

FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

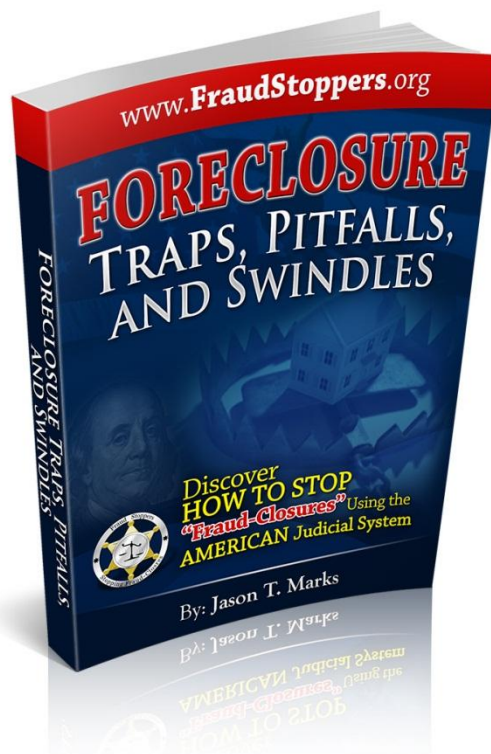


Discover
HOW TO STOP
"Fraud-Closures" Using the
AMERICAN Judicial System

By: Jason T. Marks



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES



Foreclosure Traps, Pitfalls, and Swindles

**Discover HOW TO STOP “Fraud-Closures”
Using the American Judicial System**

By: JASON T. MARKS
Co-Founder of Fraud Stoppers
“Stopping Fraudclosures”

www.FraudStoppers.org

Copyright © 2013 All Rights Reserved



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

READ THIS FIRST

KNOWLEDGE IS POWER. But knowledge without action is powerless!

You have legal rights that you can use to stop your foreclosure and save your house!

However, these legal rights cannot work for you unless you have knowledge of them and enforce them. "My people are destroyed for a lack of knowledge..." Hosea 4:6

I have researched the foreclosure epidemic and have discovered that banks and mortgage lenders are relentlessly violating laws and homeowners rights in order to foreclose! Fortunately there are legal remedies for homeowners struggling with foreclosure. The majority of mortgage loans contain legally problematic issues that can render the loan void.

I'm just an average Joe and was reluctant to write this report; but after discovering the truth behind the foreclosure epidemic I knew something had to be done. This report exposes some of the *inside secrets* that banks do not want you to discover, and some facts and tools that may help you fight to save your house from foreclosure.

Hopefully you will find the information in this report useful. If you do please *play it forward* and share it; because it could help another person save their piece of the American Dream.

You can earn a referral fee for helping others fight foreclosure. Simply enroll as a referral affiliate, it's free to join and only takes a minute at www.FraudStoppers.org.

Disclaimer: This publication provides a brief overview of America's current housing crisis and common factors contributing to it. It also touches on foreclosure options, scams, and pitfalls to avoid; and how you can fight your foreclosure in order to save your house using the rule of law and the Fraud Stoppers Foreclosure Defense System.

This information is provided with the understanding that the author, publisher(s), and distributor(s) are not rendering legal or financial advice. This book is intended for informational, educational, and entertainment purposes only; and is NOT intended to be a substitute for professional legal or financial advice. This report was written primarily for people in judicial foreclosure states. If you live in a non-judicial foreclosure state, substitute the term mortgage with *deed of trust*, or *deed trust*.

The law is constantly changing. Information is fluid. We are constantly updating this book as new processes, laws, and research are discovered. The author makes no warranties, assurances, or claims to the legitimacy, accuracy, or completeness of the information contained with this work, explicit or implied. **You are encouraged to do your own research.**



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

TABLE OF CONTENT

Read This First	3
Table Of Content.....	4
Introduction and Short Stories.....	5
A Primer on Mortgages.....	7
A Brief History of the Housing Bubble	9
Securitization and Clouded Titles.....	11
The Trillion Dollar Heist.....	14
Robosigners, Fake Mortgages, and Rocket-Dockets	16
Traps, Pitfalls, and Swindles:.....	18
Loan Modifications Are a Joke	21
Pretender Defenders.....	23
Bankruptcy: What, When, and How	25
Fraud-Closures and How to Fight Them	27
Bibliography:.....	37





FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

INTRODUCTION AND SHORT STORIES

America is experiencing an economic crisis equivalent to (and maybe even greater than) the Great Depression of the 1930s and '40s. Millions of people have lost their homes to foreclosure, and millions more are in danger of the same fate. Government bailouts and forbearance programs have done little to help homeowners struggling to save their piece of the American Dream. Meanwhile mega-banks and



mortgage lenders have been caught red-handed breaking state and federal laws, committing mortgage fraud, foreclosure fraud, securities fraud, bank and insurance fraud, tax evasion, stealing trillions in bailout money, and using every dirty trick in the book to profit from fraudulent, illegal mortgages. This report only covers the tip of the iceberg of crimes that the banks and mortgage lenders are committing. Hopefully, you will continue to research more on your own. I'm sure **what you will discover will shock you into taking action, to fight your foreclosure, and save your house!**

Our country's overall financial condition is very grim. Webster Tarpley, Ph.D., sums it up best. ". . . In reality, any demand for more austerity, sacrifice, or cuts in social services on the part of the American people amounts to a demand for genocide, a Nuremberg crime. Real unemployment is now in excess of 30 million people in the United States. Over 50 million people are in the most extreme poverty, with no job, no unemployment benefits, no welfare system, no health care, and only a meager allotment of food stamps to stay alive. And Republicans and Democrats agree that food stamps will be next to go! **Other families are facing foreclosures by corrupt robo-judges and robo-signers**, as the American middle class is crushed under \$1 trillion of student loan debt and \$1 trillion of high interest credit card debt. All of this follows a secular decline of almost two thirds in the American standard of living over the last four decades." [1] Indeed, things appear to be going from bad to worse; and mortgage lenders and loan servicers are not helping. **In fact, they seem to be working overtime to steal everything they can from the American people.**

For example, *Consumer Digest* reported that a homeowner in Wood River, Illinois, was tricked by his mortgage servicer, into a loan modification, so they could steal his house and his 25 years worth of equity. Reportedly, after spending around \$350 for an unexpected furnace repair, the homeowner realized he didn't have enough money to make his mortgage payment, (which he had been paying on time for nearly 25 years). So he called his mortgage company to give them a heads up and ask them for a little mercy.



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

According to the homeowner's attorney, his mortgage lender, (PNC Mortgage), agreed to modify the terms of his loan, on one condition: **that he stop making his monthly payments!** Trusting his lender, he did what he was told and submitted an application for a loan modification, only to discover PNC Mortgage filed a foreclosure.^[2]

Unfortunately it's all too common for mortgage servicers to beguile homeowners into loan modifications programs that are designed to fail, **tricking them into waiving their legal rights so that they can foreclose.** This practice is named in the 99-page Federal lawsuit that 49 State Attorney Generals have filed against the Nation's biggest banks. On page 25, government officials allege that banks routinely "misrepresent to borrowers that loss mitigation programs would provide relief from the initiation of foreclosure or further foreclosure efforts."^[3]

All across the country, banks are committing outrageous crimes, including illegally kicking down doors, breaking into homes, and foreclosing on properties that are mortgage free. WINK News in FL reported that Bank of America tried to foreclose on a house that didn't even have a mortgage on it.^[4] That's right; the homeowners purchased the property with cash and never had a mortgage to begin with. Fortunately, the homeowners challenged the bank in court and won.

Banks have been caught stealing people's belongings and changing the locks on the doors even before a foreclosure is filed! Fox News reported that a New Jersey woman who returned home from Thanksgiving with family to find the locks changed, days after she had avoided foreclosure. Bank of America says it made a mistake. Nina Morra was locked out of her fully furnished Trenton home for three days by an inspector hired by the bank. The bank's spokeswoman said the inspector changed the locks because he thought the dwelling was vacant. Morra had received a letter from the bank days earlier, saying she had been accepted into a new payment program. The bank spokeswoman says she thinks the lockout occurred because the timing was so close.^[5]

Sometimes a big bank will kick someone out of their home and then never actually take possession of the house. This practice is often referred to as "[Zombie Titles](#)". As a result, some former homeowners find themselves stuck with thousands of dollars of unpaid bills. For example, a February 2013 CNN article ([Zombie foreclosures: Borrowers hit with debts that won't die](#)), told the story of Rose Nathan, a 37-year-old office manager...Nathan lost her South Bend, Ind., home in January 2009, after working out a deal with CitiMortgage to voluntarily walk away in a "deed in lieu of foreclosure. On Christmas Eve, the bank called and told me a sheriff's sale was coming and I had to move out right away," she said. So that's what I did — seven days after New Year's.



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

She sold her belongings and moved to Hawaii. Nearly two years later, she received a property tax bill from the City of South Bend for \$5,000. The bank had never taken possession of the house. **These unpaid taxes that she didn't even know about have absolutely destroyed Nathan's finances...**

Meanwhile, the unpaid debt has crushed Nathan's credit score. The deed-in-lieu alone lowered her score by 80 to 120 points, but the unpaid debt meant her credit kept taking a hit. Eventually her credit card companies cut her off, even though she said she was making her payments. Her auto loan now carries a 25% rate. Her car insurance premiums have skyrocketed. She can only afford a one-bedroom apartment where she lives with her three kids. And forget about buying another home. "Nobody will give me a mortgage," she said.

