounts and access to Sovereign's mortgage servicing platform.

**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**

5. Mortgage loan payments are processed using the following methods:

a. Lockbox Services – Lockbox Services located in the loan servicing unit at Sovereign is responsible for processing loan payments sent by borrowers or third party companies to Sovereign. A special box number is assigned for these payments.

b. Sent via Express Mail to Sovereign – Payments (typically payoffs) sent via express mail to the Loan Servicing Group.

c. Sovereign Branch Offices - Borrowers can make payments at a local branch office. Payments are processed via Proof of Delivery (POD) by Fidelity Item Processing (vendor).

d. Electronic Payment – Borrowers can elect to make payments using electronic methods such as:

i. ePay (Sovereign Electronic Payment) – Automatic scheduled payment from a depository account (internal or external account)

ii. Bill Pay Services – Western Union, CheckFree, Metavante, etc.

iii. Sovereign Online Banking – Online banking

iv. Sovereign Telephone Banking – Telephone banking

6. All payments received are processed the same day unless there is an exception that prohibits the payment from processing the day it was received (for example - requires more information). Payments posted after the day they are received are credited "effective" on the date of receipt of the payment.

7. All transactions regardless of the method of application of payment are "balanced" daily by an independent department in Loan Servicing. The Accounting and Reconciliation team is responsible for comparing all cash received to all payments processed to the loan accounts. Discrepancies are brought to the Team Manager's attention followed by the Group Manager if necessary. All discrepancies must be reviewed and cleared within the guidelines established by Sovereign Bank's Corporate Accounting and Reconciliation Policy. Reconciliations are reviewed by the Group Manager. Aged outstanding items are reported to Sovereign Bank senior leaders and Corporate Accounting. In addition, all paper transactions are imaged for archiving and future retrieval. All non-paper transactions are archived via reports.

8. The mortgage servicing platform utilized by Sovereign is called LoanServ. The LoanServ system facilitates all mortgage loan servicing processes, including the following:

- Payment process (cashiering);
- Customer communications;
- Account History;
- Tax and Insurance Escrow processing;
- Escrow Analysis;
- Special Loan handling;
- Payoff processing;
- Collections;
- Default management; and
- Investor accounting.

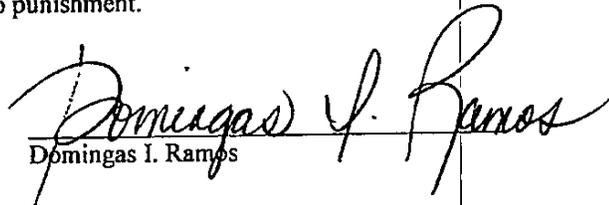
9. The LoanServ system maintains the payment history on each customer for a rolling 24 months. Every year as a part of the year-end process, a 12 month history is sent to Venture Encoding (3rd Party Vendor) to produce a year-end detailed customer statement. These statements are archived on a DVD and sent to Sovereign for the life of loan storage.

8. Only certain departments/areas within the Bank have access to the LoanServ system, for example, Lockbox Services, Exception Payment Processing, New Loan Booking, Escrow, Tax, and the Loan Research Department. Access to the LoanServ system is limited to individuals who process payments and certain managers or Bank officers. Security Access is requested and authorized by the Team Manager of each department. Access to the Unisys Visual Remittance system (lockbox system) is granted to the team member with a special "login" number. This access is requested and authorized by the Team Manager or Group Manager via the TECH HELP (IT Department) at Sovereign Bank. Revocation of access is performed via the TECH HELP group. Controls are in place (by Unisys system) to ensure that transactions are performed using "segregation of duties." At any time, reports can be exported to audit specific transactions performed by the Lockbox Services team members using the Unisys application. Access to LoanServ is granted to the team member with a special "teller" number assigned. Security Access to LoanServ is granted by the Mortgage Services Group (part of Loan Servicing Group). This access is granted only if the Team Manager or a Group Manager authorizes the access. Security Access Review is sent out quarterly to each Team Manager's area of responsibility for review. The Team Manager must ensure that all team members listed should retain the access. Changes or deletions are immediately reported to the Mortgage Services Group. The Team Managers are responsible for sign-off on their team members' access by the established deadline. The Bank prohibits the sharing of passwords. As team members leave a particular area of responsibility, the Team Manager sends a request to the Mortgage Systems Group to revoke the access – this is one of the check-list items to be completed when a team member leaves the Bank or a department within the Bank. The Bank performs periodic reviews of system access to ensure that each employee's access to the system is appropriate for his or her work needs.

