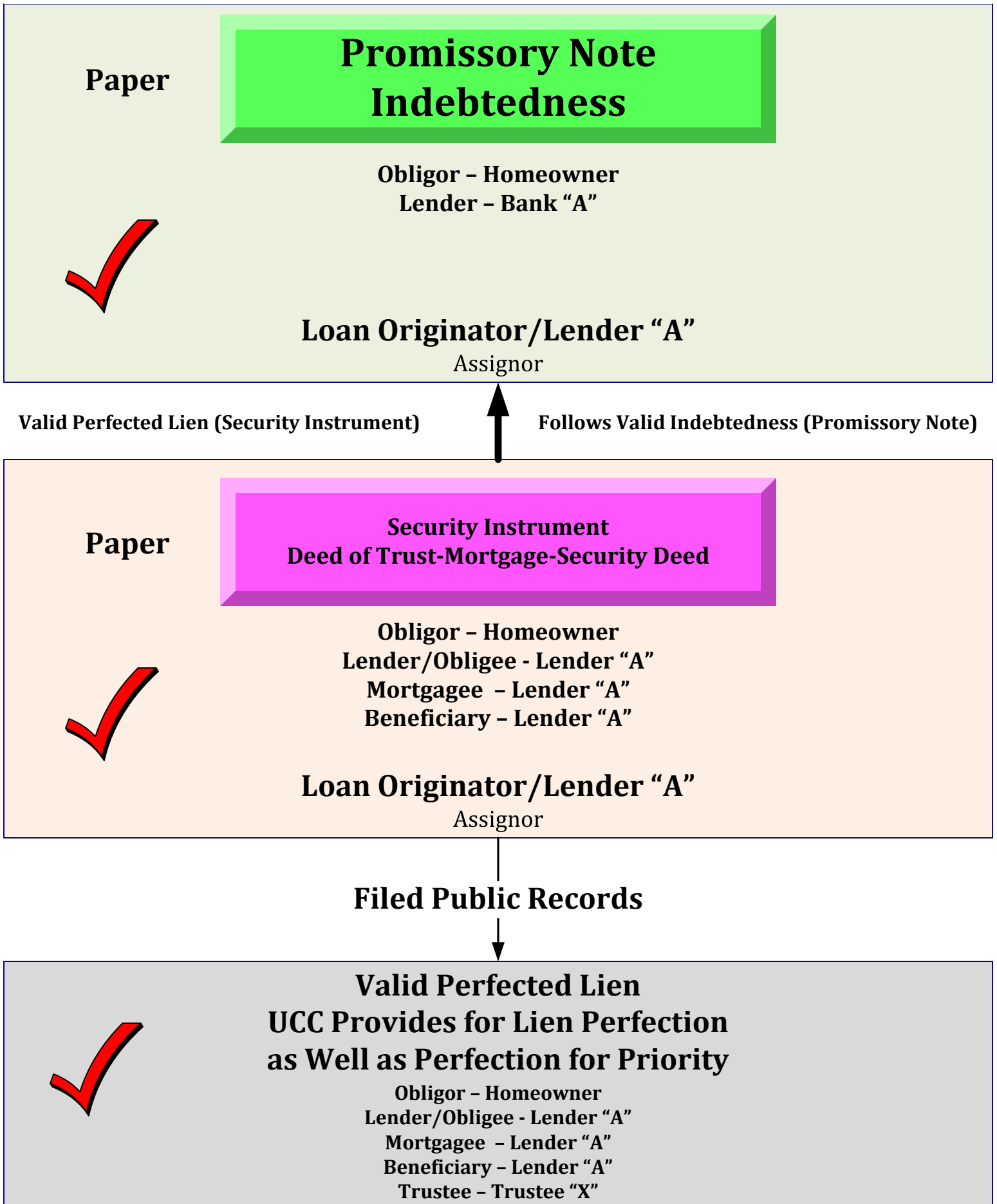



# The Creation of a Valid Mortgage



# The Creation of an Invalid Security Instrument

**Paper**

**Promissory Note  
Indebtedness**



Obligor - Homeowner  
Lender - Bank "A"