Banks have even foreclosed on an elderly couple who never missed a mortgage payment. H. Vincent and Theresa Price, homeowners for 32 years, "had NEVER been late on a mortgage payment... to this day!" Everything was just fine until one September, when their mortgage servicer made a simple mistake. They didn't credit the Prices for having made their August and September mortgage payments, even though they most certainly did. Incredibly, less than five months later they had lost their home to foreclosure. ^[6] How could this happen? I'm just a normal guy, but I know injustice when I see it. When a mortgage servicer can steal a house from an elderly couple, who have never even missed a mortgage payment, something isn't right. **It's time for you to learn how to exercise your legal rights, or you will lose them!**

A PRIMER ON MORTGAGES

You may not realize it, but when you obtained a mortgage, you actually signed two different legal documents. The first document is called the *note*, and the second document is called the *mortgage*. The mortgage and the note are very different documents with different purposes. Although they are different documents, they are supposed to stay together to form a single unit. Understanding this could have major effects on the outcome of your foreclosure. The debt to buy a property is called the note; this is similar to an IOU or promise to pay a debt. **The mortgage pledges the property as collateral to pay off the note.**





FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

The note is a written promise to repay a specific sum of money, plus interest, over a certain length of time. When you bought your house, you signed a note which stated that you agreed to pay your lender monthly payments for a certain length of time. **The mortgage is the document that gives your lender the ability to take your property if you default on that note.**

The word mortgage is a French Law term meaning *death contract*. This means that the pledge, or promise to repay, would end (or die) when either the obligation is fulfilled (you pay off the loan), or the property is taken through foreclosure. A home buyer obtains financing to purchase the property from a financial institution, such as a bank, or through a mortgage broker. Features of mortgage loans such as the size of the loan, maturity of the loan, interest rate, method of paying off the loan, and other characteristics can vary from loan to loan. However the two basic components (the note and the mortgage) must exist. A basic concept in law is the mortgage follows the note.

This was pronounced by the Supreme Court of the United States in *Carpenter v. Longan*, 83 US. 271, as follows ". . . **the note and mortgage are inseparable** . . . the assignment of the note carries the mortgage with it, while an assignment of the latter alone is a nullity."^[7] There would be no point in pledging your property to an entity if it did not own the note. Why would you pledge your house as collateral to an entity that you do not have a contract with? The transfer of the note is supposed to carry with it a transfer of the mortgage, i.e. the mortgage follows the note. **So making sure your lender or loan servicer actually holds your loan is an important first step.**

Attorney Neil Garfield opined about the dangers of paying off a loan, without first knowing who actually holds the note. "Whether you are selling, refinancing, Short-Selling, or otherwise paying off your supposed loan balance, the institution that receives the payoff (a) has no right to the money and (b) has no authority to execute a satisfaction of the note and mortgage even upon receipt of the money. And the reason is that in most cases they don't have the note, **which means it is still in circulation somewhere supporting as much as 42 times the face value of the note in hedges and derivatives.** When confronted with a payoff of the loan, the institution is more than happy to take your money but will lie and cheat to avoid providing you with a real non-photo-shopped original note." (Neil Garfield, livinglies.wordpress.com, 2013).

So whether you are buying property, selling property or paying off the "old" mortgage for any reason you are not only creating a title mess, you have no proof that the original note has been canceled. **Therefore you should only pay the balance in full as demanded by the pretender lender on three conditions:** (A) production of the original note and the right to inspect it for authenticity, (B) production of proof of payment at origination and all transfers upon which the pretender lender relies on for its authority to



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

collect the money, and (C) proof of loss by access to those people who might have received an assignment of the loan, or who have a back-door ownership interest in the loan through ownership of a derivative or credit default swap.

Demanding that your lender or loan servicer produce evidence that they actually hold your note is a good first step to challenging your foreclosure. There have even been some rare cases where homeowners have walked with their properties *clear and free* because their lender was unable to prove they had the note. However, this is the exception to the rule. More often than not banks are eventually able to produce the note, and/or correct the minor errors that stalled the foreclosing; and they move forward.

Generally the only thing that judges are concerned with is: did you sign the loan agreement and are you in default? Many of the arguments and tactics that you read about on the internet are crap, and do not work in court. Judges (for the most part) don't seem to care if your loan was securitized and traded on Wall Street; even if they should. However, if you can prove to a judge and jury that your lender breached the contract first, because of appraisal fraud, tortuous conduct, or other legally problematic issues, you may have a better chance of winning your case, because that's well established, straight forward contract law. **Judges seem to respond more favorably to this kind of foreclosure defense argument.**

A BRIEF HISTORY OF THE HOUSING BUBBLE

After the Great Depression of the 1930s and '40s, Congress passed the *Glass-Steagall Act* as a safeguard to prevent the type of corruption that triggered that crash. The *Glass-Steagall Act* protected the public and served as a firewall from the financial manipulation that had existed between commercial banks and investment banks.^[8] The law was passed in 1933, but because of political pressure and overwhelming financial temptations, Congress repealed it in 1999; basically unleashing the money-changers on us.



The *Glass-Steagall Act* limited how banks operated. A bank could either operate as a commercial bank, like J.P Morgan Chase; or as an investment bank, like Goldman-Sachs, but it could not operate as both. This firewall safeguarded the public



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

from bankers' ability to manipulate the market, if they were allowed to wear both hats at the same time. Basically, when the barrier between commercial banks and investment banks is removed, banks can engage in non-transparent financial manipulations, which allow them to amass huge fortunes, created primarily from fraudulent schemes. For a deeper explanation of how this works, watch the *60 Minutes* episode called [Financial Weapons of Mass Destruction](#).^[9]

Once Congress repealed the Glass-Steagall Act, the casino was open for business, and the banks became the house. The banks could now engage in shady backroom deals with each other—investing depositors' funds into high-risk investments and trading these investments back and forth to each other. The banks even devised a scheme to profit when these investments failed. The banking industry developed a system to bet against the very investments they were selling to their clients and they then took out insurance policies that paid off big when these toxic investments failed! The banks' scheme allowed them to profit numerous times the amount of the original loan when borrowers defaulted on the mortgages. **This created a financial incentive to place borrowers into high-risk mortgages, like adjustable-rate mortgages (ARMs).**

The final nail in the American financial coffin came on the last day of Congress in 1999, when the Graham-Bailey-Leach Act was passed into law. This act removed a restriction that was put in place around the time of the economic collapse of 1907.^[10] Prior to the passage of this law, investors were allowed to bet on stocks without buying them, using what were called *bucket shops*.^[11] **These unbridled speculations led directly to an economic collapse.** Therefore, the legislature banned the practice. Unfortunately in 1999 the "*money-changers*" got their wishes granted when Congress removed the ban on this once illegal practice.

Once they removed this vital restriction it only took eight short years to crash the stock market again. But this time the stock market was infected with millions of mortgage-backed securities, taking the housing market along for the ride.

Removing these restrictions created the conditions necessary for a perfect storm of corruption, greed, and a tsunami of foreclosures. The film narrated by Matt Daman *Inside Job*^[12] exposes the shocking truth behind why the economic crisis of 2008 was avoidable, and how the banking insiders on Wall Street let it happen on purpose to make billions in personal bonuses.

In August of 2008, the New York Times reported, "In mid-2004 Richard F. Syron, the CEO of Freddie Mac, received a memo from David Andrukonis, the company's former chief risk officer, warning him that Freddie Mac was financing risk-laden loans that threatened Freddie Mac's financial stability."^[13] In his memo, Andrukonis wrote that these



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

loans, "would likely pose an enormous financial and reputational risk to the company and to the country." The article exposes that more than two dozen high-ranking executives said that Syron simply decided to look the other way. **Mr. Syron might have been able to afford to *look the other way*, but you cannot.**

If you want to save your house from foreclosure your best option is to conduct a forensic examination of your mortgage transaction (contract) to identify legal defects that could make your mortgage unenforceable and entitle you to compensation or your home free & clear. With a good forensic examination and presenting the findings in a good lawsuit, you can increase your odds of winning, and force your lender to the negotiation table to give you a settlement offer that you can live with. Fraud Stoppers offers forensic examinations and other foreclosure defense services and products that you can use to fight your foreclosure.

SECURITIZATION AND CLOUDED TITLES

Securitization is the process of taking an asset, or group of assets, and through financial engineering, transforming them into a security to be traded on the market. This method can include any type of financial asset; however, lately it has come to be associated primarily with the practice of bundling mortgages together and selling these mortgage-backed securities (MBS) to investors on Wall Street. Mortgage-backed securities are the ideal example of securitization, because the issuer of the MBS can combine mortgages into one large pool, and then divide the pool into smaller pieces, which are based on each individual mortgage's risk of default (interest rate); then sell those smaller pieces to investors.



This process was supposed to create the ability to convert the assets (the mortgage-backed securities) into cash, by allowing smaller investors to purchase shares in a larger asset pool. Using MBS as an example, individual smaller investors are able to purchase a portion of a mortgage as a type of bond or investment. Without the ability to securitize mortgages, individual investors may not be able to afford to buy into a large pool of mortgages. Some people have claimed that this lead to Wall Street to sell the same mortgage multiple times; and that this has resulted in an avalanche of law suits involving the Nation's largest banks and mortgage lenders.



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

Although there may be some truth behind the idea that your lender has sold and resold your loan thru securitization, **more often than not the securitization argument(s) fail in court!** Here are a few cases that prove this point:

- **Rodenhurst v. Bank of Am.**, 773 F. Supp. 2d 886, 899 (D. Haw. 2011) ("The overwhelming authority does not support a [claim] based upon improper securitization.") "[S]ince the securitization merely creates a separate contract, distinct from plaintiffs' debt obligations under the Note and does not change the relationship of the parties in any way, **plaintiffs' claims arising out of securitization fail.**"
- **Nguyen V. Jp Morgan Chase Bank** (N.D.Cal. 10-17-2012) ("Numerous courts have recognized that a defendant bank does not lose its ability to enforce the terms of its deed of trust simply because the loan is assigned to a trust pool. In fact, 'securitization merely creates a separate contract, distinct from [p]laintiffs ['] debt obligations under the note, and does not change the relationship of the parties in any way. Therefore, such an argument would fail as a matter of law").
- **Flores V. Deutsche Bank National Trust** (Md. 7-7-2010) ("The fact that Plaintiff's mortgage may have been combined with many others into a securitized pool on which a credit default swap, or some other insuring-financial product, was purchased, does not absolve Plaintiff of responsibility for the Note. That transaction by the holder of the Deed is separate from collecting on the Note itself. Thus, although Plaintiff's default may have triggered insurance for any losses caused by that default, she is not discharged from the promissory notes themselves").
- **Frame v. Cal-W. Reconveyance Corp.**, 2011 WL 3876012, *10 (D. Ariz. 2011) "The Court also rejects Plaintiffs' contention that securitization in general somehow gives rise to a cause of action - Plaintiffs point to no law or provision in the mortgage preventing this practice, and cite to no law indicating that securitization can be the basis of a cause of action. Indeed, courts have uniformly rejected the argument that securitization of a mortgage loan provides the mortgagor a cause of action.

