

# **Robo-signers, MERS, Slandered Titles and the Terror Lurking**

## **Or, How I Learned to Stop Worrying and Love the Bubble**

**By George W. Mantor**

Introducing the latest pawn in the giant shell game known as “debt securitization.” Oh, it’s a labyrinthine arena in which up is down, good is bad, the lowest level of employees are called “Vice Presidents”, and failure is way more profitable than success.

Here now come the “Robo-signers” who sat at tables and signed thousands of documents per day swearing, “under penalty of perjury”, that they knew the documents were real and not forgeries, and then compounded the fraud by declaring themselves Vice Presidents of whatever bank would have needed to sign the documents, way back when.

Depositions reveal that these “Robo-signers” had absolutely no knowledge of anything they were swearing to, and didn’t even understand how they got to be Vice Presidents.

And yet, those bogus affidavits are actually irrelevant to the larger issue of what the phony paperwork conceals and what it means to 65 million homeowners. Why would they not just submit proper paperwork in the first place?

Because it does not now, and never did, exist.

The biggest joke in the whole securitization scam is that they weren’t securitizing anything. Nada, zippo, zilch. The trusts don’t own anything. It doesn’t really work that way. The end result is a humpty dumpty scenario...it cannot be put back together again. Not without massive forgeries.

Loans that were bundled into pools for the purpose of securitization were never properly transferred. Real estate law, cumbersome though it may be, requires the physical transfer of documents when an interest in the property changes hands. This is known as an assignment.

But, the notes intended for securitization were never endorsed because they were intended to be the security in multiple pools.

Because the assignments were never properly transferred and recorded, the foreclosure mills have tried to go back after the fact and recreate the assignments.

To do that, they needed to “create” all of the missing assignments in the securitization chain.

That required them to design, write, back date, and digitally print fictional documents for what would be, at minimum, four and possibly hundreds of transfers. These would then need to be signed (endorsed) by the transferring party after the fact, and then the signature would need to be notarized.

In some cases, the notaries were in states other than where the documents were signed, and some weren't yet in existence when the signatures were purported to have been witnessed. Boy, that can be embarrassing.

The “Robo-signers” swore it was all correct and true, but under oath in depositions, they confirmed that the documentation was completely fabricated.

Before Wall Street became immune to prosecution, this sort of creation of documents after the fact was considered forgery.

So, what the “bankstas” are referring to as a few little paperwork errors are, in reality, after the fact attempts to paper over a slandered title.

And, that brings us to MERS: Mortgage Electronic Registration Systems.

MERS shields loan originators from predatory lending claims, takes public property information private, usurps recording fees from counties and truncates the chain of title because it does not record and transfer assignments until after a default has occurred.

In a deposition of R. K. Arnold, CEO of MERS, he admits that they only intended to assign the notes after a default occurred.

If, as numerous laws require, the transfers had all been properly recorded at the county recorder's office, there would be no cloud on title and no need for all of that perjury and forgery that the “Robo-signers” committed. But, if they recorded them at the county recorder's office, a physical impossibility, they would show how a single mortgage was leveraged many times over by referencing portions of it in many pools.

But, a few years ago, the “bankstas” and their supporting cast of phony government agencies cooked up a private registry and stopped recording transfers publically. And, that is where the trail of mortgages goes cold. Everyone with a MERS loan has a cloud on title. Even if they keep making their payments, they will not have marketable title in the event they wish to sell.

And, now that this has all come to light, predatory lending, origination fraud, servicing fraud, securities fraud, wire fraud, mail fraud, money laundering,

conversion, unjust enrichment, and forgery and perjury to try to cover it all up, what are your congressional leaders doing?

Secretly passing legislation to make it all legal. The Bill, known as H.R. 3808 is intended to bless "Robo-signer" fraud.

Listen to the rhetoric coming out of Washington. The party line is foreclosures have to occur anyway and clogging up the system over a few paperwork problems by overwhelmed employees is no reason to give a deadbeat a free home.

