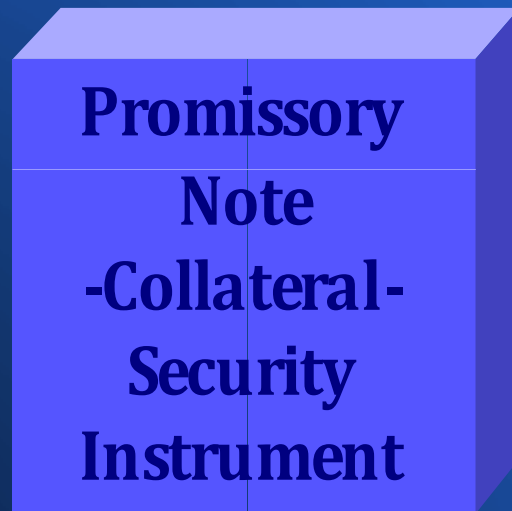


# Trillion Dollar

FUBAR

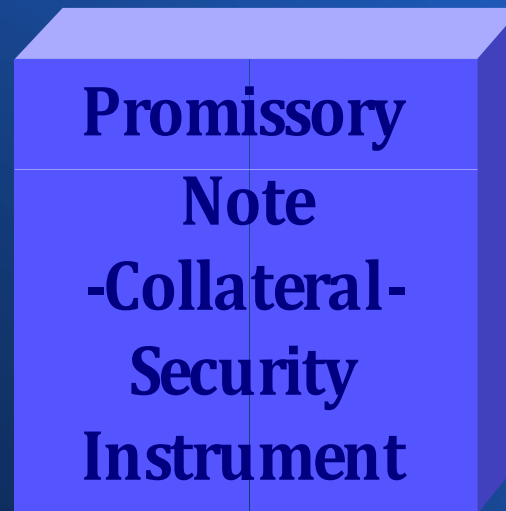


Homeowner / Loan Originator  
Created & Executes  
Paper Negotiable Instrument  
Paper Security Instrument

