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131 Jericho Turnpike, Suite 205, Jericho, New York 11753  
516.741.4723 (P) 516.741.6838 (F)

## **MERS, issues of standing, robo-signing, fraudulent notarizations and more!**

*This Sunday on "60 Minutes"*

*Foreclosures □As more and more Americans face mortgage foreclosure, banks' crucial ownership documents for the properties are often unclear and are sometimes even fraudulent - a condition that's causing lawsuits and hampering an already weak housing market. Scott Pelley reports.*

Readers of **The Hallmark Abstract Sentinel** are well aware of the crisis that is currently consuming the **housing market** in the form of **foreclosures** that can't get done or that may have gotten done and face reversal.

Why? It all comes down to paperwork done incorrectly and a small company in size, but huge in impact by the name of Mortgage Electronic Registration System or MERS. As we have discussed here in the past, questions have arisen concerning the rights of the party's trying to foreclose on a property to actually do so. This is a question of legal standing.

As a result of the legal issues surrounding foreclosures the process has been slowed to a crawl and in some cases halted all together. This has had the effect of maintaining a huge shadow inventory of property's that at some point in the future will be taken back by the lender and have to be sold.

There are additional problems that surround the investments that pooled thousands of mortgages and then sold them around the world. These were known as collateralized mortgage obligations or CMO's. They also went by a variety of other names as well such as mortgage backed securities. Many of these were rated AAA although they should not have been based on the mortgages inside. Due to this some holders of the investments are fighting to have the originators "buy-back" the investments, opening the originating firms up to potentially billions of dollars of exposure and losses.

There are also questions over whether the structure and use of MERS with these REMICS (Real Estate Investment Conduits) was in some way was a violation of the Pooling and Servicing Agreements or PSA. This could have multiple ramifications including bringing the tax structure into question.

Hear more about the story Sunday on 60 Minutes.