

EXHIBIT G

REDACTED VERSION

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

MONTGOMERY COUNTY,
PENNSYLVANIA, RECORDER OF DEEDS,
by and through NANCY J. BECKER, in her
official capacity as the Recorder of Deeds of
Montgomery County, Pennsylvania, on its own
behalf and on behalf of all others similarly
situated,

Plaintiff,

vs.

MERSCORP, INC., and MORTGAGE
ELECTRONIC REGISTRATION SYSTEMS,
INC.,

Defendants.

CIVIL ACTION

NO. 11-6968

DECLARATION OF MARIE T. MCDONNELL

MARIE T. MCDONNELL, pursuant to 28 U.S.C. § 1746, makes the following
declaration under penalty of perjury:

1. I am a Certified Fraud Examiner and the owner of McDonnell Property Analytics.
I am submitting this Declaration at the request of counsel for Plaintiff, the Montgomery County
Recorder of Deeds, for use in support of Plaintiff's Memorandum in Opposition to Defendants'
Motion for Summary Judgment and in Support of Plaintiff's Cross-Motion for Summary
Judgment.

2. Counsel for Plaintiff has asked me to perform an analysis of a sample mortgage
loan for a residential property located in Montgomery County, Pennsylvania (the "Mortgage
Loan") for the purpose of identifying transfers of the note and any related missing, unrecorded
mortgage assignments. I chose for my analysis the Farkas Mortgage, a MERS mortgage for a
residential property located at 237 Montgomery Avenue, Haverford, Montgomery County, PA

19041. A summary of my methodology, analysis and conclusions (“Analysis of the Farkas Mortgage” or “Analysis”), which I would testify to, is attached to this Declaration as an exhibit.


3. I have extensive experience in forensic analysis of chain-of-title issues with respect to residential real estate, including the tracing of the ownership of residential mortgage loans and securitization analysis. My curriculum vitae, setting forth my education and experience, is Exhibit 1 to my Analysis.

4. As set forth in the attached Analysis, I reviewed (1) documents recorded by the Montgomery County Recorder of Deeds for the subject mortgage; (2) data from the Defendants concerning reported transfers of note ownership, and; (3) securitization deal documents for the residential mortgage backed securities trust into which the Mortgage Loan was securitized.

5. Based on my Analysis, I have concluded that there are five transfers of the note reflected for which there are no related mortgage assignments recorded with the Montgomery County Recorder of Deeds. I also point out unexplained inconsistencies in the MERS data concerning reported transactions involving the Farkas Mortgage.

6. My Analysis constitutes my preliminary findings with respect to this Mortgage Loan, and is subject to revision and/or further amplification in connection with my complete expert report that I will be offering on behalf of Plaintiff in this litigation.

Dated: November 5, 2013


Marie T. McDonnell

McDonnell Property Analytics

Analysis of the Farkas Mortgage Loan

EXHIBIT “1”

Marie T. McDonnell
Curriculum Vitae

Marie Therese McDonnell

Mortgage Fraud and Forensic Analyst | Certified Fraud Examiner

15 Cape Lane ✦ Brewster, MA 02631 ✦ 774-323-0892

August 2013

PROFESSION: *Mortgage Fraud and Forensic Analyst, Certified Fraud Examiner*

OBJECTIVE: To Raise the Standard of Truth in Lending Through Auditing, Education, and Advocacy

RECENT ACCOMPLISHMENTS

RMBS Training, Expert Designations, Commissions, Engagements

Forensic Examination of the Essex Southern District Registry of Deeds – Massachusetts

- June 28, 2011: Commissioned by John L. Obrien, Register of Deeds for the Essex County (Southern District) Registry of Deeds in Salem, Massachusetts to perform a forensic examination to test the integrity of his registry due to his concerns that: 1) Mortgage Electronic Registration Systems, Inc. (“MERS”) propounds that its members can avoid recording assignments of mortgage if they register their mortgages into the MERS® System; and 2) due to the robo-signing scandal spotlighting Linda Green – an employee of DocX, LLC – as featured in a 60 Minutes exposé on the subject which first aired on April 4, 2011.
- The results of my audit revealed widespread, systemic, patterns of practice employed by or on behalf of several of the nations’ largest banks that had eroded the transparency and corrupted the chain of title to real property records maintained by the Essex Southern District Registry of Deeds. (See <http://salemdeeds.com/pdf/Audit.pdf>)
- This was the first registry audit of its kind in the United States and has since prompted other officials to audit their public land records and institute lawsuits against the banks and their private electronic recording utility, Mortgage Electronic Registration Systems, Inc.

United States of America v. Lorraine Brown – Case No. 3:12-cr-198-J-2S

- January 11, 2013: Submitted an Affidavit In Support of Register of Deeds John L. O’Brien’s Affidavit and Request For Restitution in the sentencing of Lorraine Brown, the founder the chief executive of DocX LLC (an LPS company), which was involved in the preparation and recordation of mortgage-related documents throughout the country since the 1990s.
- On November 20, 2012, Assistant U.S. Attorney General Lanny Breuer announced an agreement in which Brown plead guilty to conspiracy to commit mail and wire fraud. “Lorraine Brown participated in a scheme to fabricate mortgage-related documents at the height of the financial crisis,” said Assistant Attorney General Breuer. “She was responsible for more than a million [1,000,000] fraudulent documents entering the system, directing company employees to forge and falsify documents relied on by property recorders, title insurers and others.” (See <http://www.justice.gov/opa/pr/2012/November/12-crm-1400.html>)
- Register O’Brien was concerned that the DocX, LLC documents recorded against the title to his constituents’ properties are now void as a matter of law due to the admission of Lorraine Brown that they are forgeries. Moreover, these DocX, LLC filings (***most of which do not involve properties that are or have been in foreclosure***) are defective for other reasons and further compromise the good, clear and marketable title to real property that Register O’Brien’s constituents have a right to expect.