Even though (at this time) many judges seem to be reluctant to except securitization arguments, there have been some cases where homeowners have used a securitization audit in a lawsuit to save their house from foreclosure. **For example: Aida and Howard used a securitization audit, to show the lender did not have the right to foreclose on their property.** The securitization audit unraveled a web of forged signatures, robo-signing, and foreclosure process fraud that ultimately won the case for



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

the Hayes'. The securitization audit that was submitted as legal evidence found that the first mortgage of \$134,400 was originally financed with First NLC Financial Service, LLC. However, the Hayes' mortgage coupons oddly directed them to make their payments to OCWEN Loan Servicing, LLC in Carol Stream, Illinois. Next, the securitization audit found that the signature on the loan from Thomas Czochanski, the Vice President and CFO of First NLC Financial Service, LLC resembled that of an employee from LSI, a well known robo-signing company. The auditor located the public records for Czochanski's personal mortgage and found that the signatures didn't remotely resemble each other. The securitization auditor concluded that: "the endorsement on the Note is not genuine, and that it was most likely fabricated by Lender Processing Services, who is routinely hired by Shapiro and Fishman to produce these documents. This Note would legally still be owned by First NLC Financial Services, LLC and is in the midst of a Chapter 11 Bankruptcy as case 9:08-Bk-10632."

Other major issues noted in the securitization audit were that the Assignment of Mortgage was provided but had an "Unofficial Copy" watermark on it and was never recorded. Additionally, Shapiro & Fishman, the legal firm foreclosing on the property for the lender, prepared the Assignment of Mortgage and sent it for signature to two employees of Lender Processing Systems, Inc. who claimed to be Vice Presidents of Mortgage Electronic Registration Systems, Inc. (MERS) who is the original Mortgagee designated on the Mortgage instrument. The authority of these two individuals to execute this document was challenged, as the company they work for is not any financial institution that has had a valid interest in this loan or any financial institution claiming interest in the loan and no documentation could be produced by MERS to this end. In other words, they had no right to sign the mortgage. The judge for the foreclosure defense case has ruled in favor of Aida and Howard Hayes and supported the claim that the bank had no right to foreclose on their home. What's even more exciting is that the Hayes' no longer have make payments on their first mortgage since it was shown that the bank does not own their loan.

One of the reasons (in my opinion) that the Hayes probably won their case is because the type of securitization audit they used. There are a lot of securitization audits out there, and you get what you pay for. The securitization audit company that preformed the Hayes' audit is among the best in the industry, and is the same audit company that Fraud Stoppers uses. However if you're thinking about using the securitization argument you should know that there are easier ways to attack your foreclosure; like finding appraisal fraud, notary fraud, breaches of contract, and other legal violations that may exist in your loan. Usually the courts are more willing to except these arguments, and give you the ruling you're looking for: **that your mortgage is unenforceable and that you're entitle to financial compensation or your home free & clear.**



THE TRILLION DOLLAR HEIST

In 2008 Congress passed the infamous banker bailout, the supposed \$800 billion bailout that was touted to fix the economy and provide relief to homeowners facing foreclosure. The American public was told that the banks would receive approximately \$800 billion, and the money would be used to strengthen the economy and help homeowners with troubled mortgages. Congress quickly passed the bill and the “*Banksters*” made off with all the loot.



In late 2008, the TARP Bailout bill was passed and loans of \$800 billion were given to failing banks and companies. That’s not the whole story, considering the fact that Goldman Sachs alone received 814 billion dollars. In reality, the 2008 banker bailout was really nothing more than a multi-trillion-dollar heist. Thanks, in part, to an audit of the Federal Reserve, we now know that the real cost of the bailout to the tax payers was trillions, not \$800 billion. In fact, Bear Sterns alone received \$853 billion! It seems we were lied to, and the worst part is that the day after the bailout was passed the crooks flip-flopped and told us that they would not use the money for what they promised (helping distressed homeowners). Instead, they would invest it elsewhere, but *where, exactly, would remain a secret, because they would not tell the American people or congress.*

Thankfully, Congress audited the Federal Reserve, (the first time in 100 years); and we now know that they spent billions showering themselves and their partners with “record bonuses.” I don’t think these guys should be paid record bonuses (with our tax dollars) for wrecking the economy! The partial audit of the Federal Reserve reveals that the banking industry received more than \$17 trillion, NOT the \$800 billion the media publicized! As it turns out, the Federal Reserve donated \$2.5 trillion to Citigroup, while Morgan Stanley received \$2.04 trillion. Citigroup received \$2.5 trillion, Morgan Stanley \$2.04 trillion, Merrill Lynch \$1.949 trillion, Bank of America \$1.344 trillion, Barclays PLC (United Kingdom) \$868 billion, and Bear Sterns \$853 billion. ^[14] The list continues on and on. **Over \$18 billion was paid to individuals in the form of record bonuses.**

Now these too-big-to-fail banks are even bigger than before. Prior to the 2008 economic crash, the assets of the five biggest banks were equivalent to about 43% of the United States gross domestic product (GDP). After receiving trillions from the bailout, their assets are closer to 57% of the United States GDP, making them even more “too big to fail.” ^[15] It appears this was the plan the entire time, because Treasury



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

Secretary Henry Paulson handed out \$250 billion in taxpayer money to the biggest banks, in exchange for non-voting stock. The money was not intended to get them to resume lending to businesses and consumers or to help homeowners in foreclosure (as they promised). Instead, "the central aim was to engineer a rapid consolidation of the American banking system, by subsidizing a wave of takeovers of smaller financial firms by larger, more powerful banks."^[16] The icing on the cake is the government is preparing to package and sell foreclosed homes in large bundles to buyers, such as hedge funds and others insiders, with the minimum bid starting at around \$1 billion. The homes will be sold in quantities of 5,000 to 10,000, at large discounts, so the insiders can reap even more profits.

And in case you were wondering what \$30 trillion would look like, the photo below represents a mere \$15 trillion (in \$100 bills, of course). **This would probably pay off every residential mortgage in the United States, with trillions left over!**



Finally, after years of political pressure and legal threats, the bankers have agreed to a \$26 billion settlement that will give approximately 750,000 people, who lost their homes to foreclosure from September 2008 to the end of 2011, a check for about \$2,000 each. ^[24] **Unfortunately, everyone else gets the short end of the stick.** According to John W. Schoen's article, "Mortgage Settlement," this leaves most homeowners to fend for themselves. "[T]he vast majority of more than 11 million homeowners, who owe more than their house is worth, along with six million who are in foreclosure or behind in their payments, won't get help. That's because the settlement applies only to loans held on the books of the five banks that agreed to settle."^[17]

Ironically, as part of the settlement agreement, the banks asked government authorities for criminal and civil immunity. ^[18] The last thing the banking industry wants is millions of people suing them in federal court. Thankfully, the 49 states' attorneys

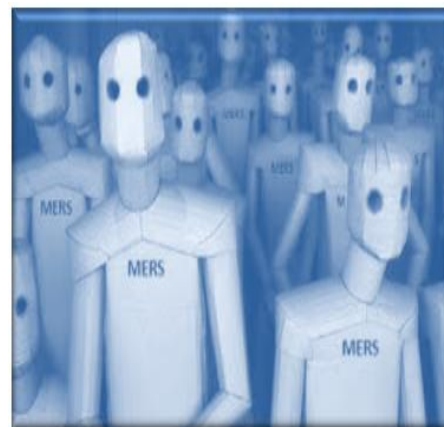


FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

general did not agree to the bankers' requests for immunity.^[19] So, for the time being, you have the option to sue your mortgage lender. **And if you stop and think about it failing to prosecute mortgage fraud is just another type of *banker bailout*.**

ROBOSIGNERS, FAKE MORTGAGES, AND ROCKET-DOCKETS

Hundreds of thousands of houses have been foreclosed by banks using documents and signatures that are not legit. Even *60 Minutes* reported on the fact that mortgage lenders and loan servicers are using robo-signers to forge signatures on fraudulent mortgage documents in order to illegally foreclose on desperate homeowners who are done on their luck.^[20] The woman who discovered “robo-signing” and who was featured on the 60 Minute episode [The Next Housing Shock](#) was awarded a multi-million dollar whistle blower settlement for her work.



Once Congress allowed mortgages to be securitized and traded on Wall Street, the banks were desperate for a way around State laws requiring the sale or transfer of real estate to be recorded in the country records office. Apparently, requiring banks to pay the recording fees and additional cost to transport the actual paper documents to the local recorders' offices would cut into the bankers' bottom line. So they devised a scheme to get around these pesky, old-fashioned laws. The solution they invented was the **Mortgage Electronic Registration Systems (MERS)**. MERS allows banks and loan servicers to digitize and centralize all the paperwork related to the packaging and selling of loans. It serves as a type of *digital warehouse* for all of their mortgages and notes.

State laws require that mortgages be recorded in the county records offices, so the public can see what debts or liens are on a given property. This protects you when you buy a property, because you can perform a title check to make sure the property is free of any liens or judgments. Imagine buying a house only to find out afterward that there is an outstanding debt on the property. More than 60% of the nation's residential mortgages are now part of the MERS system. If you read the book *Clouded Titles* (which you can purchase at thru Fraud Stoppers) you will discover how this affects everyone, not just the people facing foreclosure. **Congressman Alan Grayson reported that, “in 45 out of the 50 States, MERS does not have legal authority to foreclose”.**^[21]



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

Another problem that banks and servicers have is that often times they cannot locate the most important document to legally foreclose on a property, which is the original mortgage note. In addition, banks are required to have a collection of paperwork showing the passage of the mortgage note from the moment of its conception to the present. But in fact, almost no bank or servicer has a reliable record of who actually owns the loan. In fact, it's been reported that in roughly 40% of the cases, MERS has deliberately destroyed the original "wet-ink-signature" mortgage notes! ^[22]

This may or may not be true, but one fact remains, some of these issues are preventing many foreclosure cases from proceeding in court and are allowing delinquent borrowers to stay in their homes indefinitely, or wrangle settlements from their servicers. Many homeowners have begun challenging their foreclosures and demanding that lenders produce the necessary paperwork to prove legal standing to foreclose.

