Fannie Mae Form 3036[1]

> *20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note* ***or*** *a partial interest in the Note* ***(together with this Security Instrument)*** *can be sold one or more times without prior notice to Borrower.*

Carpenter v. Longan - 83 U.S. 271, if in Texas, West v. First Baptist Church of Taft, 71 S.W. 2d 1090, 1098 (Tex. 1934), the Mortgage follows the Note. Under established legal opinion, a Mortgage cannot follow a partial interest in the Note by relying upon Uniform Commercial Code Article 9 into various trusts as the Fannie Mae Security Instruments would like us to believe.

Abovewith, *just love creating new words, about as much fun as banks finding ways to violate law,* in item #20, a common person can clearly see willful intent to deceive and was the precursor to allow investor to be defrauded. Contract Fraud? For you investors who want to sue the GSE's, the GSE's on Security Instruments provides you with the method and means to prove a fraudulent act and most all these Security Instruments can be found filed of record in nearly every county in the United States. Can you assign a criminal act?

For many states, the Mortgage is nothing but a lien that provides security for the Note. Bankruptcy Rule 3001(d) requires that in filing the Proof of Claim as a Secured Creditor of a Note, proof of such Secured Status must also be entered into the court record. In many bankruptcy cases, the alleged creditor files the Original Security Instrument, similar to the one previously noted, and notice of this Security Instrument being assigned to the filer of the Proof of Claim. Could one consider the assignment of a Security Instrument that contains a fraudulent act to be an assignment of the fraudulent act?

[1] https://www.efanniemae.com/sf/formsdocs/documents/secinstruments/

TITLE 11 App. > FEDERAL > PART III > Rule 3001[2]

Rule 3001. Proof of Claim

(d) Evidence of Perfection of Security Interest. If a security interest in property of the debtor is claimed, the proof of claim shall be accompanied by evidence that the security interest has been perfected.

To allow the securitization fraud to work in the electronic world using an Obligor's Note's, the partial interest in the Note (Intangible Payment Stream, henceforth IPS) had to be bifurcated from the Tangible Note. Additionally, to provide illusion of lawfulness, Uniform Commercial Code Article 9 was employed to state the security follows the IPS. Here lies confusion, the security to the IPS is the promise of a payment stream. As many of the GSE's securitized trust claim in their prospectus, the security is a promise of payment. To further muddy the understanding, many of the trusts require an unrelated underlying action, negotiating the Obligor's Note to the trust and to assign a perfected Security Instrument to the trust. This provides the illusion that the trust has a perfected interest in the Obligor's Note and the fraudulent Security Instrument. Where securitization relied upon UCC Article 9 for assigning security interest of the IPS allowed circumnavigation of states recordation laws for public records to identify a Secured Party of Record to the Security Instrument. Whereas the Note travels by different path lacking true sale negotiation by indorsement "in blank" has a fatal flaw as the UCC Article 9 would not be able to overcome if even applicable, the loss of agency relationship to the intervening Indorsers and Indorsee as related to the security interest or Security Instrument.

[2] http://www.law.cornell.edu/uscode/html/uscode11a/usc_sec_11a_00003001----000-.html

The Security Instrument for the fraud to work would require the Security Instrument [not the Security Interest] to not follow the Note but follow an Interest in the Note, the bifurcation of the Intangible Payment Stream from the Note lacks supporting law for the Security Instrument to be secured to the Intangible Payment Stream.

The banks allege the Security Instrument follows the Intangible Payment Stream and as-such is that of a party entitled to enforce the Note. In many cases the Note resides endorsed "in blank" with a holder and non owner, Original Payee. Under UCC Article 3, a subsequent Indorsee is entitled to obtain the indorsement from the Indorser to complete the Indorsement. Where there has been multiple conveyances of the Note indorsed "in blank", each Indorsee in turn would need to realize the indorsement from each predecessor Indorser to obtain a chain of indorsement to allow the final subsequent holder and owner of the Note claim entitlement rights to the Note. The Uniform Commercial Code Article 9 and real property laws of local jurisdiction of many states have no legal method available for proving up a lost chain of entitled rights to the Security Instrument. Whereas there is no method to repair a broken chain of title to the Security Instrument, the final Indorsee of a proved up Note has only rights to the Note and under bankruptcy law is an "Unsecured Creditor". As the Security Instrument has the potential of being the bridge for fraud, one would need to follow the path of the Security Instrument to determine the level of fraud.

It's not a House of Cards; It's an Upside Down House of Cards.

Explains the reason for 15 USC § 7003