

# So, this is how they do it

First things first;

**Borrower** : I, me, myself

**Lender** : American Mortgage Network (AMNET)

This is my explanation of how my secured debt went bad before I ever made the first payment.

I made an agreement with another party, a “Lender”. I used collateral in the form of a title to land known as a “Deed of Trust” to secure the transaction.

This agreement was accomplished. The loan came forth and the voided deed of trust was recorded in Public Records in the jurisdiction of the property. The Deed of Trust was void upon conception.

*The situation mentioned above is governed by, in my case, The Texas Business and Commerce Code, Chapter 3, negotiable instruments, Chapter 9, secured transactions, Texas local government code, chapter 192, and Texas Property Code.*

## **So where’s the problem?**

In the Deed of Trust, an intrusive non-party, *Mortgage Electronic Registration Systems, Inc., “MERS”*, is named the Beneficiary. *MERS is a separate corporation that is acting solely as a Nominee for lender and Lenders successors and assigns.*

*From MERS website:*

*MERS was created by the mortgage banking industry to streamline the mortgage process by using electronic commerce to eliminate paper. Our mission is to register every mortgage loan in the United States on the MERS® System.*

*Beneficiaries of MERS include mortgage originators, servicers, warehouse lenders, wholesale lenders, retail lenders, document custodians, settlement agents, title companies, insurers, investors, county recorders and consumers.*

**MERS acts as nominee in the county land records for the lender and servicer.** *Any loan registered on the MERS® System is inoculated against future assignments because MERS remains the nominal mortgagee no matter how many times servicing is traded. MERS as original mortgagee (MOM) is approved by Fannie Mae, Freddie Mac, Ginnie Mae, FHA and VA, California and Utah Housing Finance Agencies, as well as all of the major Wall Street rating agencies.*

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According to Texas Law and other Laws, the Lender and MERS probably needed a contract of some sort to determine how they would both be involved in the Deed of Trust. MERS is not a party to the NOTE.

Not only would they need a contract to do business between the two parties, but they would also need to ensure that the secured debt would be perfected, no matter where the Note went.

MERS attempts to use MERS membership requirement of Certifying Agent as substitution for a contract between the parties.

### **U.C.C. - ARTICLE 3 - NEGOTIABLE INSTRUMENTS, PART 2 NEGOTIATION, TRANSFER, AND INDORSEMENT**

#### **§ 3-205. SPECIAL INDORSEMENT; BLANK INDORSEMENT; ANOMALOUS INDORSEMENT**

(a) If an indorsement is made by the holder of an instrument, whether payable to an identified person or payable to bearer and the indorsement identifies a person to whom it makes the instrument payable, it is a "special indorsement." When specially indorsed, an instrument becomes payable to the identified person and may be negotiated only by the indorsement of that person. The principles stated in Section 3-110 apply to special indorsements.

(b) If an indorsement is made by the holder of an instrument and it is not a special indorsement, it is a "blank indorsement." When indorsed in blank, an instrument becomes payable to bearer and may be negotiated by transfer of possession alone until specially indorsed.

(c) The holder may convert a blank indorsement that consists only of a signature into a special indorsement by writing, above the signature of the indorser, words identifying the person to whom the instrument is made payable.

(d) "Anomalous indorsement" means an indorsement made by a person who is not the holder of the instrument. An anomalous indorsement does not affect the manner in which the instrument may be negotiated.

What this means is once the Lender agreed with MERS to transfer/assign my secured instrument to MERS without negotiation of the note to MERS, any financial statement recorded in the jurisdiction of the property could not perfect the security instrument. This filing in Public Records is a nullity. If the debt was assigned/negotiated to a third party then a financial statement **must** be filed to transfer/maintain a continuous perfection of lien rights--this according to Texas Business and Commerce Code, Texas Local Government Code;

#### **§ 9.301. LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY INTERESTS**

*Except as otherwise provided in Sections 9.303 through 9.306, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral:*

*(2) While collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a possessory security interest in that collateral.*

#### **§ 192.007. RECORDS OF RELEASES AND OTHER ACTIONS.**

*(a) To release, transfer, assign, or take another action relating to an instrument that is filed, registered, or recorded in the office of the county clerk, a person must file, register, or record another instrument*

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*relating to the action in the same manner as the original instrument was required to be filed, registered, or recorded.*

*(b) An entry, including a marginal entry, may not be made on a previously made record or index to indicate the new action.*

On September 30, 2008, a fraudulent Transfer/Assignment of the Deed of Trust, was recorded in the jurisdiction of the property I purchased.

The document was titled, "Assignment of Note and Deed of Trust". The Assignor, the intrusive non-party, MERS, by the way of an alleged Assistant Secretary of MERS, David Seybold, also an attorney for Barrett Daffin Frappier Turner & Engel, LLP, in Addison, Texas, assigned to the Assignee, Wells Fargo, a third party to my negotiation, the security instrument, and upon doing so, MERS confirmed the secured debt had been destroyed.

MERS was not the owner/holder of the Note and the Note was not negotiated. This is a fraudulent filing in public records.

The assignment states;

*WHEREAS, on the date of assignment indicated above, for value received, Holder of the Note and Deed of Trust transferred and assigned to each assignee, and warranted that the lien was valid against the property in the priority indicated; and*

*WHEREAS, the Holder of the Note and Deed of Trust and Assignee desire to evidence and memorialize such transfer and assignment and warranty by this document;*

*NOW THEREFORE, for value received Holder of the note and Deed of Trust does hereby evidence and memorialize its transfer and assignment of the Note and Deed of Trust to Assignee on the date of assignment indicated above.*

**ASSIGNOR; MORTGAGE ELECTRONIC REGISTRATIONS SYSTEMS, INC.**

**ASSIGNEE: WELLS FARGO BANK, N.A.**

**GRANTOR: ME, MYSELF, I**

In a records search for my property in Williamson County, Texas, I cannot find an assignment reflecting the negotiation of the note from **American Mortgage Network**, to **Mortgage Electronic Registration Systems**. I believe it possible at this point, and according to Texas law, the secured debt was bifurcated.

I do not see where MERS is the Holder of the Note and such cannot be the holder of the Deed of Trust, which should have been secured to the lender, a secured party of record, according to Texas Business and Commerce Code, Chapter 9, subchapter 511.

### **§ 9.511. SECURED PARTY OF RECORD**

(a) A secured party of record with respect to a financing statement is a person whose name

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is provided as the name of the secured party or a representative of the secured party in an initial financing statement that has been filed.

(c) A person remains a secured party of record until the filing of an amendment of the financing statement that deletes the person.

MERS makes claims about itself in the Deed of Trust. MERS claims it functions as the nominee". MERS also claims it is the Beneficiary to future unknown and unnamed parties [who at an unknown point in time may acquire an interest in the transaction]. MERS is the bully kid who says, "I called front seat first so it's mine, even when it's the neighbor's car."

Did MERS have the legal right to transfer or assign my secured debt? NO!

Did MERS have the legal right to transfer or assign my security instrument? NO!

My secured debt was bifurcated with the first recording of the security instrument in public records. MERS was not a party to the note. These voided instruments continue to be "assigned".

Read, Learn, Understand.

From Podunk, USA