- Register O'Brien asked that I examine a sampling of the 10,567 DocX, LLC discharges and assignments that were recorded in his Registry of Deeds from 1998 through 2011. I found that the majority of these documents evidence gaps in the chain of title or constitute wild deeds because, among other defects, they fail to connect the original mortgagee with the entity who is discharging or assigning the mortgage. (See <http://www.mcdonnellanalytics.com/register-john-obrien-calls-on-court-for-restitution>)

Office of the Attorney General – State of New York

- March 22, 2012: Conducted a one-day training in the New York City Office of Attorney General Eric Schneiderman to educate Assistant Attorneys General (civil and criminal divisions), Assistant U.S. Attorneys, Special Agents and Investigators on the securitization of residential mortgage loans; the systemic breaches of the representations and warranties made to investors; and the fraudulent cover-up that has ensued in the wake of the mortgage meltdown and foreclosure crisis.

Office of the Inspector General – Federal Housing Finance Agency

- February 20 through February 22, 2013: Conducted a three-day training in Washington, D.C. under contract from the U.S. Treasury Department at the request of the Office of the Inspector General for the Federal Housing Finance Agency. The purpose of the training was to educate the attendees in various aspects of the Residential Mortgage Backed Securities marketplace; the function of Mortgage Electronic Registration Systems, Inc. in streamlining the sale and securitization of residential mortgage loans; the resultant corruption in our land evidence recording systems; and the use of tools and technologies for conducting market surveillance. Among the attendees were: Special Agents of the Office of the Inspector General, Department of Justice, Secret Service, Homeland Security, FBI, Assistant U.S. Attorneys, and Postal Inspectors.

Wolf v. Wells Fargo Bank, N.A., et al. – Cause No. 2011-36476

- January 18, 2013: **ORDER DENYING MOTION TO STRIKE EXPERT**. “On this day came to be heard Defendants’ *Daubert/Robinson* Motion to Strike Marie McDonnell from Testifying as Expert Witness. After considering the Motion, the Response, any argument by counsel, and the pleadings and evidence on file, the Court finds the Motion is not meritorious. It is therefore, **ORDERED** Defendants’ *Daubert/Robinson* Motion to Strike Marie McDonnell from Testifying as Expert Witness is **DENIED** in its entirety. It is further, **ORDERED** that Marie McDonnell may testify as an expert witness in the trial of this case. Signed this day of Jan. 18, 2013. Honorable Mike Engelhart, In the District Court of Harris County, Texas (Houston), 151st Judicial District.”
- May 1, 2013: **ORDER GRANTING CLASS CERTIFICATION**. On December 10, 2012, came on for hearing the Motion for Class Certification filed by plaintiffs Mary Ellen Wolf and David Wolf (collectively “Plaintiffs”). Having taken notice of and considered the Court’s entire file in this cause, all evidence and arguments of counsel, all accompanying affidavits and exhibits thereto, and all of the legal authorities and documents submitted in support of Plaintiffs’ Motion, and GOOD CAUSE appearing, **IT IS HEREBY ORDERED** that Plaintiffs’ Motion for Class Certification under Rule 42 of the Texas Rules of Civil Procedure is **GRANTED**.

Montgomery County, Pennsylvania v. MERSCORP, Inc. et al. – Case 2:11-cv-06968-JCJ

- June 25, 2013: Engaged to provide expert witness services by the law firm of Kohn, Swift & Graf, P.C. in their representation of Nancy Becker, Recorder of Deeds for Montgomery County in her lawsuit on behalf of all Pennsylvania counties against MERSCORP, Inc. and Mortgage Electronic Registration Systems, Inc. “to remedy the Defendants’ illegal scheme to avoid paying fees associated with properly recording mortgages and mortgage assignments in violation of Pennsylvania law.” (Excerpt from Complaint, Document #1, page 7 filed in the U.S. District Court, Eastern District of Pennsylvania)

PROFESSIONAL EXPERIENCE

Innovation of Forensic Mortgage Auditing, Title Examination & Securitization Analytics

McDonnell Property Analytics

Founder / President / CEO, 2010 – Present

- Train state and federal law enforcement and regulatory agencies regarding detection of invalid assignments, robo-signing, fraud and misrepresentation in mortgage and foreclosure instruments.
- Educate and consult with registers of deeds throughout the country regarding the degradation in chain of title to real property located in their jurisdiction.
- Design, execute and deliver company's title and securitization forensic reports to attorneys, consumers, registries of deeds, and other governmental agencies.
- Train staff attorneys, researchers, and general counsel.
- Expert in chain of title, securitization and truth in lending disputes between lenders and homeowners and disputes between governmental bodies and national banks.

Truth In Lending Audit & Recovery Services, LLC

Founder / Managing Member, 2006-present

- Continue the services provided by The Mortgage Counselor under the aegis of the LLC.
- Continuously develop mortgage analytic software tools and protocols.
- Provide litigation support and expert witness services to law firms throughout the country.
- Develop specialized knowledge and implement protocols to trace the ownership of residential and commercial mortgage loans that had been sold to secondary market investors and private label securitization deals.
- Provided content for two chapters of *Mortgage Wars: How You Can Fight Fraud and Reverse Foreclosure* by Iris Martin, copyright July 15, 2009.

