

Complexity of MERS, now simplified

The complexity of using MERS with lien theory is complex.

Where MERS claims to be the Mortgagee of Record, MERS claims to be the secured party to the indebtedness, one could absolutely agree bankruptcy remoteness has failed.

However, where MERS claims to be the Mortgagee of Record does not make MERS the secured party to the mortgage indebtedness. Where MERS claims to be the Mortgagee of Record, MERS is acting as a secured party to the payment intangible (rights to collect the fees under the lien/servicing rights, such would be governed under UCC 9/RA9. Where a mortgage lien is secured to the mortgage indebtedness, UCC article 9/RA 9 does not apply; local laws of jurisdiction govern continuous lien perfection.

Where MERS claims to be the secured party of the mortgage indebtedness by virtue of being the Mortgagee of Record as a secured party to the mortgage indebtedness of which MERS is not the owner/holder of the mortgage indebtedness is a falsehood as MERS cannot be the secured party of the indebtedness, but, MERS maybe the secured party to the payment intangible where such security interest is the rights to collect the payments under the lien.

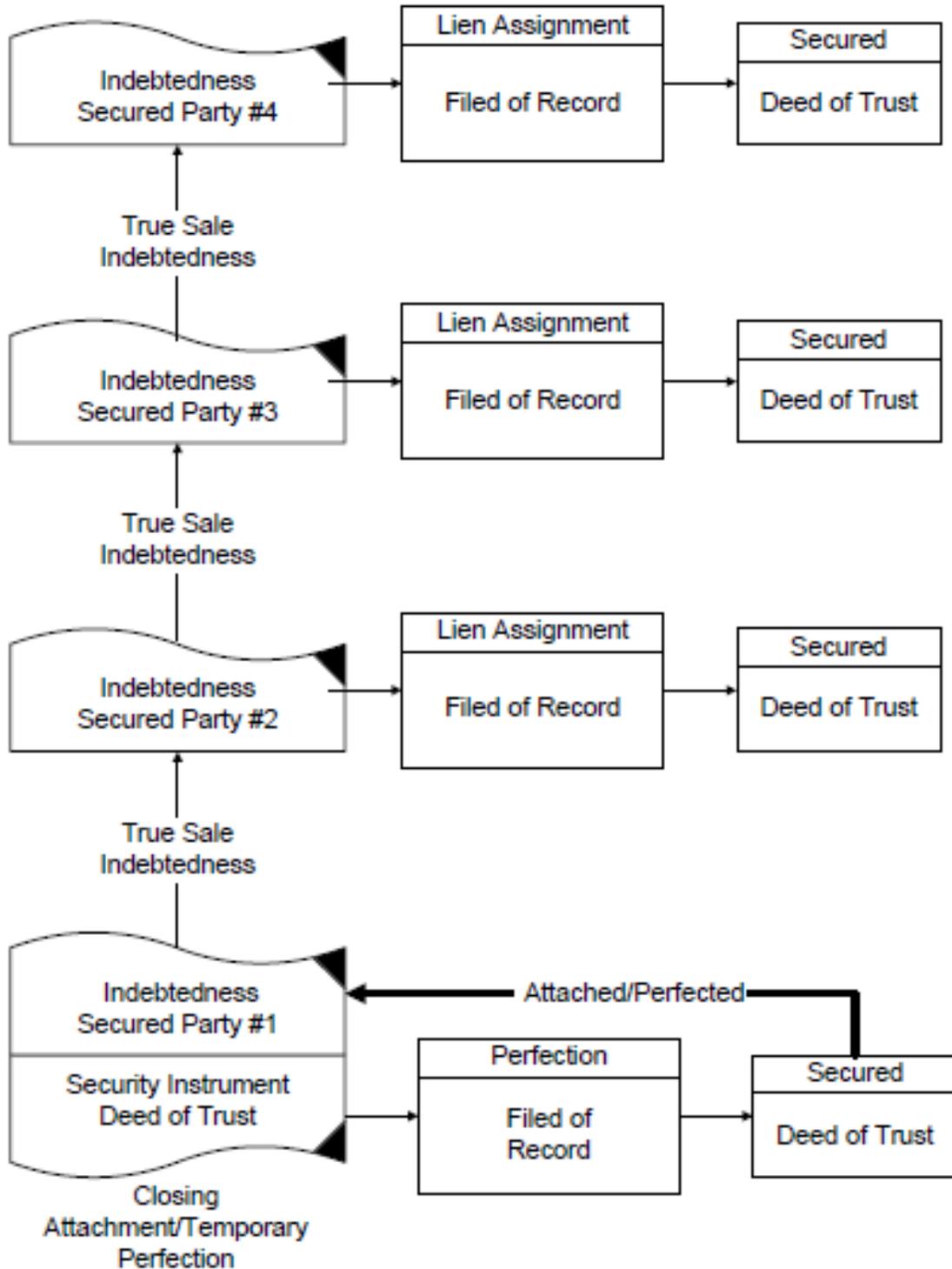
Elevator version: MERS could be the secured party for the payment

intangible payment stream and under governance of UCC but only the true owner and holder of the mortgage indebtedness can have a lawfully continuous perfected secured party status to the mortgage lien (Deed of Trust). Therefore, state recordation of liens is required to maintain perfection.

