FILED Aug 19, 2011

IN THE SUPERIOR COURT OF NEW JERSEY
UNION COUNTY

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

I, Michael S. Kraut, hereby certify that the following is true and correct.

1. I am a partner with the law firm Morgan, Lewis & Bockius, LLP, which was retained by U.S. Bank National Association, solely in its capacity as trustee for certain residential mortgage backed securitization trusts, (the "Trustee") in connection with the above-captioned matter. On or about April 20, 2011, this Court granted a motion to permit me to appear in this action *pro hac vice*.

2. This Court's April 25, 2011 Order (the "Order") directed the respondents in this action, which include the Trustee, to provide certain information to this Court. The Court directed the Trustee to comply with the Order by requesting that Capital One Bank, N.A. and affiliates ("Capital One"), among other mortgage loan servicers, provide to the Trustee responses to Item No. 2 of the Order for the Trustee to deliver to this Court.

3. On June 10, 2011, I filed a certification on behalf of the Trustee in response to the Order. My certification annexed certifications that Capital One, among other mortgage loan servicers, prepared in response to Item No. 2 of the Order and sent to the Trustee to deliver to this Court

4. At a July 6, 2011 conference, the Court directed the Trustee to collect and submit by August 3, 2011 supplemental certifications from Capital One, among other mortgage loan

servicers. On July 27, 2011, this Court verbally extended the due date for Capital One's supplemental submission until August 19, 2011

5. Attached hereto is a supplemental certification that Capital One prepared and sent to the Trustee for delivery to the Court.

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

Date: August 19, 2011

Michael S. Kraut

IN THE MATTER OF RESIDENTIAL MORTGAGE FORECLOSURE PLEADING AND DOCUMENT IRREGULARITIES	Administrative Order 01-2010 Docket # F-238-11 Supplemental Certification of Monica M. Hadley on behalf of Capital One, N.A.

SUPPLEMENTAL CERTIFICATION OF MONICA M. HADLEY ON BEHALF OF CAPITAL ONE, N.A.

I, MONICA M HADLEY, certify as follows:

I make this Supplemental Certification on behalf of Capital One, N.A., to supplement the information provided in *Certification of Monica M. Hadley in Response to this Court's Request Dated April 25, 2011* submitted on June 10, 2011 ("Hadley Certification"). The information provided below is intended to respond to the additional questions posed by the Court upon review of the *Hadley Certification*.

This certification is based upon my personal knowledge, my review of the procedures of Capital One, and interviews with relevant Capital One employees conducted by me or by Capital One's legal department who assisted with the preparation of this Supplemental Certification.

Initiating the Foreclosure Process:

Once Capital One determines a particular loan should be referred to outside counsel for foreclosure, Capital One opens a new foreclosure "process" in the Process Management and a foreclosure module on MSP (Capital One's system of record) for the loan in issue. (A "process" within Process Management can be thought of as a discrete

"task" that must be completed with respect to a loan.) See *Hadley Certification*, Response to Request 1(a) for a description of the Process Management tool.

Process Management serves as an attorney communication tool throughout the foreclosure process. That is, Capital One's approved foreclosure counsel is given access to Process Management and is able to receive documents, upload documents to be opened by Capital One and communicate with Capital One's foreclosure managers via Process Management.

When Capital One opens the foreclosure process for a particular loan, Capital One uploads into Process Management certain loan records and documents related to that loan. For example, the value and delinquency outstanding, plus imaged copies of the breach letter sent by Capital One, the note and deed of trust would be uploaded for a loan referred to foreclosure in New Jersey. New Jersey does not require the original note and deed of trust for filing a foreclosure action, so original documents are not forwarded at the time Capital One refers the loan for foreclosure.

Each night, all of the foreclosure referral processes opened by Capital One that day are transmitted electronically to Capital One's foreclosure counsel. For example, a New Jersey loan for which Capital One opens a foreclosure referral process will be transmitted electronically overnight, with all other New Jersey loans referred for foreclosure, to Capital One's New Jersey foreclosure counsel. Capital One's New Jersey foreclosure counsel can then open the foreclosure referral processes the next morning with all of the relevant data and documents to begin the foreclosure.

After the foreclosure referral process is received, foreclosure counsel prepares the documents needed to initiate the foreclosure. These may include, for example, an

assignment of the deed of trust out of MERS and an affidavit of default. Once foreclosure counsel prepares one of these documents that requires Capital One's signature, foreclosure counsel uploads the document into another process in Process Management called "Signature Required." A Capital One employee is then prompted by Process Management of the new "Signature Required" process and will begin the work of verifying the information in the document. Once verified, the document is referred to the manager for a second review and execution. See *Hadley Certification*, Response to Request 1(a) for a description of the review process prior to execution.

***Reviewing Documents for Execution and Execution of Documents*:**

Reference is made to the discussion of Capital One's Quality Control team and the review of documents requiring execution. See *Hadley Certification*, Response to Request 1(a).

In 2010, Capital One implemented the three-tier review process described in the *Hadley Certification*, which was still in place on June 10, 2011 when the *Hadley Certification* was filed. The three-tier review process was implemented to address both the volume of documents for which a signature was requested and the limited number of indivduals who were authorized to sign. At the time, Capital One was experiencing volumes of more than 1,000 documents per months that required review and signature. And, while at that time four (4) of the default servicing managers were authorized to sign on behalf of investors and GSEs, in practice, that responsibility fell primarily to one manager, the undersigned Monica Hadley. Thus, Capital One implemented an additional review in an effort to maintain the quality and accuracy of documents.