9. All transactions, regardless of the method of application of payment, are tracked in various reports ("Transaction Posting Detail Reports") as well as online at the account level. At anytime the appropriate Bank employee can identify the team members that processed the transaction either by inquiring online, via system generated reports or "special requested reports/InformEnt." At anytime,

special "customized" reports can be extracted in order to audit specific transactions that were performed online by a team member using a Fiserv application (InformEnt). Such requests are submitted to the Mortgage Systems Group that is also responsible for issuing and revoking system access.

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.

  
Domingas I. Ramos

Dated: June 15, 2011

# **Exhibit “C”**

**REED SMITH, LLP**  
*Formed in the State of Delaware*  
**Diane Bettino, Esquire**  
**Travis Nelson, Esquire**  
**Princeton Forrestal Village**  
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**Princeton, New Jersey 08540**  
**(609) 987-0050**  
**Attorneys for Sovereign Bank**

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

**SUPERIOR COURT OF NEW JERSEY**  
**ADMINISTRATIVE ORDER: 01-2010**  
**DOCKET NO.: F-00238-11**

**CERTIFICATION OF ROBERT J. ROBERTS IN SUPPORT OF SOVEREIGN BANK'S  
RESPONSE TO THE ADMINISTRATIVE ORDER DATED APRIL 25, 2011**

1. I, Robert J. Roberts, am currently employed with Sovereign Bank ("Sovreign") as a Vice President of Loan Servicing. I have been employed at Sovereign Bank for 11 years. In this capacity, I manage a unit within the Loan Servicing Operations Department (Commercial, Mortgage & Consumer) which includes responsibility for Performance Management/Business Analysis, System Administration and Mortgage Escrow Tax and Insurance Processing. In addition, my responsibilities at Sovereign also include:

a. Assisting in the management of Loan Servicing Operations;

b. Assisting in ensuring compliance with lending initiatives, regulatory requirements, and internal policies and procedures.

3. I have 40 years of experience in the banking industry.

4. I make this Certification in support of Sovereign Bank's response to the April 25, 2011 letter issued by Judge Walter R. Barisonek. Specifically, I will address herein the mortgage servicing platform used by Sovereign as well as Third Party Vendor access to that platform.

2. The mortgage servicing platform utilized by Sovereign is called LoanServ. The LoanServ system facilitates all mortgage loan servicing processes, including the following:

- Payment process (cashiering);
- Customer communications;
- Account History;
- Tax and Insurance Escrow processing;
- Escrow Analysis;
- Special Loan handling;
- Payoff processing;
- Collections;
- Default management; and
- Investor accounting.

3. Two of Sovereign's Third Party Vendors have access to the LoanServ system: Corelogic and American Modern Insurance Group ("AMIG").

4. Corelogic provides mortgage tax escrow services to Sovereign. Corelogic tracks tax payments and customer service calls relating to those tax payments.

5. To perform these duties, Corelogic has limited access to LoanServ in order to make tax disbursements, update relevant tax information such as parcel number, tax payee information, tax due dates and amounts. However, Corelogic has no ability to alter the current payment information on LoanServ. Security Access is requested by Corelogic and is authorized by the Team Manager of Sovereign's Escrow Team. The Corelogic Vendor Team Manager is assigned a "teller number" that can be tracked by the appropriate Bank staff to monitor the activities and system usage of the particular Vendor Team Member. Such an inquiry can be made online, via system generated reports or "special requested reports/InformEnt." In addition, a special "customized" report can be extracted at any time in order to audit specific transactions that were performed online by a Vendor Team Member by using a Fiserv application called InformEnt. Such requests are submitted to the Mortgage Systems Group that is also responsible for issuing and revoking system access.

6. AMIG is a vendor that provides services related to insurance. AMIG's services include tracking insurance, insurance payments, updates to policy information, insurance due dates and amounts due. AMIG works from its own servicing system and provides daily file updates to LoanServ. Only one Vendor Team Member has access to LoanServ for viewing and updating hazard, flood and other insurance processing fields.

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.



---

Robert J. Roberts

Dated: June \_\_, 2011

# **Exhibit “D”**

**VNB MORTGAGE SERVICES, INC.**

1720 Route 23 North  
Wayne, New Jersey 07470  
(973) 305 - 5900

<p>IN THE MATTER OF RESIDENTIAL MORTGAGE FORECLOSURE PLEADING AND DOCUMENT IRREGULARITIES</p>	<p><b>SUPERIOR COURT OF NEW JERSEY</b></p> <p>Administrative Order 01-2010 Docket No. F-238-11</p> <p>CERTIFICATION OF VNB MORTGAGE SERVICES, INC. IN RESPONSE TO ADMINISTRATIVE ORDER DIRECTING SUBMISSION OF INFORMATION FROM RESIDENTIAL MORTGAGE FORECLOSURE PLAINTIFFS CONCERNING THEIR DOCUMENT EXECUTION PRACTICES TO A SPECIAL MASTER</p>
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I, Donna Finck, of full age, do hereby certify as follows:

1. I am the President of VNB MORTGAGE SERVICES, INC. ("MSI"), and I am authorized to make this Certification. MSI is a wholly-owned subsidiary of Valley National Bank ("Valley"), which is headquartered in Wayne, New Jersey. Valley is a national bank organized and existing under the laws of the United States.

