

What they should have done:

A is the loan Originator (Fee Paid on the original filing of the security instrument)

A indorses to B and a recording fee should be applied in regards to the security instrument to be filed of record, sell effects real estate

B is the Seller/Securitizer of Trust

B fills in the blank in B's name as indorsee so they could further negotiate the note to C

B indorses to C and a recording fee should be applied in regards to the security instrument to be filed of record, sell effects real estate

C is the Depositor of Trust

C fills in the blank in C's name as indorsee so they could further negotiate the note to D

C indorses to D and a recording fee should be applied in regards to the security instrument to be filed of record, sell effects real estate

D is the Trustee of Trust

D fills in the blank in D's name as indorsee so they could further negotiate the note to E

D indorses to E and a recording fee should be applied in regards to the security instrument to be filed of record, sell effects real estate

E is the Trust (Certificate Holders)

E fills in the blank in E's name as indorsee (E is now Owner/Holder & Holder in Due Course

----Default----

Legal Actions Executed

What they did:

A is the loan Originator (Fee Paid on the original filing of the security instrument)

A indorses "in blank" and possession of note is transferred to Custodian (or destroyed if scanned) for B and the MERS registry is updated as to who has control of the Custodian and the Transferable Record

B is the Seller/Securitizer of Trust

B sells the Transferable Record to C and the MERS registry is updated as to who has control of the Custodian and the Transferable Record (no recording fees paid)

C is the Depositor of Trust

C sells the Transferable Record to D and the MERS registry is updated as to who has control of the Custodian and the Transferable Record (no recording fees paid)

D is the Trustee of Trust

D sells the Transferable Record to E and the MERS registry is updated as to who has control of the Custodian and the Transferable Record (no recording fees paid)

E is the Trust (Certificate Holders)

-----Default-----

Assignment of Mortgage from A to E is filed public record and fee is paid (Fraudulent Filing)

Illegal Foreclosure Action Commenced