In the first quarter of this year, a new position was created and filled by Chari Henson, reporting directly to the undersigned, whose primary responsibility is to review and execute affidavits, verifications and other documents requested for foreclosure and litigation. In addition, the volume of requests has declined, and so on July 25, 2011, a Capital One Management Committee approved a revision to the review process to require only two levels of review.

Today, one individual from Capital One's Quality Control team of 4 to 6 employees completes the first review. If the document "passes," it is then referred to the manager for review and execution. Capital One's Quality Control team does not include the manager that ultimately signs the document. Rather, the manager who executes the document does an independent review, which is the second level review.

Each reviewer – the Quality Control team member and the manager -- reviews the same documents, although each reviewer may separately access scanned images of the documents, such as the note and deed of trust, from Capital One's scanned imaging system. If information is taken from MSP, a copy of the screen providing the pertinent information is printed in the first level review and then reviewed by the manager that completes the second review.

Three Capital One employees have authority to sign on behalf of MERS. (Note that employees authorized to sign on behalf of MERS must complete MERS' training and process for obtaining authorization.) Today, five Capital One employees have authority to sign on behalf of private investors and Government-Sponsored Enterprises ("GSE"), such as Fannie Mae and Freddie Mac But primary responsibility for signing and verifying documents on behalf of investors and GSEs falls with the undersigned and

Chari Henson, the individual in the position that was created earlier this year. The remaining authorized signers generally provide "back-up" in case the primary signers are not available.

Currently, approximately 700 documents are executed each month for all loans serviced by Capital One. New Jersey makes up roughly 2% of the total loans serviced by Capital One. Assuming foreclosures are similarly distributed, approximately 14 documents are executed each month by Capital One employees for foreclosures in New Jersey.

Original Collateral Documents:

Original collateral documents, i.e., the note, security instrument and title policy, are maintained by a custodian that is designated by the investor for the loan. For example, if a loan is held in a securitization, the custodian is usually designated in the pooling and servicing agreement. U.S. Bank National Association is the custodian for loans held by Capital One and Capital One's affiliates.

Capital One has a Records Department that interfaces with the various custodians that hold original collateral files for mortgage loans Capital One services. If an original note or deed of trust is required, for example, to initiate a foreclosure in a state that requires the original note or deed of trust/mortgage, the Capital One employee requests the original document from a Capital One Records Technician within the Records Department The Records Technician is responsible for obtaining the original document(s) from the custodian. The Capital One employee that requests the original documents is responsible for monitoring its use and the original document's return to the Records Technician for return to the custodian.

Audit and Quality Control:

There are, generally, three different ways in which Capital One's foreclosure process may be audited or reviewed.

Capital One's corporate audit department will, from time to time, audit various policies and procedures within the company. The most recent audit of the servicing operation, including foreclosure processing, was completed in March 2011.

Capital One's Quality Assurance group also "audits" the foreclosure process. These reviews are designed as both a loan level review and a process review. For the loan level review, the Quality Assurance Group is scheduled to review each month five (5) randomly selected files worked by each employee.

Quality Assurance also conducts process reviews, which reviews the entire foreclosure process from initiation of foreclosure through resolution of the loan or disposition of the property. Two process reviews have been conducted in 2011. The target is to conduct these once a quarter, but no less than twice a year.

Last, there are, periodically, examinations or reviews of Capital One's servicing operations – including foreclosure processing -- by private investors and GSEs. In addition, periodically Capital One's servicing operation may be examined by the OCC or by other regulators to ensure compliance under various servicing agreements, Reg. AB and uniform servicing standards.

Training:

Capital One's procedures for reviewing and then executing foreclosure related documents were last updated August 3, 2011. To date, training for these procedures has

been largely on-the-job. The training program is currently being documented and is expected to be finalized within the next 30 days

Access to System of Record:

As earlier stated, MSP is Capital One's system of record. The way in which payments are applied, i.e., payment hierarchy and application, is systemically controlled by MSP.

MSP has multiple modules, each designed for a different aspect of loan servicing. For example, and without limitation, there are modules applicable to payment processing, to escrow administration, to managing loans in bankruptcy, to foreclosure processing and communicating with foreclosure counsel.

A Capital One employee's access to these modules is wholly dependent upon the employee's job function and responsibilities. In addition, access to MSP may be "read only," which does not allow the employee to make entries on MSP, or it may allow the employee to make entries to the servicing record. The type of access available, again, depends upon the employee's job function and responsibilities.

Need for access – and what type of access – is defined by a "System User Profile," which is created for each Capital One employee when the employee is hired. The System User Profile determines the employee's access (and type of access) to, among other things, one or more MSP modules, all of which must be approved by one or more levels of management.

For example, a Capital One employee working in payment processing would be able to make entries for payments received and applied to an account. But an employee working in foreclosure servicing can not. An employee working in foreclosure servicing

would have only "read" access to payment processing entries, but could add servicing notes to the loan record. Capital One's attorneys may obtain "read only" access to MSP, which means they can view payment entries, servicing notes and other loan data, but they cannot enter anything on the system.

Dated: August 19, 2011

Monica M. Hadley