The Mortgage Counselor

Owner, 1991-2006

- Audited thousands of residential mortgage loans on behalf of consumers and attorneys who represent homeowners in resolving disputes over mortgage origination and servicing practices.
- Provided litigation support and expert witness services to law firms throughout the country.
- Developed and implemented a Truth in Lending Analysis to assist consumers and their attorneys in identifying material disclosure violations that enabled homeowners to raise their extended right to rescind and cancel certain mortgage transactions pursuant to state and federal disclosure laws.
- Developed compliance examinations to detect indicia of predatory lending, unconscionable loan terms, and violations of state and federal consumer protection laws.
- Developed analytical software tools and protocols to forensically reengineer the loan servicing history of commercial and residential mortgage loan transactions featuring:
 - Truth In Lending Analysis. Determine whether Truth In Lending Disclosure Statement complies with Regulation Z, and that calculations accurately reflect mortgage contract and loan commitment.
 - Amortization Analysis. Set up control based on loan agreement; reverse engineer lender's interest calculation method; cross-reference lender's history with borrower's records; and track distribution of payments to principal, interest, escrow, late charges, suspense, corporate and all custodial accounts.

- Escrow Analysis. Set up escrow account dating to closing; track disbursements and credits to and from escrow; verify transactions with primary source data provided by borrower, taxing authority and other payees; and analyze lender's Annual Escrow Analysis checking for accuracy and conformance with Real Estate Settlement Procedures Act.
- Uncovered a mortgage fraud scheme, orchestrated by The Dime Savings Bank of New York, that led to Attorney General investigations in Massachusetts, New Hampshire and Connecticut and, ultimately, to multi-million dollar settlement awards and relief programs for consumers.

Marie McDonnell Real Estate Counselor

Owner, 1987-1991

- Represented residential and commercial clients on a single agency basis who wished to buy, sell and exchange real estate.
- Provided real estate counseling, consulting, and financial analysis to clients.

PROFESSIONAL LICENSES & DESIGNATIONS

Real Estate Transactions and Fraud Examinations

Certified Fraud Examiner, February 2010-present

Certified Exchange Consultant Designation from The Academy of Real Estate, High Honors, 1989

Graduate, Realtor's Institute Designation (G.R.I.), September 1988

Registered Real Estate Broker, February 1988-present

Registered Real Estate Salesperson, December 1986-1988

PUBLIC INTEREST PROJECTS

Undertaken on a *Pro Bono* Basis

Amicus Curiae

Eaton v. Federal National Mortgage Association

- ♦ *Supplemental Amicus Brief*, Massachusetts Supreme Judicial Court, January 30, 2012
- ♦ *Amicus Brief*, Massachusetts Supreme Judicial Court, September 30, 2011

U.S. Bank v. Ibanez and Wells Fargo Bank, N.A. v. LaRae

- ♦ *Amicus Brief*, Massachusetts Supreme Judicial Court, October 1, 2010
- ♦ *Evidence and the Burden of Proof in Documenting the Chain of Title in Securitized Mortgage Transactions*, Massachusetts Land Court, June 29, 2009
- ♦ *Amicus Affidavit and Analysis of Marie McDonnell*, Massachusetts Land Court, April 17, 2009

Investigations

Essex Southern District Registry of Deeds, Salem Massachusetts

- ♦ Commissioned by Register John O'Brien
- ♦ Forensic Examination of the Essex Southern District Registry, June 28, 2011

Speaking Engagements

Recorders Association of Missouri, Annual Convention

- ♦ Presenter, April 24, 2012

Massachusetts Continuing Legal Education, Multi-State National Mortgage Settlement

- ♦ Co-Chair, April 13, 2012

Constitutional Officers Association of New Jersey, Annual Convention

- ♦ Speaker, September 14, 2011

International Association of Clerks, Recorders, Election Officials & Treasurers, 40th Annual Convention

- ♦ Speaker, June 2011

O. Max Gardner III Bankruptcy and Foreclosure Fraud Defense Boot Camp

- ♦ Presenter, February 2011

O. Max Gardner III Bankruptcy Boot Camp, Co-Teacher, Session On Securitization

- ♦ December 2010

O. Max Gardner III Speaking on Securitization

- ♦ September 2010

Boston Bar Association, Recent Foreclosure Developments in Massachusetts, Presenter

- ♦ April 13, 2010

O. Max Gardner III Bankruptcy Boot Camp

- ♦ Co-Teacher, Session On Securitization, December 2009 and February 2007

O. Max Gardner III Bankruptcy Boot Camp

- ♦ Attendee, September 2006

RULE 26 DISCLOSURES

Testimony in Recent Cases within the Last Four Years

Hanan Shiheiber v. JPMorgan Chase Bank, N.A., et al.

- ♦ Superior Court of the State of California, County of San Mateo

Mary Ellen Wolf and David Wolf v. Wells Fargo Bank, N.A. as Trustee for Carrington Mortgage Loan Trust, et al.

- ♦ In the District Court of Harris County, Texas, 151st Judicial District, Cause No. 2011-36476.
- ♦ Qualified to testify as an expert by the Honorable Mike Engelhart on January 18, 2013.
- ♦ Certified as a Class Action by Order of the Court on May 1, 2013.