Who says they have to occur? And, what will be the consequences of having 45 million homeless people in our country. No wonder that the fastest growing category of housing is prison.....just sayin'.

FDIC Chairwoman Sheila Bair, commenting on the forgeries and fraud revelations, was concerned that constitutional protections of individual homeowner's rights would harm the system and that a "global solution" should be quickly enacted to preempt due process.

Others mention something called the "Moral Hazard" of giving lazy dead-beats free homes.

So, if I understand this argument correctly, we must illegally evict people from their homes, deny them their constitutional right to due process, legitimize all manner of tax evasion for the banks, ignore the fraud, accept forgery and perjury to "streamline" the judicial process, and give the people that destroyed our economy a complete pass just so we don't lose our moral compass.

Whiskey Tango Foxtrot! That's WTF to you texters. Where have I heard this logic before?

Wait, I remember. It goes something like this, "We had to destroy the village in order to save it."

Suppose we let them get away with it. Why, because we'll lose our moral compass? Or, so financial intermediaries, who make nothing and contribute nothing can go right on transferring all the wealth to them?

Isn't there an even greater moral hazard in choosing banks over citizens and convenience over due process? Having so often referred to ourselves as "a nation of laws", we would have to find some other way to define what America stands for. Submitted for your approval I propose, "Home of the Banks, Land of the Taxed."

What it lacks in promise it makes up for in blunt accuracy.

If we allow forgery and perjury to go unpunished, the courts will cease to be effective. It will be worth watching to see how this aspect of employee culpability resolves. Keep in mind that we are talking about hundreds of thousands of willful acts by virtually all mortgage servicers, not a single act by a rogue employee.

Trying to paper over this by “tweaking” the Constitution is a knee jerk reaction that isn’t going to fix the bigger problem. Beyond the difficulty in identifying the true creditor is a larger issue of the tax exempt status of the trusts which are purported to hold the notes.

In addition to making a handful people obscenely wealthy, the plan also allowed for massive tax fraud on several levels.

Known as REMICS, under the IRS code, in order to enjoy beneficial tax treatment, the trust (1) must be passive and (2) cannot acquire any new assets 90 days following the trust’s creation.

If the notes were never properly assigned to the trust when it was established, then the trust does not actually own the underlying mortgages.

If the trusts receive these assignments (assets) at this time, they would have serious tax consequences.

In many cases, the trusts have already been dissolved and the parties satisfied with insurance (credit default swaps) or tarp funds. Thus, there is no legal creditor who could prove standing to foreclose if courts uphold the law.

So, while the judge may be reluctant to give a homeowner a free home, the only other option is to award it to someone who never loaned a dime and doesn’t lose a penny, and ironically, is the party responsible for engineering the entire global economic collapse. Who says crime doesn’t pay?

### 65 Million Clouded Titles

And, if that weren’t bad enough, the other consequence of this so-called “paperwork problem” is that if it is not known with certainty who owns the mortgage in question, it cannot be released. If the title company is not satisfied that there is a good release on the old mortgage, it will refuse to insure the new mortgage.

Recent buyers of foreclosures and short sales may have bought into more than they bargained for. And, because this is about what is missing rather than part of the record, the only conceivable way to know if there is good title is to go to a title company other than the one that insured the buyer’s title and ask for a quote to insure the title in light of these developments.

If they can't track all of the assignments, they will either not insure the title or attempt to exclude or "write around" the missing assignments.

The rush, by pretender lenders to foreclose on American homeowners is the final piece of an extraordinary plan. It is an effort to eliminate the evidence of the greatest financial fraud in history. That is what the next few months will reveal as more and more media are forced to confront the facts.

What some are now beginning to acknowledge is bigger than a housing bubble is well upon us.

### The Biggest Bubble Ever

So where does that leave us? It may not matter. Residential mortgages are only one small piece of the much larger scam. The vast majority of loans, short and long term, were securitized, leveraged, synthesized, digitized, and used over and over again in multiple pools.