2. This Certification is based upon personal knowledge or information obtained by my review of business records created by or for MSI, and maintained by MSI in the ordinary course of its business.

3. The Certification is submitted in response to the Administrative Order Directing Submission of Information from Residential Mortgage Foreclosure Plaintiffs Concerning their

Document Execution Practices to a Special Master (the "Administrative Order"). MSI is obligated to submit a response as a servicer of mortgage loans for Sovereign Bank.

4. MSI services one (1) loan for Sovereign Bank in the state of New Jersey.
5. The following are MSI's answers to the questions included in the Administrative

Order:

Question 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.

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: *All certifications/affidavits are prepared by an MSI Foreclosure Specialist and then reviewed with the MSI Collection Manager, who is a Vice President of MSI. In the Collection Managers absence, the President of MSI reviews the certifications/affidavits with the Foreclosure Specialist.*

*All information for these documents is derived and collected from a review of MSI's systems or the relevant loan file. Foreclosure Specialists are familiar with the processes and procedures of the foreclosure department of MSI.*

*When it has been determined that a foreclosure action should be commenced on a defaulted loan, a foreclosure referral form is prepared by MSI and forwarded to the foreclosure attorney assigned to the matter with all applicable supporting documents from the loan file. Legal counsel prepares all certifications/affidavits and returns the proposed document to MSI for verification and execution. The Foreclosure Specialist reviews the proposed certification/affidavit for accuracy by verifying the facts stated within the certification/affidavit against the loan file and MSI's systems. The MSI Collection Manager then personally reviews the certification/affidavit and the relevant loan file to confirm that the facts, calculations and other information included in the certification/affidavit are accurate. The Collection Manager then executes the certification in accordance with New Jersey Court rules and the certification/affidavit is returned to the foreclosure attorney*

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: All certifications/affidavits are signed by the MSI Collection Manager, who is a Vice President of MSI. In the Collection Managers absence, the President of MSI signs the certifications/affidavits. The Collection Manager does not permit other employees to sign his name, or use a digital or mechanical stamp for his signature.

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: Authority to execute certifications/affidavits is granted to MSI pursuant to the applicable Servicing Agreement between MSI, as servicer, and the plaintiff, as holder of the mortgage loan. MSI policy states that certifications/affidavits must be signed by the Collection Manager of the Collection Department. In the Collection Manager's absence, the President of MSI is the only other officer authorized to sign certifications/affidavits.

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.

Response: MSI uses MISER as its core loan processing system for recording customer transactions, communications and account history. MISER was developed and is maintained by Fidelity Information Services, Inc. MISER offers comprehensive, integrated retail and commercial functionality for regional and national financial institutions. MISER delivers mission-critical, high-volume processing with proven reliability and efficiency.

The posting of payments or charges to a loan account are processed through MISER. These actions are recorded and become a permanent part of the loan history.

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: As explained in detail in the prior answers above, MSI employs a detailed validation process to ensure that certifications/affidavits are completed accurately and contain current information. MSI requires that the person executing a certification/affidavit has personal knowledge of the facts stated therein. In addition, Valley's internal audit selects and reviews selected loans in foreclosure status. Verification of amounts included in the certification/affidavits is part of these testing processes.

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: *In addition to the information included in the prior answers above, the Foreclosure Specialist and Collection Manager frequently review with the authorized attorneys that represent MSI any new or revised Court Rules or procedures. MSI is in the process of developing a training program to specifically train new employees on how to verify the factual information within the certifications/affidavits, and to validate this data against the loan record detail before any certification/affidavit is finalized*

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: *Legal counsel prepares all certifications/affidavits and returns the proposed document to MSI for verification and execution. The Foreclosure Specialist reviews the proposed certification/affidavit for accuracy by verifying the facts stated within the certification/affidavit against the loan file and MSI's systems. The MSI Collection Manager then personally reviews the certification/affidavit and the relevant loan file to confirm that the facts, calculations and other information included in the certification/affidavit are accurate. The Collection Manager then executes the certification in accordance with New Jersey Court rules and the certification/affidavit is returned to the foreclosure attorney. This validation process continues throughout the entire foreclosure process.*

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: *In addition to the information included in the prior answers above, the foreclosure attorney forwards the certification/affidavit to MSI, together with a check list for validation of all detailed loan information and documentation, and any special instructions that must be completed by the person signing the certification. This checklist ensures a clear communication between the foreclosure attorney and the relevant MSI employee as to what information needs to be verified.*

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: *MSI utilizes an independent internal audit team to audit its foreclosure processes. In addition, MSI's foreclosure processes are audited by an external accounting firm on a selected basis, and are subject to oversight and audit by MSI's various investors, including the FHLMC (Freddie Mac) and FNMA (Fannie Mae).*

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

Response. Not applicable to MSI.