Uncovered

# Trillion Dollar

**FUBAR**



**Loan Originator**

**Takes Possession**

**Paper Negotiable Instrument**

**Paper Security Instrument**

**Uncovered**

# Trillion Dollar

FUBAR

Loan Originator

Registers

Ownership Rights

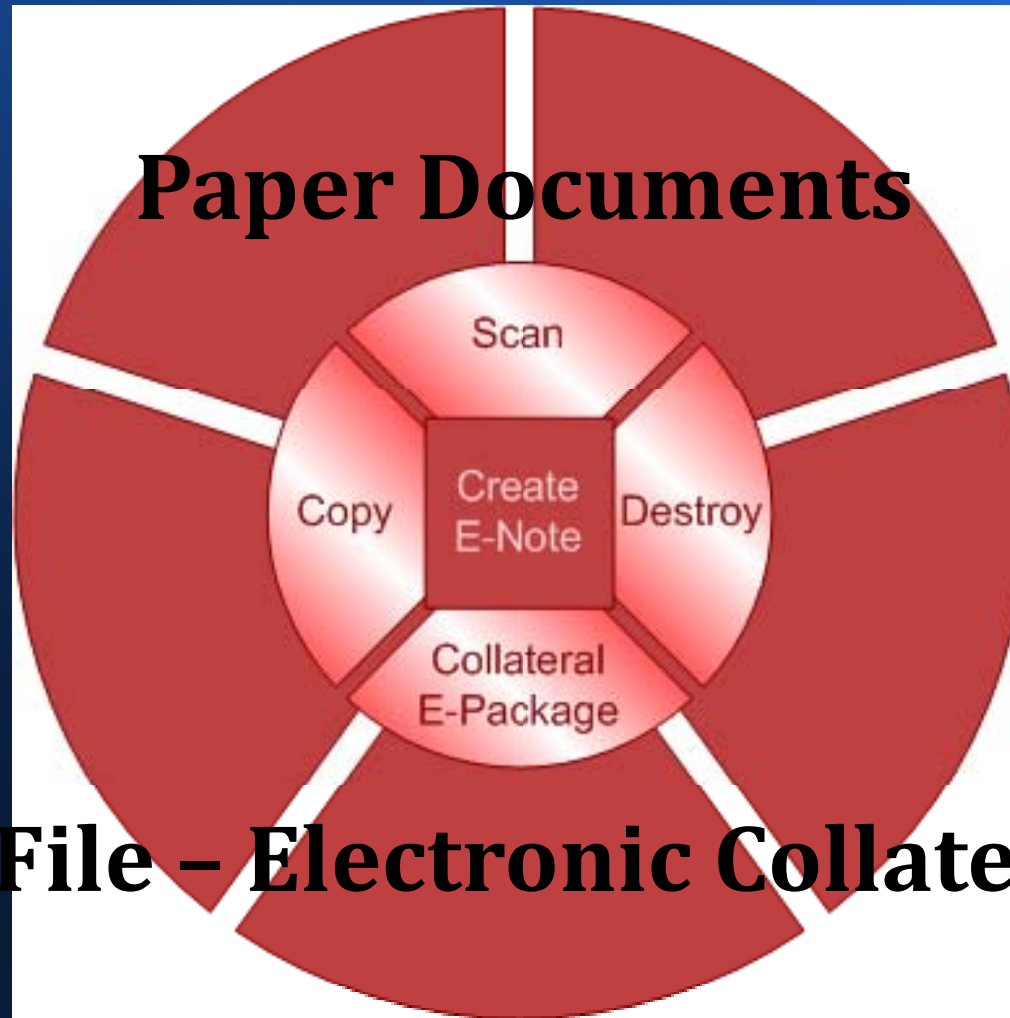
MERS System

(Tracks Beneficial Ownership of Electronic Collateral File)  
(Tracks Beneficial Ownership Rights of Paper if Vaulted)

Uncovered

# Trillion Dollar

FUBAR

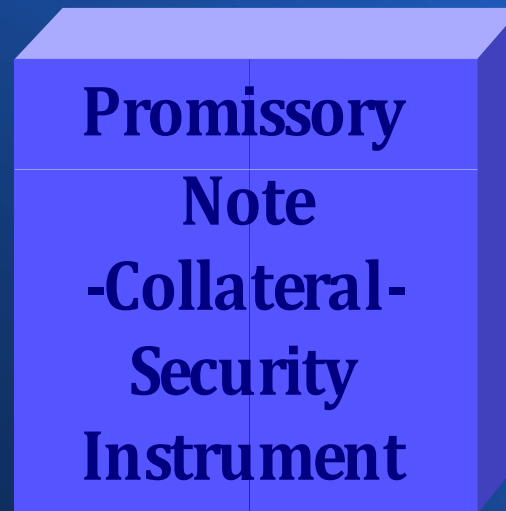


Electronic File - Electronic Collateral Package

Uncovered

# Trillion Dollar

**FUBAR**



**Loan Originator  
Electronically Scans  
Paper Negotiable Instrument  
Paper Security Instrument  
Into Electronic Digitized File**

**Uncovered**

# Trillion Dollar

FUBAR

Loan Originator

Vaults or Destroys

Paper Negotiable Instrument

Paper Security Instrument

Uncovered

# Trillion Dollar

FUBAR

Loan Originator

“Vaulted”

Paper Negotiable Instrument

Paper Security Instrument

Transferred to Custodian

Two Notes Exist  
(One Paper – One Electronic)

Uncovered

# Trillion Dollar

FUBAR

Loan Originator

“Destroyed”

Paper Negotiable Instrument

Paper Security Instrument

Willful & Intentional

UCC - Discharge of Indebtedness

Uncovered



# Trillion Dollar

FUBAR

Loan Originator

Files Electronic Copy  
of

Security Instrument

Public Records

(Lien Perfection)

Uncovered

# Trillion Dollar

FUBAR

## Security Instrument Perfection

Lenders Name  
**(Perfected)**

MERS as Nominee  
**(Bifurcated)**

**Uncovered**

# Trillion Dollar

FUBAR

## Loan Originator

Sells Loan to (Trust Securitizer)(Warehouse Lender)

Electronic Collateral File Sold

Non-Negotiation of

Negotiable Instrument

(Holder in Due Course Transfer of Paper Note Failure)

(MERS Records Updated – Ownership Rights of Custodian Held Paper Transfer)

Uncovered

# Trillion Dollar

FUBAR

## Securitizer Takes Possession

Electronic Collateral Package

## By MERS Registry Update

### Holds Ownership Rights of Electronic Collateral Package

(Holder in Due Course Transfer of Paper Note Failure)

(MERS Records Updated – Ownership Rights of Custodian Held Paper Transferred)