This is just evidence of the mother of all bubbles: the derivatives market. A derivative is an unregulated investment vehicle whose value is not its own but based on something else.

According to the World Bank of Settlements, there are anywhere between \$600 and \$1,000 trillion invested in derivatives. This is troubling because the value of everything on the planet is only \$165 trillion. Uh-oh. Now that has to be a problem.

I'm no accountant so I don't know how you categorize this, but as an ignorant country boy, I know that if it looks like six people bought and paid for the same tractor, when they all come to pick it up there's going to be trouble

Let's assume, just for fun, that there is \$1,000 trillion invested in things whose value is not their own but based on something else, and not a measly \$600 trillion. It doesn't really make any difference because, except for \$165 trillion, the rest is air.

And, what a lot of air it is. Forget about bailing this out. The annual gross domestic product for the world is only about \$60 trillion, so good luck taking up the slack when the economy rebounds.

But, the hole doesn't end with an \$835 trillion derivative bubble. This same counterfeiting has bloated the stock market, bond market, commodities, and precious metals markets. Wall Street's profits are derived from making the same assets appear in multiple places at once.

All of Wall Street's bonuses are the by-product of a massive international fraud that suggests that a lot of pension and hedge funds have assets on their books that are vastly overvalued and often nonexistent.

Despite the generous retirement benefits offered to public sector workers, the probability is that they will wind up in the same boat as the rest of us, with little to show for a lifetime of work. Ironically, among them will be judges.

The implications of this vast global over-leveraging are beyond alarming. The fact that neither end of the political spectrum is even willing to discuss this inadvertently sends the message that there is no solution, just delay.

Just because a handful of people tried to steal all the money for themselves is no reason to let them continue or to let them illegally seize what could be as many as 15 million homes when the dust finally clears.

Where those families will live when their home is gone, how they will work when their job is gone, where they will learn when the school is closed, who will treat them when the clinic is shuttered, and what they will eat are the next wave of problems we will need to address. And, with what?

Governments at all levels have already spent the taxes that future generations have yet to pay...and there is nothing left.

I'm the most upbeat, and positive person you will ever meet, but as a writer and researcher, I believe one thing with every fiber of my being...we are headed for some unprecedented change and it won't be brought about by politicians, but by the unintended consequences of their complicity in Wall Street's attempt to steal anything that isn't nailed down.

It will be interesting to watch as, one by one, homeowners begin to understand the significance of these revelations and bring quiet title actions clearing the pretender lenders without risking a default.

That should burst the bubble and there won't be any more "bankstas".

It was almost the perfect crime. In 27 states there is no judicial review of the foreclosure process and they met little resistance there. 96% of foreclosures have been uncontested.

Wall Street engineered record defaults to cover the fraud on their investors. Now, as more and more people discover the implications for a quiet title suit, "bankstas" are going to get even more of what they want—defaults.

Strategic defaults and quiet title actions will mushroom. Investors, who couldn't walk away, fearing massive deficiency judgments, will have the leverage they need to negotiate real modifications with principal reductions.

Only when the lie is revealed and the bubble is burst will economies begin to rebound. A global asset bubble the equivalent of multiple times the values of everything has already been pricked. It is collapsing. The Fed is at the pump 24 seven trying to delay the inevitable, printing money and giving it to the banks.

How can that work other than to make the dollar worthless?

As for me. I don't care anymore. It's going to be so much fun watching all of this burn that I don't mind going up in flame. But for most folks, it will probably be just like the impact of Y2K. They won't even feel it.

We did just fine before the global profiteers took over. Our communities functioned and we prospered and took care of our own. Before big global retail there was Main Street. I know that I am over simplifying but I also know that farmers will still grow food.

We may have to go back a few decades in the way we did things but it will get done. Even if we have to do it the old way. And that could be the opportunity that propels us forward as a stronger nation.