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.

VNB Mortgage Services, Inc.

A handwritten signature in cursive script, appearing to read "Donna Finck", written over a horizontal line.

By: Donna Finck

Its: President

DATED: June 13, 2011

# **Exhibit “E”**

May 26, 2011



Patricia Dow  
Office of the Attorney General  
Department of Law and Public Safety  
Division of Law  
25 Market Street  
PO Box 106  
Trenton, NJ 08625-0106

RE: IN RESPONSE TO THE MATTER OF RESIDENTIAL MORTGAGE FORECLOSURE PLEADINGS AND DOCUMENTATION IRREGULARITIES

Dear Ms. Dow:

Pursuant to your letter dated May 9, 2011 regarding the matter of residential mortgage foreclosure pleadings and documentation irregularities, also known as Administrative Order 01-2010, Docket No. F-238-11, please find enclosed three (3) copies of the response from Cenlar FSB.

Please advise us, should you require additional information related to this matter.

Sincerely,

Steven T. Kravitz  
Vice President  
Default

Cenlar FSB  
425 Phillips Blvd.  
Ewing, NJ 08618

Cc: Walter R. Barisonek, A.J.S.C. Ret. Special Master  
Clerk of the Court, Trenton

In the matter of Residential Mortgage Foreclosure Pleadings and Document Irregularities	Administrative Order 0-1-2010 Docket #F-238-11
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Certification of Cenlar FSB

I Steven T. GARDNER hereby certify as follows:

1. I am the Vice President, Operations of Cenlar FSB ("Cenlar") and
2. Cenlar has conducted a thorough review of its foreclosure processes, including but not limited to the processes surrounding the completion and execution of affidavits and certifications. We have reviewed the following processes in response to that review and in some instances, have implemented or enhanced these processes:
  - a. We have organized a specialized team within our Foreclosure Department that perform a comprehensive review of the contents of an affidavit or certification<sup>1</sup>.
  - b. Affidavits are prepared by foreclosure counsel utilizing information from our servicing system. We forward attorneys "screen shots" from the system that contain the information necessary for the attorney to draft the affidavit.
  - c. Upon receipt of a proposed affidavit, two separate individuals review the information contained within the affidavit. These individuals review not only the financial information set forth but to the extent an affidavit refers to documents, they compare that information to the loan or other documents referenced in the affidavit.
  - d. Each reviewer then completes a separate checklist indicating that the reviewer has personally reviewed and compared the information contained within the affidavit to \_\_\_\_\_

<sup>1</sup> For the purposes of this certification, the term "affidavit" will be used to mean "affidavit or certification".

the corresponding system data or to the documents referenced within the affidavit and each certifies the information to be accurate.

e. One of the reviewers will then sign the affidavit in the presence of a Notary.

f. Following execution and notarization of an affidavit it, along with supporting information, is forwarded to our internal audit department. The affidavits are reviewed again for completeness and accuracy of the contents. Any affidavit with errors is returned to the foreclosure area for correction. If the audit department personnel have questions, they seek direction from a member of our legal department.

g. Prior to a loan going to Sheriff Sale, affidavits are reviewed again for completeness by a member of our legal department.

h. A copy of our procedures are attached hereto as Exhibit I.

3. All members of our foreclosure or bankruptcy areas that may be asked to sign affidavits have and will go through training regarding the proper review and execution processes of legal documents, including affidavits. The training includes the need to differentiate between reliance on business records and statements that are based on someone's personal knowledge. The individuals are taught not to sign a document that is based on the personal knowledge of someone other than the reviewer. When an affidavit is stated to be based on personal knowledge, the individual with the personal knowledge would sign the affidavit. The training also includes recognizing what types of documents must be signed before a notary. Additionally we have training of notaries and the proper execution of documents, including the notary's obligation to ensure that the affiant executes the document in the notary's presence and that the document is complete with no blanks.

4. The individuals who sign affidavits, do so as fact witnesses attesting to truthfulness of the information contained therein. No one is permitted to sign on behalf of another and all affidavits are personally executed by the affiant.
  