In RE: Square 67 Limited Partnership

- ♦ United States Bankruptcy Court for the Northern District of Texas, Dallas Division, Case No. 12-31870-hdh11. Deposition, May 11, 2012. Testified at hearing, May 14, 2012.
- ♦ Qualified by the Honorable Harlin DeWayne Hale as a “Mortgage Securitization and Fraud Expert” at a hearing held on May 14, 2012.

Residential Funding Company, LLC v. Thomas J. LaCasse

- ♦ Judicial District at Stamford, DOCKET NO: FSTCV095011591S. Deposition, April 3, 2012.

Deutsche Bank National Trust Company as Trustee v. Jonathan Barry et al.

- ♦ United States District Court, District of Massachusetts, C.A. No. 1:08-cv-11141-NMG. Deposition, January 15, 2010.

In re: Gary Sheehan v. Litton Loan Servicing LP, et al.

- ♦ United States Bankruptcy Court, District of Massachusetts, Case No. 08-12030-WCH. Deposition, December 2, 2009.

QUALIFICATIONS

Formal Education, Professional Development, Self-Study

Merrimack College

North Andover, Massachusetts

- ♦ Bachelor of Arts in American Studies with a Minor in Biology

I graduated in 1970 with honors from Merrimack College, North Andover, Massachusetts earning a Baccalaureate in American Studies supported by a solid background in math and science. I entered college in the Fall of 1966 having had the equivalent of five (5) years of high school math. Courses included Fundamentals of Mathematics, Algebra I and II, Geometry I and II, Calculus I and II, and Trigonometry I and II. The first five of eight college semesters adhered to the strict curriculum required of Biology majors, and were heavily concentrated in science and math. Coursework included: two semesters of General Biology and General Chemistry with labs, Principles of Mathematics I and II; two semesters of Morphogenesis and Organic Chemistry with labs, Principles of Mathematics III and IV; Cellular Biochemistry, Advanced Botany and General Physics all with labs; and Structure of Invertebrates with lab.

My formal education has provided a solid foundation in applied mathematics and the use the scientific method which enables me to solve complex problems in my area of specialized knowledge. Beyond technical knowledge and skills, the day-to-day field experience I have acquired over the last twenty-five years in practice is unparalleled.

Association of Certified Fraud Examiners

Certified Fraud Examiner, February 2010

Member

CFE Courses

- ♦ Ethical Issues for Fraud Examiners, June 2012
- ♦ CFE Exam Review Course, February 2010
- ♦ Building Your Fraud Examination Practice, June 2005
- ♦ Communicating the Results of Your Fraud Examination, June 2005

Real Estate & Finance

American Real Estate Academy

- ♦ Salespersons Qualifying Course, October 1986
- ♦ Real Estate Brokers Course, January 1988
- ♦ Licensing Renewal Course, August 2002
- ♦ 1031 Exchange, April 2007
- ♦ Residential Rental Agency, April 2007
- ♦ Foreclosures Estate Sales And Auctions, April, 2007
- ♦ Residential Mortgage Loan Market & Credit Today, April 2007
- ♦ Seller Agency, April 2007

- ◆ Buyer Agency, April 2007

Commonwealth of Massachusetts

- ◆ Registered Real Estate Salesperson, December 1986
- ◆ Registered Real Estate Broker, February 1988

Massachusetts Association of Realtors

Earned Graduate, Realtor's Institute Designation (G.R.I.)

- ◆ Graduate Realtor's Institute I, February 1987
- ◆ Graduate Realtor's Institute II, April 1987
- ◆ Graduate Realtor's Institute III, September 1988
- ◆ HP-12C Calculator, October 1988
- ◆ Financing Concepts, November 1988

Commercial-Investment Real Estate Council

- ◆ CI 100: Marketing Techniques for Leasing and Selling Commercial Property, September 1988

National Counsel of Exchangers

Earned Designation of Certified Exchange Consultant from The Academy of Real Estate, High Honors

- ◆ Gold card Qualifying Course - Wally Walker, January 1989
- ◆ Trade Secrets of Exchanging - Warren G. Harding, July 1989

Miscellaneous Real Estate Courses

- ◆ Nothing Down - Robert Allen, November 1986
- ◆ Boot Camp - Tom Hopkins, January 1987
- ◆ Sales Training - Tom Hopkins, April 1987
- ◆ The Art of Real Estate Counseling - Charles Chatham, August 1988
- ◆ Tom Peters' Excellence 1991, April 1991

Real Estate Finance

- ◆ Complete Course on Discounted Mortgages - Carl Abe, April 1988
- ◆ International Financing - Robert Findling, October 1988
- ◆ Mortgage Buying Workshop - Mike Meeker, March 1990 and May 1990
- ◆ Roth IRA Wealthbuilding - Dyches Boddiford & Peter Fortunato, March 2001
- ◆ Private Lending - Dyches Boddiford, May 2001

Real Estate Acquisition

- ◆ Option Fundamentals - Jack Miller, June 2001
- ◆ Corporation & LLC Combo Class - Jack Miller, May 2002

Mortgage Auditing

Consumer Loan Advocates

- ◆ ARM AID-Mortgage Auditing Workshop, September 1991

Self-Study

- ◆ Understanding The Time Value of Money, Jack V. Michaels
- ◆ Mathematics of Finance, Cissell, Cissell & Flaspohler
- ◆ Handbook of Financial Mathematics, Justin H. Moore
- ◆ The Cost of Credit, National Consumer Law Center
- ◆ Forensic Accounting and Fraud Investigation for Non-Experts, Silverstone & Sheetz
- ◆ Financial Mathematics Handbook, Muksian
- ◆ Advanced Algebra, The University of Chicago School Mathematics Project
- ◆ Capitalization Theory and Techniques, Akerson