**Loan Originator/Lender "A"**  
Assignor

Invalid Lien (Security Instrument)


Does Not Follows Valid Indebtedness (Promissory Note)

**Paper**


**Security Instrument  
Deed of Trust-Mortgage-Security Deed**



Obligor - Homeowner  
Lender/Obligee - Lender "A"  
Mortgagee - MERS as "Nominee"  
Beneficiary - MERS




Filed Public Records



**Invalid Perfected Lien**  
**UCC Provides for Lien Perfection  
as Well as Perfection for Priority**

Obligor - Homeowner  
Lender/Obligee - Lender "A"  
Mortgagee - MERS as "Nominee"  
Beneficiary - MERS



# NON MERS Electronic Conversion Paper Promissory Note To Electronic Promissory Note

Paper

## Promissory Note Indebtedness



Obligor - Homeowner  
Lender - Bank "A"

UCC Article 3 Governs Negotiable Instrument  
Tangible (Writing)

**Loan Originator Scans - Copies - Vaults and/or Destroys**

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

(a) Excepted requirements

The provisions of section 7001 of this title shall not apply to a contract or other record to the extent it is governed by—

- (1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;
- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1-107 and 1-206 and Articles 2 and 2A.



Electronic

## Electronic Note



Obligor - Homeowner  
Lender - Bank "A"

Lacks Supporting Laws



# NON MERS Electronic Conversion Paper Security Instrument To Electronic Security Instrument

**Paper**

**Security Instrument  
Deed of Trust-Mortgage-Security Deed**



**Obligor - Homeowner  
Lender/Obligee - Lender "A"  
Mortgagee - Lender "A"  
Beneficiary - Lender "A"  
UCC Article 9 Governs Security Instrument  
Tangible (Writing)**

**Loan Originator Scans - Copies - Vaults and/or Destroys**

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

(a) Excepted requirements

The provisions of section 7001 of this title shall not apply to a contract or other record to the extent it is governed by—

- (1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;
- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1–107 and 1–206 and Articles 2 and 2A.



**Electronic**

**Electronic Security Instrument**



**Obligor - Homeowner  
Lender/Obligee - Lender "A"  
Mortgagee - Lender "A"  
Beneficiary - Lender "A"**



**Loan Originator/Lender "A"**  
Assignor

# MERS Electronic Conversion Paper Security Instrument To Electronic Security Instrument

**Paper**

**Security Instrument  
Deed of Trust-Mortgage-Security Deed**



**Obligor - Homeowner  
Lender/Obligee - Lender "A"  
Mortgagee - MERS as "Nominee"  
Beneficiary - MERS  
(Invalid - Tangible)**



**Loan Originator Scans - Copies - Vaults and/or Destroys**

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

(a) Excepted requirements

The provisions of section 7001 of this title shall not apply to a contract or other record to the extent it is governed by—

- (1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;
- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1–107 and 1–206 and Articles 2 and 2A.



**Electronic**

**Electronic Security Instrument**



**Obligor - Homeowner  
Lender/Obligee - Lender "A"  
Mortgagee - MERS as "Nominee"  
Beneficiary - MERS  
(Intangible)**



**Loan Originator/Lender "A"**

# First Negotiation Electronic Promissory Note

Electronic

## Electronic Note



Obligor - Homeowner  
Lender - Bank "A"  
Assignor



Electronic Note Negotiated  
Assignor to Assignee

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

(a) Excepted requirements

The provisions of section 7001 of this title shall not apply to a contract or other record to the extent it is governed by—

- (1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;
- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1-107 and 1-206 and Articles 2 and 2A.



Electronic

## Electronic Note



Obligor - Homeowner  
Lender - Bank "B" (Seller/Securitizer)  
Assignee



MERS Registry Updated  
Assignee - Registered As OWNER/HOLDER  
(Invalid Holder In Due Course)

# Second Negotiation Electronic Promissory Note

Electronic

**Electronic Note**



**Obligor - Homeowner  
Lender - Bank "B"  
Assignor**



**Electronic Note Negotiated  
Assignor to Assignee**

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

(a) Excepted requirements

The provisions of section 7001 of this title shall not apply to a contract or other record to the extent it is governed by—

- (1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;
- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1-107 and 1-206 and Articles 2 and 2A.