5. Cenlar utilizes Lender Processing Systems's MSP ("LPS"), which is a leading mortgage servicing system used in the mortgage servicing industry. LPS is the primary record-keeping mechanism for Cenlar loan servicing data. Data entry can be facilitated in an automated or manual fashion, e.g. payment data is automatically uploaded from our lock box and Cenlar staff may type notes and comments directly into LPS to further document day to day servicing activity. Cenlar's Cash Management Department performs a daily reconciliation comparing cash received and payments applied into the system of record. Any discrepancies are quickly addressed and ultimately corrected. All other transactions regarding the mortgage loan are similarly noted and documented within LPS. Other record keeping systems are also used. For example, LPS Proccss Management system.is used to track and store assignments that have been prepared, reviewed and executed
  
6. Please see paragraph 2 above regarding the review process followed by Cenlar personnel. We believe the process we have implemented ensures the accuracy and completeness of affidavits submitted.
  
7. All personnel who are authorized to review and execute affidavits have completed training specially designed to help them identify inconsistencies between the statements

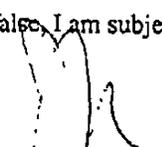
contained in the affidavit as compared to the documents or other data referenced within the affidavit.

8. Cenlar provides its foreclosure counsel information in support of the preparation of documentation through LPS. The information provided is the same information which is used to determine the accuracy of the affidavit. This documentation includes, but may not be limited to screen images of financial information being placed on the affidavit and copies of applicable loan documents.

9. As noted above in paragraph 2, Cenlar utilizes a minimum of three reviews to verify the accuracy of affidavits: one by the foreclosure technician, one by the affiant and one by our audit department.

10. We have not utilized nor intend to utilize an independent auditor to review our processes or proccdures. The Cenlar servicing and foreclosure processes have been and continue to be reviewed by our internal Audit Department. We are constantly reviewing our processes for ways to improve and introduce new procedures to improve our performance.

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

  
\_\_\_\_\_  
STEVEN T. KRAVITZ  
Vice President, DEPT

Dated: 5/26/11

## Document Execution 1.09 Foreclosure

### Summary

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Centar utilizes the services of LPS Default Solutions ("LPS") to assist in the processing of foreclosures and bankruptcies ("Process Management"). At varying stages during a foreclosure or bankruptcy proceeding it will become necessary for certain documents to be drafted requiring execution by Centar personnel. Process Management is a system that allows foreclosure and bankruptcy technicians (Processors) and supervisors and managers to exchange documents and other information concerning a proceeding electronically.

Any financial information needed for an affidavit, verification or certification ("Document"), such as but not limited to: total debt figures, reinstatement figures, escrow and corporate advance breakdowns are provided by LPS to the assigned attorney via Centar's servicing system (MSP). LPS provides the following screen shots to the attorney: REIN, PAY3 & PAY4, SER1, DLQ1, DLQH, DDCH, TAX2 and HAZ1 (Exhibit I). The attorney is to utilize the information on these screen shots to complete the Document.

The attorney obtains assignee or vesting information utilizing Process Management. A title search is conducted for all accounts by the foreclosure attorney. If the title search results indicate title is in a different name than what has been provided in Process Management, the attorney notifies Centar of the discrepancy and will correct the chain of title by preparing any necessary assignments.

All Documents are prepared by the assigned attorney and are to be executed by employees of Centar in keeping with these procedures after a review of the accuracy of the information set forth in the document, including the capacity in which they are asked to sign. Anyone signing should sign only in their capacity as employees of Centar and never as an employee of any other entity. If Centar services a loan for others and is not a party to the proceeding, then Centar should be identified as "servicing agent for..." or some other representative capacity. At no time should a Centar employee execute a Document in any other capacity. If there is any question, it should be raised to Centar Legal or to the preparing attorney. (See attached Exhibit II as examples.)

All other documents (Assignments, Deeds, etc....) should only be executed as authorized in an applicable Power of Attorney or Corporate Resolution granted to Centar. Copies of the resolutions or powers are maintained by the Default Servicing administrative assistant. The procedures for proper execution of these documents are contained elsewhere.

*LPS has no signing authority from Centar to execute documents on Centar's behalf. In addition, LPS has no authority allowing LPS to execute documents on behalf of MERS.*

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### Procedure

The following procedures are to be followed by Centar employees when executing of Documents:

#### Signature Required Process:

- 1) Document execution is a three step process: (i) the designated attorney submits a Document for signature, (ii) the review of the Document for completeness and accuracy by Centar employees and finally (iii) the execution of the Document and its return to the attorney.
  - a) Step1 – the attorney advises Centar via Process Management that a Document has been uploaded.