Structured Finance

Bloomberg Seminars

Self-Study: Books

- ◆ The Handbook of Mortgage-Backed Securities, Fabozzi (2001)
- ◆ Foundations of Financial Markets and Institutions, Fabozzi, Modigliani & Ferri (1998)

- ◆ Bond Markets, Analysis and Strategies, Fabozzi (2000)
- ◆ Fixed Income Mathematics, Fabozzi (1997)

Self-Study: Publications

- ◆ Legal Criteria for U.S. Structured Finance Transactions, Standard & Poors (2006)
- ◆ Common Terms in Structured Finance, Thatcher Proffitt, (2007)
- ◆ Structured Finance Glossary of Securitization Terms, Standard & Poors (2003)
- ◆ Securitization Glossary, Nomura (2004)
- ◆ Indexing Parties from Securitization Trusts and Mortgage-Backed Certificates into Land Record Indexes in the State of Georgia, Kobierowski (2008)
- ◆ Reg AB: Static Pool Survey and Structural Diagrams of Flow of Funds, Deloitte (2006)
- ◆ Litigation Issues in Securitizations, Boisture
- ◆ The Economics of Asset Securitization, Elul (2005)
- ◆ What to do When the Chain Breaks: The Missing Assignment Dilemma, Wolf (1997)

Self-Study: Research & White Papers

- ◆ Understanding The Securitization Of Subprime Mortgage Credit, Ashcraft & Schuermann (2007) (FRB Study)
- ◆ Predatory Structured Finance, Peterson (2006)
- ◆ Regions Morgan Keegan: The Abuse of Structured Finance, Craig McCann, PhD, CFA (2008)
- ◆ Securitization and Its Discontents: The Dynamics of Financial Product Development, Kettering (2007)
- ◆ Turning a Blind Eye: Wall Street Finance of Predatory Lending, Engle & McCoy (2006)
- ◆ The Delinquency of Subprime Mortgages, Danis & Pennington-Cross (2003) SEC Research

Legal**Massachusetts Bar Association & Boston Bar Association**

- ◆ Foreclosure Defense Training, September 1992
- ◆ Massachusetts Mortgage Foreclosures, June 1997
- ◆ Presenter: Recent Foreclosure Developments in Massachusetts, April 13, 2010

Practising Law Institute

- ◆ Consumer Financial Services Litigation, April 2001

O. Max Gardner III

- ◆ Bankruptcy Boot Camp, September 2006
- ◆ Speaking On Securitization Boot Camp- Co-Taught Session On Securitization, February 2007
- ◆ Bankruptcy Boot Camp- Co-Taught Session On Securitization, December 2009
- ◆ Speaking on Securitization, September 2010
- ◆ Bankruptcy Boot Camp- Co-Taught Session On Securitization, December 2010
- ◆ Operation Strike Back – Bankruptcy and Foreclosure Fraud Defense Boot Camp, Presenter, February 2011

myLawCLE

- ◆ MERS and Securitization in Contested Foreclosure Litigation, August 2013

Regulations & Compliance**Massachusetts Bankers Association**

- ◆ Bank Compliance Academy, November 1998

CUNA Mutual Group

- ◆ Truth In Lending School, July 1999

BankersOnline

- ◆ Truth In Lending – How To Audit Open-End Credit, December 2005
- ◆ How To Comply With The Rescission Rules, June 2006

Handbooks & Reference Tools

- ◆ Truth In Lending Comptroller's Handbook, Office of the Comptroller of the Currency, 2008
- ◆ National Consumer Law Center Manuals
- ◆ Handbook of Escrow Procedures, Chandler, Mortgage Bankers Association of America
- ◆ Handbook of Loan Administration, Mortgage Bankers Association of America

- ♦ Quality Control for Mortgage Servicers, Kider, Mortgage Bankers Association of America

Self-Study

- ♦ Truth In Lending Act, Regulation Z, Official Staff Commentary
- ♦ Real Estate Settlement Procedures Act, Regulation X
- ♦ Alternative Mortgage Transaction Parity Act
- ♦ Home Ownership Equity Protection Act
- ♦ Federal Trade Commission Act – Unfair and Deceptive Acts and Practices
- ♦ Truth-in-Lending Manual - Ralph C. Clontz, Jr.
- ♦ Truth in Lending - National Consumer Law Center
- ♦ Repossessions & Foreclosures - National Consumer Law Center
- ♦ Unfair and Deceptive Acts and Practices - National Consumer Law Center
- ♦ Mortgage and Consumer Loan Disclosure Handbook - Kenneth F. Hall
- ♦ Residential Mortgage Lending: State Regulation Manual - Negroni & Pfaff

Technology

COMP USA Computer Training

- ♦ Microsoft® Windows 95®, December 1996
- ♦ Microsoft® Excel Introduction 7.0, December 1996
- ♦ Microsoft® Excel 7.0 Tools & Techniques, December 1996
- ♦ Quicken 5.0 for Windows – Introduction, December 1996
- ♦ Microsoft® Introduction to Access 2.0, March 1997
- ♦ Microsoft® Access 7.0 – Level I, March 1997

McDonnell Property Analytics

Analysis of the Farkas Mortgage Loan

EXHIBIT “2”

Kathryn Farkas

MIN #1000157-0005072177-4

237 Montgomery Avenue
Haverford, Montgomery County, PA 19041

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Summary

SUBJECT

On June 28, 2005 (“Settlement Date”), Kathryn Farkas (“Farkas”) entered into a consumer mortgage transaction with Countrywide Home Loans, Inc. (“Countrywide”) to obtain financing in the amount of \$151,650.00. Farkas executed a Note and granted a Mortgage in her property located at 237 Montgomery Avenue, Haverford, Pennsylvania 19041. An Adjustable Rate Rider and a Condominium Rider amend and supplement the Mortgage and were filed of record with the Montgomery County Recorder of Deeds (“Recorder of Deeds”) on July 15, 2005, at Bk. 11522, Pg. 0396.