To create the appearance of paperwork where none exists, the banks hired a company called Docx to recreate missing paperwork. Docx hired entry-level types who were paid minimum wage to forge thousands of signatures a day. This wasn't some rare occurrence, either. Almost every case of foreclosure in this country involves some type of fraudulent document. According to a Florida attorney ". . . it's pretty close to 100 percent."^[23] **Out of the hundreds of cases she has handled, fewer than five involved no phony paperwork!** The worst part is that the banks are submitting these fraudulent documents to courts, in order to illegally foreclose on millions of properties.

Until recently, many courts were negligent about requiring mortgage servicers to produce the actual note. Judges allowed the financial institutions to simply provide affidavits saying they owned the note; without any proof of that claim. In fact, some courts not only did little to stop these abuses, rather they were actually an accomplice to these crimes. In the name of clearing cases as fast as possible and blasting human beings out of their homes with ultimate velocity, some courts were clearing as many as 20 cases an hour from the docket. In the *Rolling Stones* article *Invasion of the Home Snatchers*, Matt Taibbi reports that "One Jacksonville judge, the Honorable A. C. Soud, even told a local newspaper that his goal is to resolve 25 cases per hour. Given the way the system is rigged, that means His Honor could well be throwing one ass on the street every 2.4 minutes". ^[24]

Ask yourself how anyone could rule on a complex foreclosure case in 2.4 minutes? Taibbi goes on to state, "Judge Soud seems to have no clue that the files he is processing at a breakneck pace are stuffed with fraudulent claims and outright lies. 'We have not encountered any fraud yet,' the Judge recently told a local newspaper; 'and if we encountered fraud, it would go to the state attorney, I can tell you that.'" Ironically, the



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

very first case they Judge sees in his court is riddled with fraud. Obviously, with only 2.4 minutes on the clock, no one would be able to spot complicated mortgage fraud, especially some off-the-shelf, retired judge who probably cares more about helping clear the mountain of foreclosure cases off their docket, than they do in justice being served.

To make matters worse, some lawyers representing foreclosing entities are engaging in criminal behavior in order to cover up the robo-signing and lack-of-standing problems. Up until now fraud-closures and robo-signing abuses, were merely being treated as civil offenses, and nobody was in danger of actually going to jail. That has all changed following a Nevada grand jury handing down criminal indictments against two title officers employed by Lender Processing Services, Inc., for allegedly directing and supervising a robo-signing scheme. If the plaintiffs win the case, it could easily mean several lifetime sentences for one Linda Green.

This could be the beginning of a wave of criminal charges against the thousands of robo-signers involved at every stage of the robo-signing scandal. According to the indictment, "defendant Gary Trafford, a California resident, is charged with 102 counts of offering false instruments for recording (category C felony); false certification on certain instruments (category D felony); and notarization of the signature of a person not in the presence of a notary public (a gross misdemeanor)."^[25]

TRAPS, PITFALLS, AND SWINDLES:

When a person is in foreclosure there are many options to consider. Should they try to sell their house? Should they apply for a loan modification? Should they do a deed in lieu? Or should they just walk away and let the bank have the house? Choosing the wrong plan of action can be disastrous. The specific options that are available to you will depend on your particular situation, and desired outcome. **But no matter what path you decide to take, there are some common dangers and pitfalls you should be aware of.**



One question you might ask is whether or not to sell your house. Prior to the 2008 economic meltdown this was easier to do. But now due to the fact that many parts of the country's real estate markets have fallen below 50% of the value they were just a few short years ago, more and more homeowners are discovering that selling their house is next to impossible. **Millions of homeowners now owe more money on their mortgages**



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

than their property is worth. "[A]bout 28.4% of US homeowners owe more on the mortgage than their house is worth," real estate data firm Zillow reported. ^[26] For homeowners in this situation, selling their house often requires asking their mortgage lender to agree to a short sale.

A short sale occurs when a mortgage lender agrees to accept less than the total amount owed, as payment in full. For example if you owe \$100,000 on your mortgage and your lender agreed to accept \$50,000 as payment in full. The danger with a short sale is your lender can come after you for the outstanding balance via what's called a deficiency judgment. So even though your mortgage lender agrees to a short sale, you could still owe the outstanding balance. A deficiency judgment is an unsecured money judgment against a borrower whose mortgage foreclosure sale did not produce sufficient funds to pay the underlying promissory note, or loan, in full. So if you're considering a short sale, make sure your lender agrees, in writing, not to seek a deficiency judgment.

If your lender isn't willing to agree to not seek a deficiency judgment, than you can consider trying a deed-in-lieu instead. A deed-in-lieu is when your mortgage lender allows you to sign the property over to them, and you simply walk away. In return, they agree to stop the foreclosure and not seek a deficiency judgment. This option may be preferable to a short sale, because with a deed-in-lieu you can avoid future collection actions.

On the other hand there are some reasons why your lender may not want to agree to a deed in lieu, like not wanting to take the property subject to other liens. To help you avoid some of the common pitfalls associated with selling your house when you're facing foreclosure, its best to use only Realtors who have a Short Sales and Foreclosure Resource (SFR) certification. The SFR certification means that the agent has received formal training concerning issues related to foreclosures and short sales and can help you avoid some of the pitfalls and swindles that exist. Here are a few to look out for:

- The foreclosure prevention specialist: The "specialist" really is a phony counselor who charges high fees in exchange for making a few phone calls or completing some paperwork that homeowners could easily do for themselves. These actions rarely result in saving the house. This scam gives homeowners a false sense of hope, delays them from seeking qualified help, and exposes their personal financial information to a fraud. Some of these companies even use names with the word HOPE or HOPE NOW in them to confuse borrowers who are looking for assistance from the free 888-995-HOPE hotline.
- The lease/buyback: Homeowners are deceived into signing over the deed to their home to a scam artist who tells them they will be able to remain in the house as a



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

renter and eventually buy it back. Usually, the terms of this scheme are so demanding that the buyback becomes impossible, the homeowner gets evicted, and the “rescuer” walks off with most or all of the equity.

- **The bait and switch:** Homeowners think they are signing documents to bring the mortgage current. Instead, they are signing over the deed to their home. Homeowners usually don't know they've been scammed until they get an eviction notice.
- **The phantom landlord scam:** This scam is simple to spot and easy to defeat. A property is listed for rent, usually online. The so-called “landlord” tells you to send them the rental deposit, and they will send you the keys. Scam artist locate homes that are vacant (usually foreclosures), change the locks, clean them up, and list them for rent. Do not rent a house from anyone, unless you are sure the so-called “landlord” is the legitimate owner of the property. **It's best to work with a Realtor!**

Here are some additional pointers to remember:

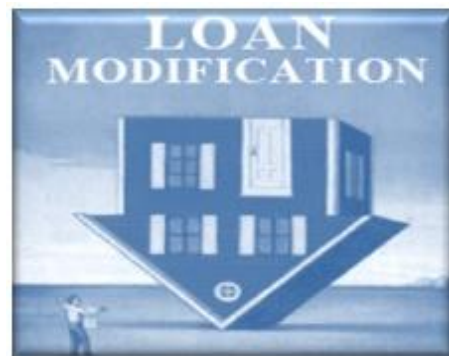
- Avoid any firm that guarantees it can halt the foreclosure process. In the foreclosure prevention business, **there are no guarantees!**
- Steer clear of any firm that tells you not to contact your lender, lawyer, or credit or housing counselor. Firms that shell out that advice know those professionals will spot a scam right away and warn you.
- Avoid any foreclosure prevention service that wants to charge a fee before helping, **especially payments by cashier's check or a wire transfer.**
- Stay away from any firm that encourages you to lease your home so you can buy it back over time.
- Reject any firm that recommends that you make your mortgage payments directly to it, rather than your lender.
- Avoid a foreclosure firm that demands you transfer your property deed or title to it.
- Save money while you are not paying your mortgage, you will need it later.
- Make sure you're keeping informed about your foreclosure. Keep track of any court dates or auction dates. You do not want to find out your house was sold at the auction after it happens, and now you only have two weeks to move out. **So stay on top of your foreclosure case and any court dates related to it.**

For more great tips, tricks, and strategies on how to save your house from foreclosure and how to protect yourself when buying or selling properties, read the book [Clouded Titles](#). You can find it for sale at www.FraudStoppers.org.



LOAN MODIFICATIONS ARE A JOKE

A popular option for homeowners facing foreclosure is to request a loan modification. A loan modification occurs when your mortgage lender agrees to modify or change the terms of your mortgage. Loan modifications are usually done with the disguise of helping the borrowers get back on track with a new, lower interest rate. However, this is seldom the case; and with loan modifications there are *many hidden dangers* that you need to be aware of.



In *Loan Modifications Are a Joke*, industry insider Storm Bardford explains, “According to the latest data from the Federal Reserve, approximately three percent of the seriously delinquent borrowers received a concessionary modification in the year following their first serious delinquency. Meanwhile, fewer than eight percent received any type of modification.”^[27]

Storm goes on to explain that “The frightening thing is people with no legal experience advising borrowers to try a loan modification, without any discussion of a forensic loan analysis or forensic appraisal.” The reason this is a concern is because **when you modify a loan, you essentially WAIVE any claims that you may have against your lender!** The fact is the majority of loans closed in the last decade contain problems that borrowers can use against their mortgage lender. Therefore, be careful if you modify your loan, because you could void your legal rights and any chance you have to recover financial damages.