Electronic

**Electronic Note**



**Obligor - Homeowner  
Lender - Bank "C" (Depositor)  
Assignee**



**MERS Registry Updated  
Assignee - Registered As OWNER/HOLDER  
(Invalid Holder In Due Course)**

# Third Negotiation Electronic Promissory Note

Electronic

**Electronic Note**



**Obligor - Homeowner  
Lender - Bank "C"  
Assignor**



**Electronic Note Negotiated  
Assignor to Assignee**

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

(a) Excepted requirements

The provisions of section 7001 of this title shall not apply to a contract or other record to the extent it is governed by—

- (1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;
- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1–107 and 1–206 and Articles 2 and 2A.



Electronic

**Electronic Note**



**Obligor - Homeowner  
Lender - Bank "D" (Trustee)  
Assignee**



**MERS Registry Updated  
Assignee - Registered As OWNER/HOLDER  
(Invalid Holder In Due Course)**



# Fourth Negotiation Electronic Promissory Note

Electronic

**Electronic Note**



**Obligor - Homeowner  
Lender - Bank "D"  
Assignor**



**Electronic Note Negotiated  
Assignor to Assignee**

TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

(a) Excepted requirements

The provisions of section 7001 of this title shall not apply to a contract or other record to the extent it is governed by—

- (1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;
- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1–107 and 1–206 and Articles 2 and 2A.