Mortgage Electronic Registration Systems, Inc. (“MERS”) is described in Definition (C) of the Mortgage as “a separate corporation that is acting solely as a nominee for Lender and Lender’s successors and assigns. **MERS is the mortgagee under this Security Instrument.**” (emphasis in original). The Mortgage was registered into the MERS System under MIN #1000157-0005072177-4.

On October 28, 2011, Debra Lyman and Marti Noriega, signing as Vice President and Assistant Vice President, respectively, of Mortgage Electronic Registration Systems, Inc. as nominee for Countrywide Home Loans, Inc. (“Assignor”), executed an Assignment of Mortgage (Assignment”) transferring the Mortgage and the indebtedness secured thereby from the Assignor to The Bank of New York Mellon f/k/a The Bank of New York as Trustee for the Certificateholders of the CWABS, Inc. Asset-Backed Certificates, Series 2005-08 (“Assignee”). The Assignment was recorded on November 14, 2011, at Bk. 13186, Pg. 01685.

Apparently, the Mortgage was placed in foreclosure and on March 27, 2013, the Montgomery County Sheriff sold the Property to The Bank of New York Mellon f/k/a The Bank of New York, as Trustee for CWABS, Inc., Asset-Backed Certificates, Series 2005-8. The Sheriff’s Deed was filed with the Recorder of Deeds on May 9, 2013, at Bk. 5872, Pg. 02209.

MONTGOMERY COUNTY LAND RECORDS

In preparation for this examination, I researched and downloaded certified copies of the following documents from the Montgomery County Recorder of Deeds:

- ✓ 07/13/2005 Mortgage
- ✓ 11/14/2011 Assignment of Mortgage
- ✓ 05/09/2013 Sheriff’s Deed

MERS WEBSITE

I performed a search on MERS' public access website and found that MIN #1000157-0005072177-4 is "Inactive" which means that it was either conveyed out of the MERS System, or it was terminated through a payoff or a foreclosure.

The first seven digits of the MIN Number represent the identity of the MERS Member who registered the Mortgage within the MERS System. I performed a search for Org. ID # 1000157¹ and found that it now belongs to Bank of America, N.A.²

MERS reports that Ocwen Loan Servicing, LLC was the "Servicer" when the loan was deactivated. I was unable to perform a search that would identify the "Investor" i.e., the owner of the subject Mortgage Loan because MERS requires the Borrower's full 9-digit Social Security Number to obtain that information which was not supplied.

MERS MIN SUMMARY

I examined the MIN Summary provided to us for review and found that the MERS System reports that the Farkas loan was securitized, and that the identity of the Servicer and Investor as follows:

<u>ORG. ID</u>	<u>ROLE</u>	<u>MERS MEMBER</u>
	Securitization	[REDACTED]
[REDACTED]	Servicer	[REDACTED]
[REDACTED]	Investor	[REDACTED]

What this tells us is that Ocwen Loan Servicing, LLC was the *Servicer* of the Farkas Mortgage Loan when it was deactivated from the MERS System.

The [REDACTED] serves as the Trustee of the securitization denoted above as [REDACTED].³ (*See* Securitization Details and Lookup References in the Research section of this report.)

MERS MILESTONES

I examined the MERS Milestones for MIN #1000157-0005072177-4 ("Milestone Report") and found that with respect to the purchase and sale of ownership rights in the Farkas Note, the following transfers were registered in the MERS System.

¹ To perform a MERS Member search, type in the Org. ID # here at: <http://www.mersinc.org/about-us/member-search>.

² Jan. 11, 2008 (Bloomberg) -- Bank of America Corp., the biggest U.S. bank by market value, agreed to buy Countrywide Financial Corp. for about \$4 billion, taking over the largest mortgage lender during the worst housing slump in more than two decades. (*See* <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aqKE9kRcKDEw>)

³ [REDACTED] is an acronym for [REDACTED].

TRANSFER OF BENEFICIAL RIGHTS

<u>TRANSFER DATE</u>	<u>REGISTER DATE</u>	<u>FROM</u>	<u>TO</u>
[REDACTED]	[REDACTED]	[REDACTED] ⁴	[REDACTED] ⁵
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

None of these transfers was memorialized in a written assignment of mortgage recorded with the Montgomery County Recorder of Deeds.

In contrast, the one (1) Assignment that was recorded on 11/14/2011, purports to transfer the Farkas Mortgage “together with the indebtedness secured thereby,” from Mortgage Electronic Registration Systems, Inc., as nominee for Countrywide Home Loans, Inc. to The Bank of New York Mellon, N.A. f/k/a/ The Bank of New York as Trustee for the Certificateholders of the CWABS, Inc. Asset-Backed Certificates, Series 2005-08.