Another problem is almost 50% of all loan modifications result in the borrowers receiving a HIGHER monthly payment. This is because of late fees, penalties, and adding unpaid amounts to back of mortgages. The amount the homeowners owe grows, and the monthly payments are sometimes higher than before the loan modification. This makes sense if you stop and think about it. Banks are in business to make money, not help people. “This might explain why half of last year’s modifications ended up with re-defaults,” wrote Paul Leonard, California Director of the Center for Responsible Lending.^[28]

Banks are foreclosing, although homeowners pursue loan modifications. “Lenders routinely trick homeowners into loan modifications that are designed to fail.”^[29] Apparently mortgage lenders work the loan modification on one hand and at the same time moving forward with the foreclosure process. Mortgage lenders call this process



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

dual tracking. Randy Kelton, Pro Se litigant and [radio talk show host](#), explains why lenders are doing this in *Massive Mortgage Fraud Exposed*.^[30] Mr. Kelton explains that lenders engage in dual tracking because they receive federal money for doing loan modifications, and at the same time they continue with the foreclosure (in secret) because they can earn numerous times the original amount of the loan when they foreclose!

According to the *Los Angeles Times* “lenders claim dual tracking protects their investment if the borrower cannot qualify for the new loan terms. But regulators seeking to ban the practice say it lulls some borrowers into thinking they will not have their homes taken away.”^[31] **Mortgage lenders may call it dual tracking, but homeowners struggling to avoid foreclosure call it the double-cross!**

In the article *Homeowners Battle Banks to Stop Foreclosure and Win*, Steven Bridges, writing for msnbc.com, reported that “a recent survey of 260 consumer attorneys in 45 states by the National Consumer Law Center (NCLC) found that thousands of homeowners were improperly foreclosed on in just the past year, and **in more than 80 percent of the cases, the lender scheduled a foreclosure sale while processing a loan modification.**”^[31]

Another danger to avoid is companies that advertise loan modification services. There are many companies that advertise they “specialize” in loan negotiating modifications, while in reality do little more than scam homeowners out of their hard-earned money. These unrepeatable modification companies collect thousands of dollars from homeowners, and often never even try to contact the lender or negotiate a modification. At best, these scammers will make one or two phone calls and throw in tell the homeowner that their lender wasn’t willing to do a modification. So don’t risk losing your money to a loan modification company. Some states have even passed laws prohibiting loan modification companies from collecting fees until after they have provided the services they advertise. Loan modifications rarely work, but if you want to try one you don’t have to waste your money. There are government programs, like the Making Home Affordable Program, that will assist you in structuring a loan modification with your lender for free, so save your money.

However, if you’re thinking about trying a loan modification I encourage you to watch the investigative report that Dan Rather did called “[Beware of Loan Modifications and HAMP](#)” you can find it under the videos tab at www.FraudStoppers.org.

After watching this special news report, ask yourself this question: *Why should I beg my lender for a loan modification when my loan probably contains legal errors that I can use to force my lender to negotiate on my terms, instead of theirs?*



PRETENDER DEFENDERS

If you decide to fight your foreclosure, you should be on the lookout for *pretender defenders*. The pretender defenders are attorneys who do not know how to find contract anomalies within the mortgage transactions, and who do not know how to get a financial settlement based on them. The pretender defenders use flimsy arguments and they do not have the skill or training to spot the numerous legal issues present in most mortgages. In the article *Pretender Defenders* industry expert Storm Bradford explains that foreclosure defenders should be identifying tortuous conduct and contract breaches.



According to Mr. Bradford, "Finding problems within the mortgage transaction is relatively easy, because 8 out of every 10 mortgages examined include tortuous conduct, contract breaches, and other legal issues."^[32] The article states that in the professional opinion of Thomas K. Plofchan, Jr., an attorney in Sterling, Virginia, "ultimately the only real issue is whether a proper lien has been created with the house as collateral; and if a proper lien has been created, then it most likely contains legal errors."^[33] **The problem with pretender defenders is that they seldom know how to uncover the numerous legal problems that exist in most mortgages.**

It is astonishing how many legal errors, contract breaches, and fraud are uncovered with a meticulous examination of the mortgage transaction. Some of these legal issues can render the mortgage contract null and void and can even result in monetary damages being awarded to the borrowers. Some homeowners have been awarded their homes mortgage-free! For instance, in two recent cases, homeowners identified and established evidence to show the deeds of trust were void. "The result for the homeowners was receiving their respective homes free and clear."^[34]

Sadly, most attorneys claiming to be mortgage specialist do not know the first thing about finding fraud within the mortgage contract. The pretender defenders usually use cheap software programs to conduct their so-called "mortgage audits" and do not know how to spot contract fraud or successfully argue those findings in court. Due to the recent increase in foreclosures, many attorneys jumping on the foreclosure defense bandwagon use flimsy arguments and tricks, which in the end produce little to no lasting success.



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

Pretender Defenders also risk committing malpractice if they continue to rely on the foreclosing parties' allegations at face value, or if they fail to require strict evidence of the foreclosing entities proof of standing through verification of the ownership of the promissory note and assignments of the mortgage. "How can attorneys representing homeowners form a counterclaim in good faith without the basic information as to the identity of the real parties in interest and do it within the 20-day window for answering a foreclosure complaint? Otherwise, homeowners' lawyers fail to provide their clients with the complete defenses to which the homeowners are entitled under the law and facts of each case. To provide thorough, competent representation, homeowners' lawyers must be fully informed on the basic legal issues in the residential foreclosure crisis."^[35]

A good defense lawyer will require the foreclosing plaintiff to establish that it has standing to foreclose; and will examine the documents the plaintiff uses to prove their standing. This could include making sure that the plaintiff is the real party in interest (meaning they are the true holder of a properly endorsed promissory note and a properly executed assignment of mortgage from the original lender). As well as carefully reviewing the loan servicers' financial documents and raising objections to any accounting errors that could exist. Failure to do this could result in the homeowners' attorney becoming the target for damages suffered by homeowners who end up losing their properties to parties that lack the lawful right to foreclose. A meticulous examination of the mortgage contract is the best method to uncover the evidence you need to successfully defeat your foreclosure. Regrettably "everything else is just wishful thinking or a scam".^[36]

If you're interested in saving your house from foreclosure by suing your lender for the legal violations that may exist in your loan, Fraud Stoppers can help you do it yourself.

Or you can take advantage of our [nationwide network of attorneys](#) who are knowledgeable in foreclosure defense and able to help homeowners on a fixed budget.

You can purchase a forensic examination of your loan, a powerful federal lawsuit, and learn how to win your lawsuit yourself (Pro Se), using Fraud Stoppers Foreclosure Defense System. *This can save you thousands in legal fees!*

We have trained, experienced experts who can help you learn how to sue your lender without an attorney; and payment plans that are affordable.

For more information just visit www.FraudStoppers.org today.



BANKRUPTCY: WHAT, WHEN, AND HOW

The last option to consider is filing for bankruptcy. This should be the last option you consider, because bankruptcy is generally the debt-management tool of *last resort*. Bankruptcy stays on your credit report for 10 years and may limit your ability to obtain credit, life insurance, purchase a home, or even get a job. Thus, the consequences of bankruptcy are significant and require careful consideration. Here are some important facts to consider if you are thinking about filing for bankruptcy.



Although bankruptcy can get rid of many debts, there are some types of debts it will not dissolve. These include alimony and child support, certain taxes, student loans, and debts that you obtained by giving false information.^[37] The bankruptcy court will determine what debts are allowed and which debts are not allowed. The types of debts that can be removed are also influenced by the type of bankruptcy you file.

The two main types of bankruptcy you can file are Chapter 13 or Chapter 7. In a Chapter 7 bankruptcy, the court appoints a trustee to take over your property and sells it to pay off creditors. Sometimes you can keep certain personal items, like household furniture and job-related tools or equipment. To file a Chapter 7, you must pass a means test to verify that your income does not exceed a certain amount. If you pass the means test, and the bankruptcy is successful, all of the debts that are included in the bankruptcy are eliminated.

In a Chapter 13 bankruptcy, you repay all or part of your debts under a payment plan over a period of three to five years. A Chapter 13 bankruptcy is usually preferable over a Chapter 7, because it allows you to keep valuables like your house. Plus, it allows you to repay your debts over time. The bankruptcy court must approve your expected payment plan and budget, and you will make payments to a court-appointed trustee who will make the required payments to your creditors. After you make all your payments, you will get a discharge, and the bankruptcy is over.

Filing a Chapter 13 bankruptcy can stop your foreclosure and force your mortgage lender(s) to agree to a plan where you make payments over time, as long as you stay current on your regular monthly payments. In order for this plan work, you have to demonstrate that you will have enough income to support the plan. If you file a 13 or a 7, the court will issue an order (called the order for relief) that contains an **automatic stay**. If your home is scheduled for a foreclosure sale, the sale will be legally postponed,



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

although the bankruptcy is only pending. This automatic stay causes your creditors to stop their collection activities immediately. ^[38]

Before the Bankruptcy Reform Act of 2005, you could decide to file either a Chapter 7 or 13. However, because of new legislation, the bankruptcy court will determine which Chapter (7 or 13) you can file. This is not the only change to bankruptcy law. Before 2005 the legal cost for bankruptcy ranged from \$600 to \$1500; after 2005 fees range between \$2800 and \$4000. **The new bankruptcy laws also impose requirements for you to take credit counseling classes prior to filing.** ^[39] In addition, under the old law, only the bankruptcy trustees were allowed to file claims of abuse committed by the filer of the bankruptcy (you). Under the new law, anyone can file a claim of bankruptcy abuse, which can cause a dismissal of the case. This could be an enormous advantage to your lender, who might want to keep you from gaining debt relief. The bottom line is that the new bankruptcy laws make it harder for you to file, increase the costs, and give your creditors a say in claiming that you committed fraud.