Electronic

**Electronic Note**

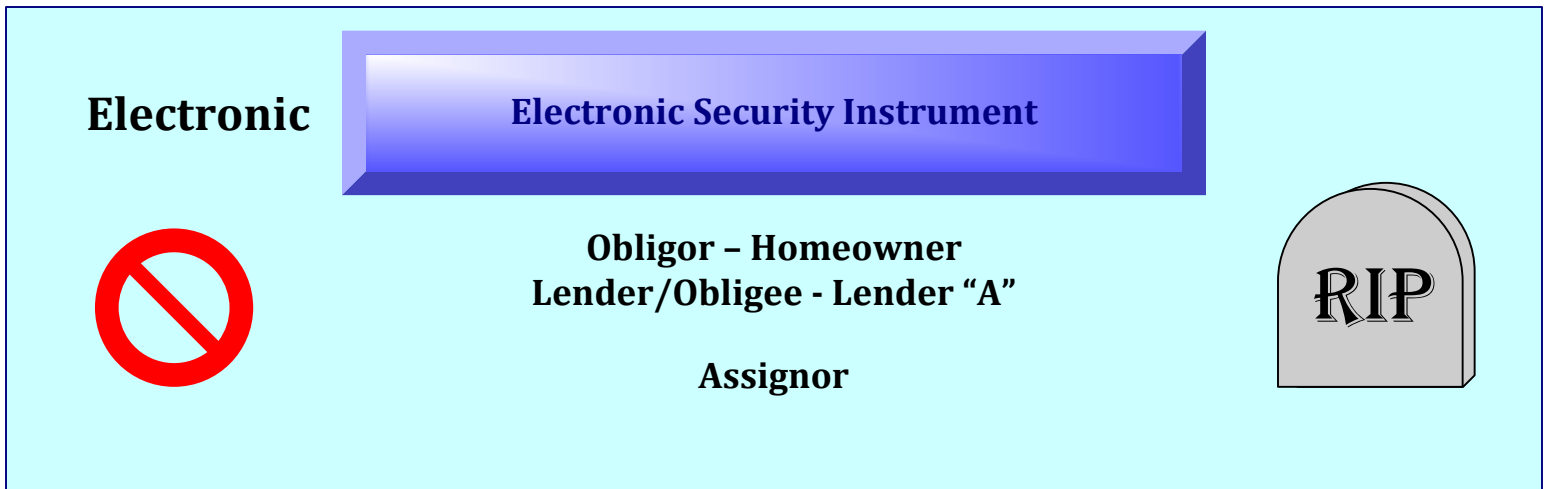


**Obligor - Homeowner  
Lender - Bank "E" (Custodian for Trust)  
Assignee**



**MERS Registry Updated  
Assignee - Registered As OWNER/HOLDER  
(Invalid Holder In Due Course)**

# Notice of Assignment Lender "A" to Lender "D" (Lender "E" Not Included In Chain of Title)



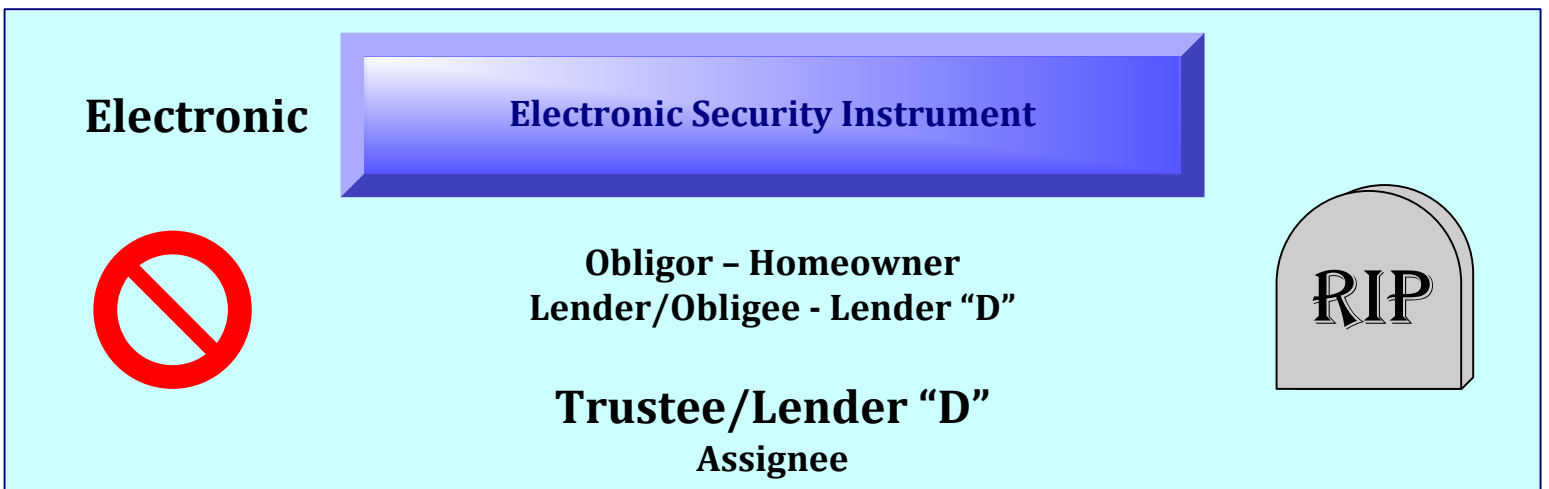
TITLE 15 > CHAPTER 96 > SUBCHAPTER I > § 7003

§ 7003. Specific exceptions

(a) Excepted requirements

The provisions of section 7001 of this title shall not apply to a contract or other record to the extent it is governed by—

- (1) a statute, regulation, or other rule of law governing the creation and execution of wills, codicils, or testamentary trusts;
- (2) a State statute, regulation, or other rule of law governing adoption, divorce, or other matters of family law; or
- (3) the Uniform Commercial Code, as in effect in any State, other than sections 1-107 and 1-206 and Articles 2 and 2A.



**Filed Public Records**



# The Unlawful Foreclosure

Original Paper Retrieved From Vault or Lost Note Affidavits Issued if Destroyed

**Promissory Note  
Indebtedness**

**Security Instrument  
Deed of Trust-Mortgage-Security Deed**

Electronic

**Notice of Assignment**



**Unlawful  
Notice of Assignment**



**Unlawful Filing Public Records**



Electronic

**Electronic Note**



**Unlawful Electronic Promissory Note**



Electronic

**Electronic Security Instrument**



**Unlawful Security Instrument**