# Uncovered



# Trillion Dollar

## FUBAR

# Securitizer Trust Offering

## Electronic Collateral File Offered up as Collateral

# Uncovered

# Trillion Dollar

FUBAR

Rating Agencies  
Credit Default Carriers

Review & Rate  
Electronic Collateral Package

Uncovered



# Trillion Dollar

## FUBAR

# Securitizer Creates Trust Certificates

## Uncovered

# Trillion Dollar

FUBAR

## Trust Certificates

Rights to Principal Payments  
Rights to Future Interest Payments

Uncovered





# Trillion Dollar

## FUBAR

# Fannie Mae Freddie Mac

(Securities Offerings)

Principal Only Split  
Interest Only Split

Slice and Dice Ownership of Electronic Collateral Package

# Uncovered

# Trillion Dollar

FUBAR

## Securitizer

Assigns Loan to (Trust Depositor)

Electronic Collateral File

Non-Negotiation of

Negotiable Instrument

(Holder in Due Course Transfer of Paper Note Failure)

(MERS Records Updated – Ownership Rights of Custodian Held Paper Transfer)

# Uncovered

# Trillion Dollar

FUBAR

## Depositor Takes Possession

Electronic Collateral

## By MERS Registry Update

Holds Ownership Rights of Electronic Package

(Holder in Due Course Transfer of Paper Note Failure)

(MERS Records Updated – Ownership Rights of Custodian Held Paper Transferred)

# Uncovered



# Trillion Dollar

FUBAR

Depositor

Executes SWAP

Electronic Collateral Package

(Rights of Ownership Updated MERS Registry)

For

Trust Certificates

(Holder in Due Course Transfer of Paper Note Failure)

(MERS Records Updated – Ownership Rights of Custodian Held Paper Transferred)

Uncovered

# Trillion Dollar

FUBAR

## Depositor

Assigns Loan to (Trust Trustee)

For Benefit of the Certificate Holders

Electronic Collateral File

Non-Negotiation of

Negotiable Instrument

(Holder in Due Course Transfer of Paper Note Failure)

(MERS Records Updated – Ownership Rights of Custodian Held Paper Transfer)

Uncovered

# Trillion Dollar

FUBAR

## Trustee

Assigns Loan to (Trust-Custodian)

For Benefit of the Certificate Holders

## Electronic File

Non-Negotiation of

Negotiable Instrument

(Holder in Due Course Transfer of Paper Note Failure)

(MERS Records Updated – Ownership Rights of Custodian Held Paper Transfer)

# Uncovered



# Trillion Dollar

FUBAR

## Trustee

Contracts Services of a Servicing Company  
Collections of Homeowner Payments  
(Servicing Fees)

## Trustee

Payments to Investors  
(Servicing Fees)

Uncovered



# Trillion Dollar

FUBAR

Homeowner Alleged Default

Unchallenged  
Non-Judicial  
Foreclose

(Withdraw from Trust)  
(Future Payments Lost)

Uncovered



# Trillion Dollar

FUBAR

Homeowner Alleged Default

Challenged  
Judicial  
Foreclose

(Withdraw from Trust)  
(Future Payments Lost)

Uncovered

# Trillion Dollar

FUBAR

Paper Note if Not Destroyed

Retrieved From Original Vault

Indorsements Added

(HIDC Achieved)

(Indebtedness Status “UNSECURED”)

(Perfection Fails by Bifurcation)

(Public Record Lacks Continuous Perfection)

(Equitable Relief Maybe Pursued on a properly negotiated Note, ONLY)

Uncovered

# Trillion Dollar

FUBAR

Paper if Not Destroyed

## Trustee

Transfers Retrieved Paper Documents to Law Firm

Bank Claims Valid Note and Valid Security Instrument

(If Negotiation of the eNote is Reflected in the MERS system and there is a failure to properly update public records to maintain a continuous perfected Security Instrument The Power of Sale Clause is unobtainable.)

(Author Note: There can be no negotiation of an eNote and therefore public records do not have to be updated, at the same time Holder In Due Course has not been achieved by the Trustee and if the name on the Note and the Security Instrument are not the same there is no perfected lien.)

# Uncovered

# Trillion Dollar

FUBAR

Paper Note Destroyed

Printed Copy of Electronic Note

Lost Note Affidavit

“LNA without personal knowledge”

“Hearsay Under Rules Of Evidence”

(Indebtedness Status “UNSECURED”)

(Perfection Fails by Bifurcation)

(Public Record Lacks Continuous Perfection)

(Equitable Relief Maybe Pursued on a Properly Negotiated Note, ONLY)

Uncovered