That's ironic, given the fact that it's the mortgage servicers and banks who are usually committing the fraud! According to a study completed at the University of Iowa, "1700 bankruptcy cases showed that mortgage lenders routinely disobey clear rules of bankruptcy law and attempt to collect thousands more dollars than consumers believe is owed."^[40] Bankruptcy is designed to give families one last chance to save their homes from foreclosure; instead, bankruptcy gives mortgage servicers new opportunities to engage in abusive practices. The study highlights how mortgage servicers' current practices allow them to impose unwarranted fees without scrutiny or sanction.

Here's a *little-known secret* that your mortgage lender does not want you to know: You can wipe away your mortgage by including it in your bankruptcy as unsecured. Although some bankruptcy lawyers may disagree, and tell you that you cannot do this, there is ample evidence to the contrary. Due to the fact that many mortgage lenders are unable to produce the original notes, homeowners are beginning to capitalize on this fact in their bankruptcy cases, and demand that their lender produce the note, and when they cannot, the homeowners are able to get the mortgage wiped out in the bankruptcy.

For example, in Arizona: GMAC v. Weisband, bankruptcy court Judge Eileen Hollowell ruled that GMAC failed to demonstrate that it was the holder of the note, because, while it was in possession of the note at the evidentiary hearing, it failed to demonstrate that the note was properly payable to GMAC. ^[41] Once the securities have been sold, the Special Purpose Vehicle (SPV) is not actively involved. Therefore, GMAC did not demonstrate that it had constitutional or prudential standing. GMAC's motion for relief from stay was DENIED. **Nevertheless you should save bankruptcy as a last resort because there is a better way to defeat your foreclosure!**



FRAUD-CLOSURES AND HOW TO FIGHT THEM

The reason they're called "*Fraud-Closures*" is because a large percentage of the mortgages, and the documents banks use to foreclose contain fraud. In fact, according to an audit done by the FDIC 83% of mortgages surveyed contain significant legal violations! ^[42] Identifying these legal errors and presenting them in a good lawsuit, could result in you being awarded monetary damages and or getting your property clear and free.



According to some experts nearly 70 million homes are *technically* not subject to foreclosure, because banks, lenders, mortgage companies, mortgage servicers, and title companies broke laws throughout the mortgage process; both at the inception of your loan and throughout the life of the loan. This can result in legally problematic issues that could prohibit your lender foreclosing, regardless of whether your loan is current or not.

CNN Money, Fox News, and others have reported that lenders often lack the documentation necessary to foreclose. If you're in foreclosure, you can demand that your lender produce the note; and if they cannot, you can ask the court to dismiss the foreclosure for lack of standing. Katherine M. Porter, an associate professor at the University of Iowa, testified to Congress that "in 40% of mortgage cases, the bank doesn't even have possession of the mortgage note." ^[43]

Katherine Porter's report *Policing Lenders and Protecting Homeowners: Is Misconduct in Bankruptcy Fueling the Foreclosure Crisis?*, explains that the mistakes and abuses routinely made by mortgage servicers are devastating to families in foreclosure and can result in them wrongfully losing their homes as a result of these abuses. Any homeowner can be a victim of these abusive and illegal mortgage servicing practices. Katherine Porter stated, "The costs of such abuse are devastating: Families wrongfully lose their homes, the number of foreclosures is driven upward, and the integrity of the legal system is undermined." ^[44]

Now let's talk about the foreclosure laws as they relate to everybody. If you have received a Notice of Default (NOD) or Notice of Acceleration (NOA), then time is short and you need to do something. And the only thing that will get the banks attention is a lawsuit. If you have an impending sale there are a number of things you can do. If you



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

haven't done anything concerning the foreclosure process as yet, there are some things you have to do simultaneously.

The first thing you want to do is send out a number of letters. Whoever is attempting to foreclose on you, on that person you should send a debt validation letter. Often, a debt validation letter will stall the foreclosure. Because when a debt validation letter is filed, the lender is obligated by the [Fair Debt Collections Practices Act \(FDCPA\)](#) to validate the debt.

A presentment under the Uniform Commercial Code (UCC) is defined as a demand for payment on a debt in us dollars. If you sent a presentment (a demand for payment) from anyone, you may dispute the debt with that person, and if you send them a letter stating that you dispute the debt and a demand that the claimant prove up their claim, then the debt collector is required to seize all collection efforts until they have proved up the claim.

So if your lender is in the process of foreclosure, and you send them a debt validation letter, they're going to claim that in this case they are not debt collectors, but in fact they are merely attempting to recover collateral. The courts across the country are split on this issue. Some states say yes they are a debt collector, and some say no they are not a debt collector. For our purpose we don't care either way, because we're going to make the claim and by law once the demand is made they must prove up their position either way. The issue that we've been making with the lawsuits we've been helping people produce is that they are a debt collector until they show that they are not a debt collector.

When you send this debt validation letter, usually they will reply with a **Rule 12 (motion to dismiss for failure to state a claim)**, alleging that they are NOT debt collectors; and therefore they do not fall under the FDCPA. So the argument that we're making here is that in order to implement the intent of the legislator (and that intent was to prevent someone with no claim on a debt from collecting on a debt), you are demanding they prove their position. [Fraud Stoppers can provide you with a powerful debt validation letter \(for FREE\) that you can use to fight your foreclosure; so don't pay a lawyer \\$500 for one!](#)

If you have a debt with GMAC and I call you from Joe Blow collections, or send you a letter claiming I'm collecting for GMAC and you need to send all your future payments to me. Well if you send your payments to them and they are not collecting for GMAC the payments you send to them do not extinguish the debt; and that's in the Uniform Commercial Code.



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

You see the foreclosure mills and the banks agents are trying to squeeze in under that exclusion, and claim that they are not trying to collect money; rather they are attempting to recover property. But in order to recover the property you have to get a notice of intent to foreclose in the form of a notice of default (NOD) and opportunity to cure the default (by paying money). This is stated in the mortgage.

And we are saying that makes you a debt collector. Because the bank is saying you better pay a certain amount in U.S. dollars, or else they will become a collateral collections agent, and take the property as collateral. So the argument you will be making to the court is even if the jurisdiction says that the debt collector, and the foreclosure agent falls under the exclusion, until such time as they prove that they are actually in that position, they fall under the FDCPA.

Think about it, if someone could be excluded from proving their position, just by making the claim that they weren't a debt collector, and not have to prove it up the claim, then the statute requiring someone's to prove their position would have no force in fact. In other words the law would be meaningless. So you're saying that the bank is a debt collector, until they prove they are not. **Now the burden of proof shifts, to them proving they are not.**

Either way it doesn't matter because this is just round one. In your lawsuit, you will stipulate that if they prove up their position you will dismiss this issue. Because what you're claiming is you don't know who the real holder of the note is, and for good reason. With all this robo-signing, and loan securitization, and transferring these loans, mortgages, and deeds of trust all over the place, you don't have a clue to who the real holder of the note is. So you don't know who has the actual authority to perform the foreclosure, so you're asking that they prove up their position. Until they do this the foreclosure should be halted. Some people have been able to stop the foreclosure for years with this one simple step.

Remember your lender or loan servicer sent you a notice of default (NOD) and opportunity to cure; and you just need to make sure that if you send the amount necessary to cure that it will actually cure the debt. And you won't have somebody coming back next week trying to foreclose again.

So the first thing you need to do is send the debt validation letter and when they receive the debt validation letter, they are statutory estopped from further collection actions until they answer.

If they send you an answer, more than likely it will be a "nonresponsive answer". They may send you a copy of the deed of trust, and maybe the note if they have a copy of it.



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

But they won't send you the originals, and they won't make originals available for inspection; because in all likelihood they do not have them. So in order to address that issue in the debt validation letter we demand that they produce the original note for inspection by you. Now this is governed by Uniform Commercial Code 3-501; and it says that when a creditor sends a presentment to a debtor, and the debtor demands production of the original security instrument, the creditor must make the instrument available for inspection by the debtor. They do not have to give it to you; they just have to show it to you. **If they fail to do so, the debtor can cease all payments without dishonor.**

Now this creates Statutory Estoppel on two different fronts, and it will almost always stop the foreclosure, at least the first time you send them it. It usually takes them a little bit of time to get regrouped. Once they send you this bogus answer they may try to go ahead and start the foreclose process again. And there are things you can do if and when they do that.

But first things first, send the debt validation letter. Then as soon as you can you want to get a suit filed under the [Fair Debt Collections Practice Act \(FDCPA\)](#). When you send in your Debt Validation Letter (DVL) and then file suit for the same purpose. File suit demanding that the person claiming authority to foreclosure prove up their position; demand that they prove they are actually a bonafide agent for the true holder of the note.

Now this is a big problem for the banks. The bank may actually be, or whoever the alleged principal for the agent is, may actually be the true holder of the note. But their problem is, in the last 13 years or so, after the repeal of the [Glass Steagall Act](#) and the repeal of the prohibition against derivatives, it sort of unleashed the money changers on us and they got themselves into such a glut of swallowing all of the equity of this country, that they just didn't take care of business. **They didn't take care of the bookkeeping very well, and they can't prove up their position.**

So when you file suit for this, and we've done a bunch of them, you have to understand that the courts are absolutely totally corrupt. They will dismiss your case no matter what, even if you have an attorney. Because the banks have money, and power, and they can apply political pressure, and the federal judges are dirty rotten scoundrels. Maybe they can't help it, maybe their position depend on them being dirty rotten scoundrels, but in the end they're dirty rotten scoundrels, and they will rule against the Pro Se at every turn. So you have to expect that and be prepared for that.

But don't worry, that's OK because we have some things we can do as Pro Se to tilt the scales of justice in our favor. As a Pro Se you don't have to worry about that scoundrel judge pulling your bar card, because you don't have one. Generally you don't



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

have to worry about the judge sanctioning you, because for the most part, the things that will get someone sanctioned only apply to lawyers. As long as you don't curse the judge out, and you put on the appearance of civility, they'll have no way to sanction you.

