From:	Neil Garfield
To:	2020-RFI-Taskforce
Subject:	Comment on Requirements for Enforcement of Securitized Debt
Date:	Friday, March 27, 2020 4:17:40 PM

1. If securitization of a debt has occurred in which multiple parties pay value in exchange for divided or undivided interests in one or more debts, no procedural or substantive change is necessary, as long as those owners or their authorized representatives bring the claims to administer, collect or enforce the debts.
2. However, if a scheme results in multiple purchases of unrelated certificates that are only indexed on debts and which does not convey any right, title or interest in the debt, then implied or express loan contracts must be reformed by statute or a court in equity before enforcement can be allowed. That is not securitization. **It creates an event not recognizable by law --- (10 payment of value without receiving any ownership, right, title or interest to the debt and (2) fabricated documents falsely asserting that the ownership of the note or mortgage had been conveyed without any real transfer or purchase of the debt.**

a. In plain language investors bought certificates issued under the name of a nonexistent trust where the name was was a trade name of an investment bank. In exchange the investment bank made a promise to pay a discretionary periodic amount of money that is indexed upon loan data and not ownership of the loans.
b. Thus investors paid value but not for ownership of debt.
c. And originators paid no value but received false evidence of ownership.
d. Loans were funded through conduits for an investment bank that immediately divested itself of all ownership or risk of loss from a defaulting or otherwise non performing loan.
e. **Collections have thus become instruments of profit instead of satisfaction of debt.**

3. In order to rectify this situation the matter should either be (a) referred for legislative remedial action or (b) all persons asserting ownership or authority over the administration, collection or enforcement of a debt should be required to seek reformation of the loan contract in which the borrower consents to a designee who will be treated as though they were a creditor.

a. This should be performed under guidance from the CFPB which should include directions for the court to consider the equitable terms of the loan contract in light of compensation and incentives that were not previously disclosed.
b. Full disclosure of all parties involved in origination and/or acquisition of the loan along with all profits and compensation should be a condition precedent to granting reformation. Any other approach would mean that the current illegal scheme of "Securitization" is going to be treated as a legal event notwithstanding basic black letter law to the contrary.
c. In the absence of reformation the Bureau's position should be in line with existing law --- that enforcement and collection of debt by anyone other than the owner or the authorized owner of the debt is prohibited.

4. Whether the "errors" were intentional or not, they were not committed by borrowers.
5. It is unlawful, inequitable and immoral to allow parties to collect a debt in which they have no financial interest and in which they will treat the proceeds as income without ever paying the debt. It should not be public policy for any institution of the Federal government to rubber stamp violations of law.

6. The only way foreclosures will be settled is if investment banks are forced to the settlement table in which the interest of borrowers in the illegal enrichment scheme is taken into account.
7. If disclosure rules had been followed "lenders" would have been forced to compete on offering borrowers incentives for receipt of their signatures. Investment banks must be recognized as the only parties inc in control of these events even if they have no financial stake in the outcome of the loan (other than profit).

Regards,
Neil F Garfield, Esq. M.B.A., J.D.

GTC Honors, Inc.
www.Livinglies.wordpress.com
www.Livinglies.me
www.Lendinglies.com

Redacted

Click Here to Donate to LivingLies Blog