- Within this step the attorney will also note the type of Document uploaded as well as specify any special instructions with regards to completion and/or execution of the Document.
- b) Step 2 – Cenlar foreclosure and/or bankruptcy processor will review the Document as outlined in the document execution process below and following review will advise the attorney via Process Management of the status of the Document by selecting an item from a drop down menu. Each selection on the drop down menu is defined below:
- **Document accepted and prepared for execution.** The Foreclosure Representative has reviewed the Document for accuracy, agrees with its contents, and has printed the Document for execution.
  - **Document Rejected/Revision Needed.** After review, the responsible employee has found an inconsistency or error in the Document and indicates the revision that is needed. This option will close this process and open the Document Revision Process (see Document Revision Process below).
  - **Document Revised by Client and Prepared for Execution.** If Cenlar made changes to the Document selecting this option will advise the attorney that changes were made and that the Document has been printed for execution.
  - **Document Forwarded to Investor.** Selecting this option advises the attorney that the Document appears to be correct; however, Cenlar does not have authority to sign and will forward onto the authorized party, e.g. the investor, for execution.
- c) Step 4 – Cenlar acknowledges that the Document has been executed by updating the event in Process Management and returns to the attorney.

#### Document Review Process:

- 1) As part of the Affidavit review process, the Affidavit of Amount Due script in LPS (Cenlar's system of record) is utilized to verify data provided in the Affidavit requiring execution. Once the script has been completed, a copy of the results is documented on PL05 (FC999) in LPS.

The following steps are followed by the Foreclosure Representative for Affidavits that include amounts due:

- Enter the smart key button on Director which then scans through every screen for figures.
- Amount Due Affidavit screen shot appears with mortgage information such as borrower name, address, city, state, investor name, note date, principal balance, foreclosure start date, demand notice date and as of date (enter date affidavit is good through).
- Script then continues to run and the attached screen shot (Exhibit III) appears, which calculates amounts due.
- Adjustments can be made within the script to exclude uncollectable amounts and/or include amounts that have been billed but not yet paid (e.g inspections ordered, BPOs ordered) If an adjustment is made, the Foreclosure Representative will document FOR2 in LPS with the adjustment amount and the reason for same.

- The Foreclosure Representative reviews the data provided from the script and compares to the calculations in the Affidavit provided by the attorney.
  - Upon confirmation of the figures, the script is complete and a document is placed in PL05 (FC999) along with a note in FOR2 stating amount due affidavit completed.
  - The Manager conducting the 2<sup>nd</sup> review of the Affidavit will utilize the document in PL05 (FC999) to verify accuracy.
- 2) An affidavit checklist (Exhibit IV) is also utilized by both the Foreclosure Representative and the Manager conducting the 2<sup>nd</sup> review. The following steps are followed are part of this process:
- The Foreclosure Representative reviews affidavit for accuracy by utilizing the Foreclosure Representative Affidavit Checklist.
  - The Foreclosure Representative executes and dates the checklist to confirm each item has been reviewed for accuracy.
  - The Foreclosure Representative submits the affidavit along with all supporting documentation that the affidavit requires to management for review.
  - The Manager reviews the affidavit for accuracy by utilizing the Manager Affidavit Checklist
  - The Manager executes and dates the checklist to confirm each item has been reviewed for accuracy.
  - Management submits affidavit and checklist back to the Foreclosure Representative.
  - The Foreclosure Representative sends the affidavit to audit for final review and approval
  - This is tracked by the Foreclosure Representative opening the DOCAUD task. Once audit approves the affidavit the DOCAUD task is closed by the Foreclosure Representative
  - Once the affidavit has been approved by audit, the executed affidavit and checklists are uploaded into Document Management

#### Document Revision Needed Process

- 1) This process is used when Cenlar advises the attorney that a revision is needed to a Document.
  - a) A Revised Document Request is noted in Process Management via a drop down box as noted in Step 2 above. This will advise the attorney that the Document needs to be revised for one or more of the following reasons:
    - Cosmetic – Date/Typo/Address/Blank Field
    - Cosmetic – Notary Info
    - Cosmetic – Title/ Signer Name/Officer Reference
    - Cosmetic – Wording Change requested
    - Entity Related
    - Financial Error - Escrow or Suspense
    - Financial Error – Interest, Penalties or Fees
    - Financial Error – Payment Related
    - Financial Error- Principal Balance or Total Amount Due
    - Wrong Doc Uploaded/Doc Not Required

For each revision, the Processor will complete the requested revisions box indicating the revision is that is needed.

