

## Front Middle Back UCC 3 Note

Most write about the entitled rights to a UCC 3 Note in the middle and forget the front end and back end and was the (Real Property Note) secured in accordance to laws of local jurisdiction at conception if fraud was involved. UCC 9 applies to an intangible transferable record (interest in [payment stream] the Real Property Note) and the security securing it is the right to the receive payments made under the Real Property Note; perfection of the Real Property Security Instrument to the Real Property Note and assigning perfection (local laws of jurisdiction) and perfection to the right of the payment stream and assigning perfection rights (UCC 9) are not one in the same.

For the upstream side of the Note to be secured, if one looks at the current Fannie/Freddie website:

<https://www.efanniemae.com/sf/formsdocs/documents/secinstruments/>

and retrieve the currently used, as well as in the past, the Uniform Security Instrument that was to make the Real Property Note Secured has a potential serious legal flaw. Covenant #20 of the Uniform Security Instrument notices the Real Property “Note” could be sold **“OR”** an “Interest in” the Note [payment stream] along with the Real Property Security Instrument that was to be the security for the Real Property Note, hence this claims that the Real Property Security Instrument follows the Intangible [payment stream]. One needs to apply contract law as it appears that when one writes a contract which contains

inducement to commit fraud, such contract is null and void. {Verify with each state laws} If such Uniform Security Instrument contract is a nullity at conception, would that not render the Real Property Note as being an Unsecured Real Property Note? Were it to be the Real Property Security Instrument is judicially determined to be fraudulent, and as to additionally follow Carpenter v Longan, no Real Property Security Instrument followed the “Interest in” [payment stream]. Is it a crime to introduce fraud into the Securities Market? YES.

For the downstream side, wording in many of the Mortgage Backed Securities is assigned an “interest in [payment stream]” derived from the entitlement to the cash flow from the Real Property Note, which is the payment intangible stream. Further reading into a Mortgage Backed Securities formation documents usually under the section titled, “Conveyance of the Mortgage Loan, per se”, require that a Secured Note being a true sale to the Mortgage Backed Security that evidences a transfer of all perfected rights. How could one transfer an interest that has already been transferred? Real Property Security Instrument, could this be considered a fraudulent intentional statement to conceal the Covenant #20 fraud?

Considering many Real Property Note(s) are indorsed “in blank” and warehoused by the originator or possibly by the warehouse lender or a custodian, bankers should hope hopefully not destroyed, where such custodian of the Real Property Note is in accordance to Fannie/Freddie Custodial guidelines:

<https://www.efanniemae.com/is/doccustodians/pdf/dcreqdoc.pdf>

reveals that MERS did not track the True Sale of a Secured Real Property Note but tracked the selling of the Intangible Interest [payment stream] derived from the Real Property Note. Whereas a Real Property UCC Article 3 Note cannot be bifurcated into an Interest Only Note and a Principal only Note, the interest in the Note [payment stream] could have been bifurcated into multiple components if a lawful premise existed. Each component then could be offered up into the securities market and provide additional contracts for servicing.

Why have a single source of servicing fees when you can slice and dice the Intangible Payment Stream to create multiple investment vehicles for which a servicing fee could be charged. Here, the Mortgage Backed Securities formation documents concealed the illegal act committed in the original Security Instrument and as such hid fraud from the investors.