This Assignment is both untimely (six years after the Closing Date of the Trust on August 30, 2005), and it does not accurately reflect the manner in which the mortgage loans were to be securitized. (*See* Securitization Analysis below)

With respect to the deactivation date, the Milestone report states as follows:

<u>DESCRIPTION</u>	<u>DATE</u>	<u>INITIATING ORGANIZATION/USER</u>	<u>MILESTONE INFORMATION</u>
[REDACTED]	[REDACTED]	[REDACTED] ⁶	[REDACTED]

I observe here the Sheriff’s Deed indicates that the Farkas Property was foreclosed on March 27, 2013. Therefore, the deactivation of the Mortgage Loan in the MERS System appears to be timely.

⁴ [REDACTED]

[REDACTED]

[REDACTED]

⁵ I am unable to ascertain the identity of the MERS Member who was originally assigned MERS Org. ID # [REDACTED]. Presently, this is one of 5 Org. ID numbers used by [REDACTED].

⁶ I note here that [REDACTED] operated under MERS Org ID # [REDACTED]; whereas, [REDACTED] uses MERS Org ID # [REDACTED].

SECURITIZATION ANALYSIS

To understand who was involved in securitizing⁷ the Farkas Mortgage Loan into the CWABS Asset-Backed Certificates Trust 2005-8 (“CWABS 2005-8”), I researched the Prospectus, Prospectus Supplement, and Pooling and Servicing Agreement (“Deal Documents”) filed with the Securities and Exchange Commission in conjunction with this public securities offering.⁸

I also examined various other exhibits attached to the 8-K Report filed with the SEC on March 28, 2006 that enabled me to reconstitute the chain of title⁹ to the Farkas Property assuming, that is, that all required transfers necessary to securitize the Mortgage Loan actually occurred.

The table below summarizes the “true sale” conveyances outlined in the Deal Documents which also form the basis for the representations and warranties made to investors who purchased securities allegedly backed by the mortgage loans transferred to the Trust Fund. Further, the mortgage loans had to be conveyed to the Trustee for the Trust on the Closing Date of August 30, 2005.

True Sale Transfers and Assignments Involved in Securitization

FROM		TO
Countrywide Home Loans, Inc. (Lender/Seller)	➔ #1	CWABS, Inc. (Depositor)
CWABS, Inc. (Depositor)	➔ #2	The Bank of New York as Trustee for CWABS Asset-Backed Certificates Trust 2005-8 (Trust Fund/Issuing Entity)

I found that neither of these transfers were logged into the MERS System; nor were written mortgage assignments recorded with the Montgomery County Recorder of Deeds.

⁷ **Securitization** is the financial practice of pooling various types of contractual debt such as residential mortgages, commercial mortgages, auto loans or credit card debt obligations and selling said consolidated debt as bonds, pass-through securities, or collateralized mortgage obligation (CMOs), to various investors. The principal and interest on the debt, underlying the security, is paid back to the various investors regularly. Securities backed by mortgage receivables are called mortgage-backed securities (MBS), while those backed by other types of receivables are asset-backed securities (ABS).

Critics have suggested that the complexity inherent in securitization can limit investors' ability to monitor risk, and that competitive securitization markets with multiple securitizers may be particularly prone to sharp declines in underwriting standards. Private, competitive mortgage securitization is believed to have played an important role in the U.S. subprime mortgage crisis.[1] (See <http://en.wikipedia.org/wiki/Securitization>)

⁸ See the Research section of this report which contains references and hyperlinks to the Deal Documents.

⁹ Pennsylvania is a “title theory” state.

ASSIGNMENT ANALYSIS

When all of the available information collected from the Recorder's Office, MERS and the SEC is compiled and integrated, I found that there are five (5) missing assignments that should have been recorded with the Montgomery County Recorder of Deeds as follows:

1. From Countrywide Home Loans, Inc. to CWABS, Inc. (SEC);
2. From CWABS, Inc. to The Bank of New York as Trustee for CWABS Asset-Backed Certificates Trust 2005-8 (SEC);
3. From [REDACTED] to [REDACTED] (MERS);
4. From [REDACTED] to [REDACTED] (MERS);
5. From [REDACTED] to [REDACTED] (MERS).

When analyzed together, the MERS data and the SEC data reveal redundancies, gaps and contradictions. For example, the SEC data shows that Countrywide Home Loans, Inc. sold the Farkas Mortgage Loan to CWABS, Inc. on August 30, 2005, and subsequently, CWABS, Inc. conveyed the Mortgage Loan to The Bank of New York as Trustee for CWABS Asset-Backed Certificates Trust 2005-8. On the other hand, MERS states that [REDACTED] (rather than Countrywide) sold the Mortgage Loan directly to the Trustee, [REDACTED] (who was not the Trustee at the time).

CONCLUSIONS

Based on all of the data to which I had access concerning transfers of the Farkas Mortgage Loan, I make the following conclusions:

- There are five (5) unrecorded assignments of mortgage that should have been filed with the Montgomery County Recorder of Deeds.
- The MERS Milestones data is incomplete. Two (2) transfers reflected in the securitization Deal Documents are not contained in the Milestones Report for the Farkas Mortgage Loan.
- The MERS Milestones data contradict the securitization Deal Documents, suggesting that [REDACTED] transferred the Mortgage Loan *twice*.
- The Assignment of Mortgage recorded on November 14, 2011 with the Montgomery County Recorder of Deeds is untimely; the Closing Date for the CWABS Asset-Backed Certificates Trust 2005-8 was August 30, 2005.
- In addition, the *Depositor*, CWABS, Inc. – and only the *Depositor* – was authorized by the Pooling and Servicing Agreement to convey the Mortgage Loan into the Trust.
- Title to the Property has been corrupted by the failure to record a complete chain of title by Mortgage Electronic Registration Systems, Inc.