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Compliance

Lien Assignment Filed of Record
Memorialization of Note Negotiation

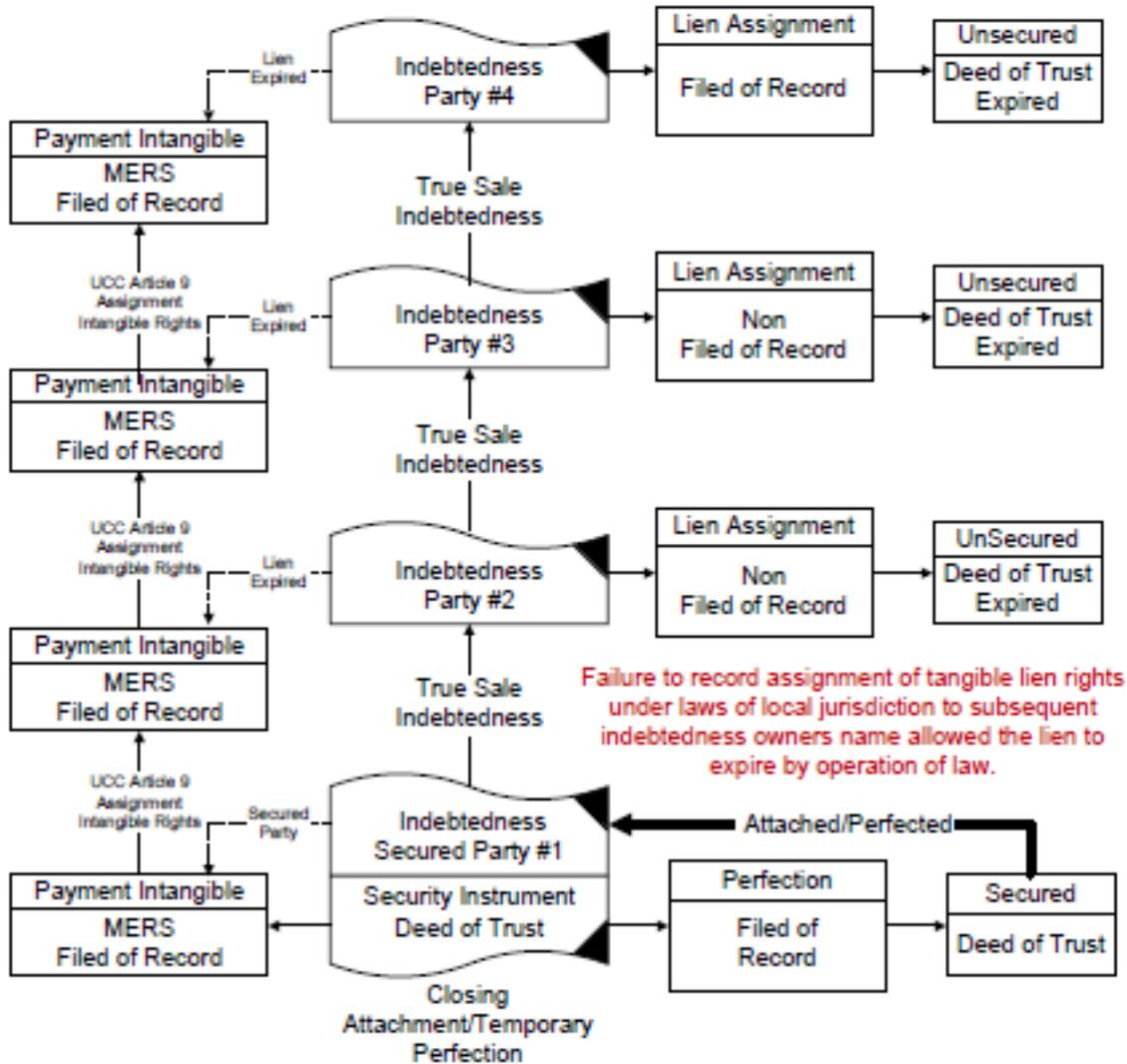


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Non-Compliance

Lien Assignment Not Filed of Record
Non-Memorialization of Note Negotiation to Assign Lien Rights

MERS - Intangible Right – UCC Article 9
Lien – Tangible Right – Laws of Jurisdiction



Rights to collect money under the Indebtedness may remain enforceable in a court of equity. Power of Sale has expired.

Rights to collect monies under the Payment Intangible expired when Tangible Lien Rights expired.