When you start filing judicial conduct complaints against a judge every time they squeak, (every time they do something to deserve it) they can do nothing to stop you. If you file a judicial conduct complaint against the judge, and the judge says one word to you, that's obstruction of justice and tampering with a witness; and that will get them into big trouble real fast. **The same goes for bar grievances against attorneys. [Bar grievances](#) can affect attorney's malpractice insurance.**

So these are just a few of the things that you can do to them as a Pro Se, which lawyers can't do. If you have a lawyer, they can't do any of these things, because if they do anything the judge doesn't like, the judge can jerk their bar card away, almost at their caprice. But you'll have to worry about that, and we will show you how to take some actions that will make up for a lot of these problems we have with corrupt judges and courts. I'm hoping that if we can get enough people doing this, that we can put enough pressure on the judges, that they will stop playing these shenanigans, in order to get us to stop filing judicial conduct complaints against them every time they turn around. **But that is a discussion for another day.**

Once you file your lawsuit you can expect a rule of 12 motion (dismiss for failure to stay to claim); and they will have 21 days to file that answer. So if you're facing foreclosure, and they generally have to give you 21 days notice, they generally time it so it's exactly 21 days notice. So you will want to file a federal lawsuit and that will almost certainly stop the sale.

Now it does NOT statutorily stop the sale. The only thing you can do to legally stop the bank from foreclosing on your property is to get a court order.

However, once you sue them, the reality is that win lose or draw, you'll probably come out ahead because civil litigation takes time. Remember time is money. So once you file an action against them, if the bank goes ahead and forecloses on the property while the litigation is going on, nobody in their right mind would purchase the property. Because there would be a Lis Pendens filed against the property; and we'll show you how to file a Lis Pendens (Latin for "suit pending") later.

So after you mail your debt validation letters, you want to go to the local register of deeds (or your county recorder's office) and get a copy of every document that has been filed in the county records for your property, from the date you purchased the property to



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

present. You'll look for a deed of trust, or a mortgage, depending on what state you live in.

You'll also look for an assignment of substitute of trustee, an appointment of the note, and an appointment of the deed of trust or mortgage. These are the primary documents you'll look for. And you may see a notice of default, or notice of intent to foreclose. Basically you want to get a copy of every document filed against your property from the time you purchased it until the present.

Then once you get a copy of these documents look at the authentication, which is the notary. Documents filed in the county record are not self authenticating. Since these documents are filed by someone that just comes down to the court, or hands it to the court, or they send it by mail, someone has to sign the document for it to be valid. And an authentication is when a person goes before someone who is authorized to do this, authorized to verify that the person who is claiming to sign the document, is in fact the person they claim to be. Essentially that's all the authentication is. The notary will authenticate that this person came before me, and either I knew them personally or they identified themselves to me by this method; and I made the determination that this person is who they say they are.

While this is one of the biggest areas of fraud in the whole foreclosure issue; and it is absolutely the dumbest place to commit fraud. It's arrogance beyond belief, its total reckless disregard for our laws and our courts. To file a document with a fraudulent identification is a felony. And these guys are filing hundreds and hundreds of them.

If you remember back to the 60 Minutes' episode [The Next Housing Shock](#), a young guy got on television and bragged that he could sign Linda Green's name, something like 360 times an hour. Think about it, in just one hour he committed enough felonies to put him in a federal penitentiary for several life sentences. This guy was no rocket scientist, but he could write fast! And the notaries, it's a relatively minor thing, and its standard business procedure. But these guys are cranking out foreclosures so fast that having to wait for a notary, or having to wait for a notary to sit across the table from you as your signing these documents, and take the time to fill out their ledger and have you sign the ledger, while that's inconvenient, and it's not efficient.

So the foreclosure mills will hire somebody, at the entry level position who doesn't know anything, and they come to them and say: "Hey we need a notary, and if you want to be a notary we can pay for your application fee, and your bond, and everything you need like your stamp and your ledger, and we'll make you a notary." And the new entry level clerk says "wonderful, I'll be a notary". And then the company comes to them with a big stack of documents and says "here you go, we need you to notarize these for us." And generally this is a law firm, so the entry level clerk believes that this must be legal, and



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

they do what there told and they notarize the stack of fraudulent documents. So now when the foreclosing agency needs a notarized document they just pull one off the shelf and fill it out.

What the notary is required to do in a number of states is to keep a sequential ledger. Anybody who has taken a document to get it notarized will recognize the procedure. You sign your document in front of the notary, after you have identified yourself to the notary, and then the notary will fill out some stuff on this ledger, and turn around and have you sign it. And now they even have a fingerprint pad where they will have you put your fingerprint or thumbprint on it. And that's so if anyone ever has a question about the authentication, the notary can prove up the authentication.

Well the first thing you need to do is to pull every notary name off of every document that's been filed in the county records office against your house, and send them a letter requesting a copy of their sequential ledger, from the day before to the day after any authentication appears in the record. And we suggest that you do not send it yourself. Have someone you know send it. And be sure to send its certified mail. Anything that you cannot conclusively prove that you sent and was received will go into the trash. Now that may not be right, but that's the way it works. **So always send all of your legal correspondence [Certified Mail Return Receipt Requested!](#)**

You may get an answer, but it will most likely be non-responsive. If they send you an answer and it is not the sequential ledger, or if the record shows that the ledger is incomplete, then the answer is nonresponsive! To date, we have yet to receive a single responsive answer to this request. If you don't receive a responsive answer, you will have a valid reason to believe that the authentication is invalid.

Now there is one particular notary that most people will have a question about, and that's the one on the deed of trust or the mortgage. When you signed that at closing there was a notary sitting at the table across from you, as a rule. There's required to be, but not always. Sometimes the lender will come to your house and have you fill out all the documents at your kitchen table. Well, that's not quite legal because that deed of trust or mortgage must be authenticated; because that document is intended to be filed with the county register. **And documents filed at the county register or are not self authenticating and they must be authenticated by a notary.**

If there was no notary, than the document is not authenticated; but if there was a notary, you have to ask "was that a notary?" Because you don't really know, they look like notaries and they act like notaries; but what we have found in sending these letters out, is that they are not necessarily notaries. Or even if they were notaries often they're not notaries any longer. And when a notary cases to be a notary, the notary is



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

required to send their substantial ledger to the clerk of the court, or county clerk. We've never found the county clerk who has one.

What we have found more often than I would have expected, is that we send a request from a notary on the deed of trust, and would get a letter back saying that are latter is undeliverable. So we contact the secretary of state who oversees notaries and who issues the notary authority and we asked the secretary of state for an address on the notary; and the secretary states as we don't know what this person is. Now we are not exactly sure what is going on there. It may be that once a notaries' commission expires, and it hasn't been renewed, the secretary state may not maintain information on them. We don't know if that's the case or not, or if the secretary of state never had any information on the person, we don't know what the deal is.

But what we do know is that the secretary of state says to us, "we don't know anything about this person, and they're not a notary, and we don't have any record of them." And for us, that works GREAT! We can live with that; because that creates an adverse inference that whoever sat across from us at the closing table, posing as a notary, was not in fact a notary. Now maybe they were, but there's no evidence to indicate that. So you can go back to the court, and say that you have reason to believe, and you do believe, that this document was never properly authenticated, and that the acknowledgement on the document was fraudulent, and you ask that the document be stricken from the record. Now what the court is likely to come back and say is: "well did you sign it?" To which you should reply: "**Objection relevance!**"

It's irrelevant because the document must be authenticated, or proven, and it is not. You do not know if that is precisely the document that you signed at closing. Your bank may have made up another one. You can never know what the document your bank is reporting to have is, unless they bring you the original; and they will NEVER do that!

But you raise the issue so that if you can get the deed of trust, or mortgage, to be declared by the judge to be of no force and effect; your bank will have a real big problem! But generally the one that we can go after is not good deed of trust, or mortgage, in this particular regard; there are other places to go after the validity of the deed of trust, or mortgage. For example you can purchase a forensic audit to uncover the actual fraud that your loan contains, and or a securitization audit to show that the person reporting to have the authority to foreclose on your property, in fact does not have the authority to do so. But we can talk about that another time, or if you contact us for a free, no obligation, consultation.

But for now the documents that were really looking for, is the assignment of substitute trustee and the assignment of deed of trust. Now that one, we don't know who



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

signed at one; and this is the issue that goes to robo-signers. The problem with going to the court and accusing somebody being robo-signers, is you can go to the judge and say this person is a robo-signer and his name is splattered all over the Internet. And the judge is going to say “So, what does that have to do with this issue?”

Just because he’s accused of being a robo-signer doesn’t mean he didn’t have authority to sign this document. What evidence do you have to show that he did not have authority to sign this document?” And you say you while Your Honor, this guy is a robo-signer and his name is all over the Internet; so I sent a letter to the company, for whom this person acted as an agent, and I requested evidence of the power of attorney for this person, and on these letters we have never received a responsive answer yet.

So after you complete the above mention step, you can then go to the court and say your Honor, I think this guy is a robo-signer (his name is splattered all over the internet), so I sent a letter to the company for whom he signed, asking them for proof of power of attorney, and I didn’t get any response. **And this creates the adverse inference that the guy did not have power of attorney.** Furthermore you’re looked in the county record and expected to find evidence of power of attorney, as is required by law for anyone who files this type of document, that is specifically referenced by our state law, and I did not find any such evidence that he had power of attorney.

So this creates a prima fascia case for this document being insufficient for filing in the record, and I ask the court to rule that it’s insufficient, and is therefore void and of no force and effect. And that’s all you want the judge to rule on at this time, and this is where you’re filing a petition for declaratory judgment. You’re not asking for any damages at this time, you’re only asking that the judge make a declaration. And the only declaration we want the judge to make is that this document, as it exist by looking at the four corners, is insufficient for filing. **Doing these steps as soon as possible can cause big problems for your bank and their foreclosure efforts.**

If you’re thinking about suing your lender to save your house from foreclosure, there is no better time than right now; **because congress has already passed H.R 3808.** ^[45]

“H.R. 3808: Obama Prepares to ‘Legalize’ Foreclosure Fraud.”^[46] Reuters reported that H.R 3808 is a bill that will make it more difficult to challenge improper foreclosure attempts by big mortgage processors. H.R 3808 could retroactively legalize foreclosure fraud and forgery committed by the big banks, and it is awaiting President Barack Obama’s signature.^[47] It has already passed the House and Senate, and many experts fear that President Obama will sign the bill into law. **When it comes to fighting your foreclosure, there is no time like the present.**



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

If you want to learn how to fight your foreclosure Pro Se (without an attorney) Fraud Stoppers Foreclosure Defense System can help. It includes a detailed forensic examination of your loan, a powerful federal lawsuit against your lender and their law firm, and the training, support, and help that you need to win your case without an attorney; *which can save you thousands of dollars in legal fees.* **Call today for more information 855-772-2558.**

And if you would rather hire a lawyer to help you fight your foreclosure, Fraud Stoppers can help you with that too. If you would like professional legal help, now you can take advantage of a special network of attorney law firms. These law firms are *knowledgeable in foreclosure defense*, and are willing to help struggling homeowners with *affordable legal protection*.

