

Simplicity

Homeowner Mortgage

In the writers conversation with various peoples a startling fact emerges.

People do not really see the simplicity of the fraud.

So with apology, the writer will attempt to even more simplify the scenario that has led to the largest financial crisis in history.

Primary Market

(Interest in Real Estate)

A mortgage loan made between the people and the first lender (originator).

To comply with the Uniform Commercial Code and the states equivalences the promissory note must be in writing (tangible form).

A mortgage loan consists of the paper promissory note along with a paper security instrument securing the property as collateral to the paper promissory note rendering the indebtedness a "Secured Debt".

The paper promissory note is governed by the Uniform Commercial Code; Article 3 Negotiable Instruments or the states equivalence.

The Uniform Commercial Code; Article 9 provides that local laws of jurisdiction will govern lien perfection of the paper security instrument. (Recordation in Public Records)

The mortgage loan is assembled with various other mortgage loans and assembled into a collateral pool package that will be used as the underlying collateral in a secondary market investment vehicle.

In numerous cases the lender is Holder/Owner/Holder in Due Course of the paper promissory note and MERS as a 3rd party is named as Mortgagee/Beneficiary on behalf lender on the security instrument. Bifurcation will not be addresses in this writing.

Herein Lies the Beginning of the Fraud on the Secondary Market Transition from the Primary Market to the Secondary Market

To Facilitate the Greed of Wall Street

The Paper Mortgage Loan Package is electronically scanned into a digitized computer file. It is of no relevance as to whether the paper mortgage package is vaulted or destroyed.

Secondary Market (The Certificates are Interest in Personal Property)

(The underlying electronic mortgage package as collateral is an interests in Real Property and still governed by Real Property Laws)

The Certificates have contractual requirements and requirements of law that require a precise procedure to transfer ownership of the underlying electronic mortgage collateral package through the creation of the trust to the final owners, investors in exchange for the investors purchase of the Certificates.

“Authoritative Copy of a Transferable Record”, (eNote) and the rights to ownership is what is being tracked by the MERS system along with the location and custodian of the paper mortgage package.

As can be clearly seen we now have a paper negotiable instrument and an electronic negotiable instrument.

It is the electronic negotiable instrument that is being offered up to the secondary market and as such fraud has been introduced into the securities market.

Back to the paper note, in referencing the Uniform Commercial Code; Holder in Due Course with rights to enforce the negotiable instrument can not be acquired if fraud is involved.

To cover up the fraud by the financial entities they hire the best law firms in the country and spend as much money as required to have these law firms to use all the slicker and trickery possible to keep the fraud contained.

Most people only see the imaginary and illusion of assignment and real party in interest fraud.

What is concealed is “ELECTRONIC NEGOTIABLE INSTRUMENTS” which can not lawfully exist and if exposed would expose a multi-trillion dollar fraud by the global banks and related industries.