**Document Execution Process**

- 1) The Processor handling the matter must review the Document submitted for execution by verifying the information indicated in the Document, by reviewing the various applicable screens in MSP, utilizing the checklist, running the affidavit of amount due script in MSP and reviewing the applicable documents. This includes financial data as well as non-financial information contained in the Document. Upon completion of the Processor's review and if no revisions appear necessary to the Processor, the Document is forwarded to the proper executing employee as set forth on Exhibit II attached
- 2) If the Document is a foreclosure affidavit and/or certification, the Late Stage Risk Manager conducts a second review utilizing the Manager Checklist to verify that all statements made in the document are true and complete, including that it sets forth the proper capacity of the signor.
- 3) If the Document is a bankruptcy affidavit, the Processor handling the matter must review the Document submitted for execution by verifying the information indicated in the Document, by reviewing the various applicable screens in MSP. This includes financial data as well as non-financial information contained in the Document. Upon completion of the Processor's review and if no revisions appear necessary to the Processor, the Document is executed by the Processor and/or forwarded to the proper executing employee as set forth on Exhibit II attached.
- 4) Where notarization is necessary, the execution of all Documents occurs within the presence of a Notary Public who advises that the signer is under oath or is otherwise satisfied that the signer understands that he or she is under oath when signing the Document. The notary will then complete the necessary jurat. A companywide notary log is updated by the default notary, which identifies account number for notarized document, document name, date of notarization and the name of the notary.

**Reports:**

The following reports are available to monitor the above procedure:

- 1) Revision Trending
  - This report tracks the age, category and completion of revision of requests.
- 2) Document forward Scorecard
  - This scorecard identifies Document execution volume as well as turn-around time.
- 3) FC999 Exception Report
  - This report identifies accounts where an affidavit has been submitted to audit for review but did not have a FC999 letter generated.

**Training:**

Upon appointment as a notary, an employee is provided with the New Jersey Notary Public Manual. On an annual basis, training will be conducted for employees who notarize documents for Cenlar. This training will provide a refresher overview of the notary's obligations as well as address any changes related to the notarizing of documents.













EXHIBIT I

0270 Terminal Emulator

Session Edit Tools

Session 1 |

**CORPORATE ADVANCE HISTORY SCREEN 9007001 05/25/11 11:21:58**

LINE NUMBER      LINE NUMBER      DATE      TIME      TYPE      LINE      PAGE      PAGE

001 001 05/25/11      11:21:58      001      001      001

LINE	NUMBER	DATE	TIME	TYPE	LINE	PAGE	PAGE
001	001	05/25/11	11:21:58	001	001	001	001
002	002	05/25/11	11:21:58	001	002	001	001
003	003	05/25/11	11:21:58	001	003	001	001
004	004	05/25/11	11:21:58	001	004	001	001
005	005	05/25/11	11:21:58	001	005	001	001
006	006	05/25/11	11:21:58	001	006	001	001
007	007	05/25/11	11:21:58	001	007	001	001
008	008	05/25/11	11:21:58	001	008	001	001
009	009	05/25/11	11:21:58	001	009	001	001
010	010	05/25/11	11:21:58	001	010	001	001

0270 Terminal Emulator

0270 Terminal Emulator





Exhibit II

Document	Documents Reviewed	Who Executes	Set-Up
Foreclosure Affidavits	<p>Payoff amounts are provided to the attorney via screen prints by UPS. The attorney updates the affidavit with the information provided and submits to Centar for review and execution. The affidavit is reviewed by the Foreclosure Processor for accuracy by reviewing the Payoff information in MSP and submitted to the Late Stage Risk Manager who reviews the statements in the affidavit as well as the Plaintiff name for accuracy and execution.</p>	Default Late Stage Risk Manager	Foreclosure/Bankruptcy Manager and/or Designee
Bankruptcy Affidavits	<p>Payoff amounts are provided to the attorney via screen prints by UPS. The attorney updates the affidavit with the information provided and submits to Centar for review and execution. The affidavit is reviewed by the Bankruptcy Processor for accuracy and execution. The Bankruptcy Processor will refer to the the payoff information in MSP and/or other data in MSP to verify accuracy (i.e. Note Date, Borrowers Name, Address). The Bankruptcy Processor will also verify the entity name is correct by referring to client action in the name of matrix.</p>	Bankruptcy Processor	Foreclosure/Bankruptcy Manager and/or Designee
Assignments	<p>Foreclosure Processor reviews for accuracy in final vesting. If assignment reflects question on the assignor, the processor will review title for correct chain of title. Signor confirms signing authority based on POA. Foreclosure Processor confirms Centar is executing in the right capacity. (action in the name of, and as serving agent for) Signor confirms signing authority based on POA.</p>	Various depending upon the POA	Various depending upon the POA
Substitution of Trustees	<p>The Late Stage Risk Manager reviews the statements in the affidavit as well as the Plaintiff name for accuracy and execution. Foreclosure Processor reviews vesting information to ensure deed is correct. Processor will refer to client requirements and GSE foreclosure guidelines when confirming. Signor confirms signing authority based on POA.</p>	Default Late Stage Risk Manager	Foreclosure/Bankruptcy Manager and/or Designee
Verifications (State Requirement)	<p>Late State Risk Manager reviews the information indicating the loss mitigation options and reviews for accuracy. Based on the statements made, the Late Stage Risk Manager will refer to the Loss Mitigation station and/or substitution efforts in PDS and DACI.</p>	Default Late Stage Risk Manager	Foreclosure/Bankruptcy Manager and/or Designee
Deeds	<p>The Late Stage Risk Manager will review the statements made and confirm if accurate and will provide deny or agree to attorney. The Late Stage Risk Manager will refer to origination documents, loan history, loan comments, delinquent amounts due as well as any other figures stated when responding.</p>	Default Late Stage Risk Manager	Foreclosure/Bankruptcy Manager and/or Designee
Motion for Summary Judgment (Verify Statements Made)			