Remember you only have two options:

1). You can *decide to fight* your foreclosure and try to save your house.

-OR-

2). You can *decide not to fight* and let the bank take it.

The choice is yours to make, and I hope you choose to fight. Because the more people who stand up and learn how to exercise their legal rights, the better it will be for all of us!

Remember: If you're uninformed of your legal rights, and you do not exercise them, they do not exist! ***So Use them, or lose them!***

THANK YOU for taking the time to read this report, I hope it benefited you.



Until you are victorious!

Jason E. Marks

JASON T. MARKS
Fraud Stoppers, LLC

P.S. Pay it Forward! Share this publication with someone else, because it might help another person save their house from foreclosure, and this will benefit all of us.

P.S.S. Enroll as a referral affiliate and earn additional income for helping others.



Bibliography

- [1] Emergency Call for a United Front Against Austerity: <http://tarpley.net/>
- [2] The Foreclosure Trap: <http://www.consumersdigest.com/home/the-foreclosure-trap//view-all>
- [3] Case 1:12cv00361RMC: https://d9klfgibkqcuc.cloudfront.net/Complaint_Corrected_2012-03-14.pdf
- [4] Tables Turn: Deputies and movers show up at bank to seize property for homeowner: <http://www.winknews.com/Local-Florida/2011-06-03/Tables-Turn-Deputies-and-movers-show-up-at-bank-to-seize-property-for-homeowner-#ixzz1OPgUtnzQ>
- [5] Family Finds Locks Changed on N.J. House That Escaped Foreclosure, Bank Admits Mistake: <http://www.foxnews.com/story/0,2933,579313,00.html>
- [6] UNBELIEVABLE BREAKING NEWS: Senior Couple Being Screwed Royally By Mortgage Servicer – Specialized Loan Servicers: <http://mandelman.ml-implode.com/2009/09/unbelievable-breaking-news-senior-couple-being-screwed-royally-by-mortgage-servicer-specialized-loan-servicers/>
- [7] Carpenter v. Long-83 U.S. 271 (1872): <http://supreme.justia.com/cases/federal/us/83/271/case.html>
- [8] Glass-Steagall Act: <http://legal-dictionary.thefreedictionary.com/Glass-Steagall+Act>
- [9] Financial Weapons of Mass Destruction: <http://www.cbsnews.com/video/watch/?id=7406104n>
- [10] Gramm-Leach-Bliley Act: <http://banking.senate.gov/conf>
- [11] Bucket Shops: <http://www.chroniclesmagazine.org/2009/06/03/bailing-out-the-bucket-shops/#printpreview>
- [12] Inside Job: <http://www.imdb.com/title/tt1645089>
- [13] At Freddie Mac, Chief Discarded Warning Signs: http://www.nytimes.com/2008/08/05/business/05freddie.html?_r=3&pagewanted=all&
- [14] Audit of Federal Reserve: <http://www.gao.gov/new.items/d11696.pdf>
- [15] The Too Big To Fail Banks Are Now Much Bigger And Much More Powerful Than Ever: <http://www.infowars.com/the-too-big-to-fail-banks-are-now-much-bigger-and-much-more-powerful-than-ever/>
- [16] The “dirty little secret” of the US bank bailout: <http://www.informationclearinghouse.info/article21116.htm>
- [17] States Negotiate \$26 Billion Agreement for Homeowners: http://www.nytimes.com/2012/02/09/business/states-negotiate-25-billion-deal-for-homeowners.html?_r=1&pagewanted=all



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

[18] Mortgage settlement leaves most homeowners to fend for themselves:

<http://bottomline.nbcnews.com/news/2012/02/09/10365356-mortgage-settlement-leaves-most-homeowners-to-fend-for-themselves?lite>

[19] 5 banks in \$26B settlement with feds over abuses: [http://www.cbsnews.com/8301-500395_162-57373706/5-banks-in-\\$26b-settlement-with-feds-over-abuses](http://www.cbsnews.com/8301-500395_162-57373706/5-banks-in-$26b-settlement-with-feds-over-abuses)

[20] The Next Housing Shock: <http://www.cbsnews.com/video/watch/?id=7361572n>

[21] Audit of Federal Reserve: <http://www.gao.gov/new.items/d11696.pdf>

[22] The Too Big To Fail Banks Are Now Much Bigger And Much More Powerful Than Ever: <http://www.infowars.com/the-too-big-to-fail-banks-are-now-much-bigger-and-much-more-powerful-than-ever/>

[23] The “dirty little secret” of the US bank bailout: <http://www.informationclearinghouse.info/article21116.htm>

[24] States Negotiate \$26 Billion Agreement for Homeowners: http://www.nytimes.com/2012/02/09/business/states-negotiate-25-billion-deal-for-homeowners.html?_r=1&pagewanted=all

[25] Mortgage settlement leaves most homeowners to fend for themselves: <http://bottomline.nbcnews.com/news/2012/02/09/10365356-mortgage-settlement-leaves-most-homeowners-to-fend-for-themselves?lite>

[26] 5 banks in \$26B settlement with feds over abuses: [http://www.cbsnews.com/8301-500395_162-57373706/5-banks-in-\\$26b-settlement-with-feds-over-abuses](http://www.cbsnews.com/8301-500395_162-57373706/5-banks-in-$26b-settlement-with-feds-over-abuses)

[27] National Mortgage Settlement: <http://nationalmortgagesettlement.com>

[28] The Next Housing Shock: <http://www.cbsnews.com/video/watch/?id=7361572n>

[29] Fraud Factories, MERS, LPS, Forgeries: Rep. Alan Grayson Explains the Foreclosure Fraud Crisis: <http://www.ritholtz.com/blog/2010/10/fraud-factories-mers-lps-forgeries-rep-alan-grayson-explains-the-foreclosure-fraud-crisis>

[30] Time to Audit the Remic Trusts: <http://www.silverbearcafe.com/private/12.10/auditremic.html>

[31] Homeowners battle banks to stop foreclosures...and win: <http://economywatch.nbcnews.com/news/2012/03/12/10602545-homeowners-battle-banks-to-stop-foreclosures-and-win?lite>

[32] Pretender Defenders: <http://www.mortgagefraudexaminers.com/blog/201108/our-latest-press-release-calling-out-the-pretender-defenders>

[33] Beware of the Latest Foreclosure Rescue Scam-Securitization Audits: <http://www.veteranstoday.com/2012/03/27/beware-of-the-latest-foreclosure-rescue-scam-securitization-audits>



FORECLOSURE TRAPS, PITFALLS, AND SWINDLES

[34] Beware of the Latest Foreclosure Rescue Scam-Securitization Audits:

<http://www.veteranstoday.com/2012/03/27/beware-of-the-latest-foreclosure-rescue-scam-securitization-audits>

[35] Beyond Robo-Signing: Mortgage Foreclosures Defense Basics:

http://www.wisbar.org/AM/Template.cfm?Section=Wisconsin_Lawyer&template=/CM/ContentDisplay.cfm&contentid=101560

[36] Mortgage Fraud Examiners Warns: Beware of the latest foreclosure rescue scam—Securitization audits: <http://www.prweb.com/releases/2012/3/prweb9330918.htm>

[37] Discharge, Exceptions to Discharge, and Objections to Discharge:

<http://govinfo.library.unt.edu/nbrc/report/07consum.html>

[38] Bankruptcy's Automatic Stay: <http://www.nolo.com/legal-encyclopedia/bankruptcys-automatic-stay>

[39] The New Bankruptcy Law: Changes to Chapter 7 and 13: <http://www.nolo.com/legal-encyclopedia/new-bankruptcy-law-chapter-7-13-30040.html>

[40] Policing Lenders and Protecting Homeowners: Is Misconduct in Bankruptcy Fueling the Foreclosure Crisis? http://www.judiciary.senate.gov/pdf/08-05-06Porter_Testimony.pdf

[41] Weisband Case No. 4:09-bk-05175-ewh. BKR Tucson Judge Hollowell Denies MLS for Lack of Standing: <http://livinglies.wordpress.com/2010/05/06/weisband-case-no-409-bk-05175-ewh-bkr-tucson-judge-hollowell-denies-mls-for-lack-of-standing>

[42] Division of Supervision and Consumer Protection's Supervisory Actions Taken for Compliance Violations: <http://www.fdicog.gov/reports06/06-024-508.shtml>

[43] Policing Lenders and Protecting Homeowners: Is Misconduct in Bankruptcy Fueling the Foreclosure Crisis? http://www.judiciary.senate.gov/pdf/08-05-06Porter_Testimony.pdf

[44] Policing Lenders and Protecting Homeowners: Is Misconduct in Bankruptcy Fueling the Foreclosure Crisis? http://www.judiciary.senate.gov/pdf/08-05-06Porter_Testimony.pdf

[45] H.R 3808: <http://www.govtrack.us/congress/bills/111/hr3808>



[46] H.R. 3808: Obama Prepares to 'Legalize' Foreclosure Fraud:

<http://www.peakprosperity.com/forum/hr-3808-obama-prepares-legalize-foreclosure-fraud/46104>

[47] Bank foreclosure cover seen in bill at Obama's desk:

<http://www.reuters.com/article/2010/10/06/us-usa-foreclosures-bill-idUSTRE6955YX20101006?pageNumber=1>

Remember: It's NOT over until you win!