Research

TRANSACTION DETAILS

Source Documents: Mortgage; Adjustable Rate Rider
 Settlement Date: June 28, 2005
 Borrower: Kathryn Farkas
 Lender: Countrywide Home Loans, Inc.
 Nominee: Mortgage Electronic Registration Systems, Inc.
 Principal Amount: \$151,650.00
 Maturity Date: July 1, 2035
 Address: 237 Montgomery Avenue, Haverford, PA
 Zip Code: 19041-1849
 Parcel ID: 40-00-4000-02-8
 Riders: Adjustable Rate Rider; Condominium Rider

LOAN LEVEL DETAILS

Loan Number: 00010873603306005
 Initial Interest Rate: 7.875%
 Type of Loan: 3/27 Hybrid Adjustable Rate Mortgage ("HARM")
 Source Documents: Mortgage; Adjustable Rate Rider
 Index: 6-Month LIBOR
 1st Rate Change: July 1, 2008
 Reset Intervals: ...and on that day every sixth month thereafter
 Life Rate Cap: 14.875%
 Life Rate Floor: 7.875%
 Adjustable Cap: 1.500%
 Margin: 7.375%
 Neg. Am. Limit: Not Applicable

SECURITIZATION DETAILS

Source Documents: Rule 424(b)(5) Prospectus & Prospectus Supplement
 Lender: Countrywide Home Loans, Inc.
 Originator: Countrywide Home Loans, Inc.
 Seller/Sponsor: Countrywide Home Loans, Inc.
 Depositor: CWABS, Inc.
 Issuing Entity: CWABS Asset-Backed Certificates Trust 2005-8

Source Documents:	Bloomberg RMBS Database; EDGAR Website; SEC Info Website
Trust I.D.:	CWABS Asset-Backed Certificates Trust 2005-8
EDGAR Website:	http://www.sec.gov/cgi-bin/browse-edgar?CIK=1338051&Find=Search&owner=exclude&action=getcompany
SEC Info Website:	http://www.secinfo.com/\$/SEC/Registrant.asp?CIK=1338051
Trust Agreement:	<i>See</i> Pooling and Servicing Agreement
Prospectus: 424B5	http://www.secinfo.com/dsvrn.z5G5.htm
PSA:	http://www.secinfo.com/drjtj.z59m.d.htm#1stPage
Form 8-K:	http://www.secinfo.com/\$/SEC/Documents.asp?CIK=1338051&Part=y=BFO&Type=8-K&Label=Current+Reports+--+Form+8-K
MLPA:	Not Available
Loan Schedule:	<i>See</i> Exhibit F to the Pooling and Servicing Agreement
Governing Law:	State of New York (<i>See</i> Section 10.03 of the PSA)

[illegible]

ARM Index	US0006M
Gross Coupon	7.875%
ARM Lifetime Cap	14.875%
ARM Lifetime Floor	7.875%
ARM Periodic Rate Cap	1.5%
ARM Periodic Rate Floor	1.5%
ARM Margin	7.375%

MERS WEBSITE

Source Documents: Mortgage; MERS Website at: <https://www.mers-servicerid.org/sis/>
MOM: Yes
MIN Number: 1000157-0005072177-4
Lender I.D.: Bank of America, N.A. (*Assumed Org. ID from Countrywide*)
Servicer I.D.: Ocwen Loan Servicing, LLC
Investor I.D.: (*Requires Borrower's Social Security Number*)
Status: Inactive

TITLE DOCUMENTS RECORDED**MONTGOMERY COUNTY RECORDER OF DEEDS, PENNSYLVANIA**

<u>EXECUTION DATE</u>	<u>RECORDING DATE</u>	<u>DOCUMENT</u>	<u>INSTRUMENT</u>
06/28/2005	07/13/2005	Bk. 11522, Pg. 0396	Mortgage
10/28/2011	11/14/2011	Bk. 13186, Pg. 01685	Assignment of Mortgage
04/18/2013	05/09/2013	Bk. 5872, Pg. 02209	Sheriff's Deed

MERS' TRANSFER BENEFICIAL RIGHTS**MERS MILESTONE REPORT**

<u>TRANSFER DATE</u>	<u>REGISTER DATE</u>	<u>FROM</u>	<u>TO</u>
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

ASSIGNMENT ANALYSIS**INTEGRATE REGISTRY, MILESTONE & SEC DATA**

<u>DATE</u>	<u>SOURCE</u>	<u>TRANSFERS REQUIRING RECORDATION</u>	<u>NOTES</u>
08/30/2005	SEC	Countrywide Home Loans, Inc. to CWABS, Inc.	Missing
08/30/2005	SEC	CWABS, Inc. to The Bank of New York as Trustee for CWABS Asset-Backed Certificates Trust 2005-8	Missing
	MERS		Missing
	MERS		Missing
	MERS		Missing
10/28/2011	Recorder's Office	Mortgage Electronic Registration Systems, Inc., as nominee for Countrywide Home Loans, Inc. to The Bank of New York Mellon, N.A. f/k/a The Bank of New York as Trustee for the Certificateholders of the CWABS, Inc. Asset-Backed Certificates, Series 2005-08	Inconsistent & Untimely ¹⁰

¹⁰ The 10/28/2011 recorded Assignment is "inconsistent" because it does not reflect the transfers set forth in the Deal Documents for the securitization filed with the SEC. It is "untimely" because this Assignment purports to assign the Mortgage Loan to the Trust more than 6 years after the Closing Date of August 30, 2005 established by the Deal Documents.