Exhibit III

Amount Due Affidavit - 0009999996 - As Of Date: 06/07/2011

Rec Corp Adv Del = \$107.65

MSP Modified Foreclosure Attorney Code: -

MSP	Modified	Foreclosure Attorney Code: -
10.00	10.00	
10.00	10.00	
10.00	10.00	
1100.00	1100.00	
10.00	10.00	
1107.65	1107.65	

Total \$ 1107.65

Additional Research needed, variance = \$7.00

View DOC info

Pre-2011	\$0.00	Pre-2011	\$2,500.00
Tax - 2011	\$0.00	Tax - 2010	\$0.00
Tax - 2010	\$0.00	Tax - 2009	\$0.00
Tax - 2009	\$0.00	SubTotal	\$0.00
Insurance	\$0.00	Insurance	\$3,796.00
MSP Paid	\$0.00	MSP Paid	\$0.00
Credit	(\$512.00)	Credit	\$0.00
Total	(\$512.00)	Total	\$3,386.00

SubTotal	\$0.00	Mod Exp Adv	\$2,824.00
Insurance	\$3,796.00	Mod Rec Corp	\$100.65
MSP Paid	\$0.00	Subtotal	\$0.00
Credit	(\$512.00)	Rec Exp Adv	\$0.00
Total	(\$512.00)	Exp Adv	\$24.47
		Total	\$5,724.52

Additional Research needed

STAFF









### Affidavit Checklist

#### Manager

- The person who is signing the affidavit has confirmed that the correct name stamp has been updated for all blanks in all applicable spaces.
- I have reviewed the Note and Mortgage to confirm the information in the affidavit and those documents are attached to the affidavit.
- The information regarding the figures in the affidavit has been verified and the supporting business records attached, if such information has been stated in the affidavit.
- I have reviewed and verified the statements made in the affidavit with regard to judgment amounts and have attached supporting business records
- The plaintiff's name listed on the affidavit is in the same name as the entity which holds the note.
- Cenlar FSB has been properly noted in the affidavit as servicing agent for the plaintiff.
- Any exhibits mentioned in the affidavit are attached as stated in the affidavit.
- Cenlar is only the custodian of records in reference to servicing.
- Ensure Cenlar is not listed as the document custodian; however, that we have the knowledge as to who the document custodian is and to where the documents are located.
- I am the individual signing the affidavit as an employee of Cenlar FSB. Any other information regarding my ability to execute is included.
- I have reviewed the affidavit and all blanks in the affidavit, including my name and title have been filled in and are accurate.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Affidavit Checklist****Foreclosure Processor Review**

- I have reviewed the Note and Mortgage and any other document referenced in the affidavit to confirm the information in the affidavit and those documents are attached to the affidavit
- I have verified the information with regards to the figures in the affidavit and the supporting business records attached, if such information has been stated in the affidavit.
- I have reviewed and verified the statement made in the affidavit regarding judgment amounts and the supporting business records are attached.
- The plaintiff's name listed on the affidavit is in the same name as the entity which holds the note.
- Cenlar FSB has been properly noted in the affidavit as servicing agent for the plaintiff.
- Any exhibits mentioned in the affidavit are attached as stated in the affidavit.
- Cenlar is only the custodian of records regarding the matters stated in the affidavit.
- Ensure Cenlar is not listed as the document custodian; however, that we have the knowledge as to who the document custodian is and to where the documents are located.

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Signature

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Date