The Foreclosure Report ! !

Seems the only options these days are hurting homeowners..... Weighing the legal and financial repercussions after a short sale, foreclosure or bankruptcy filing.

Pros and Cons of Short Sales, Foreclosures, Bankruptcies

Short Sale:

Pro: Allows the alleged lender to recover at least some of the debt.
Pro: Give the borrowers personal and moral satisfaction feeling he has done the best he can.
Con: If it is not a personal residence, the borrower could be subject to taxation on the amount forgiven.
Con: Typically is not enough to pay the first mortgage in full. Seconds still out could have judicial recourse.
Con: Takes a lot of work and agreement by the lender.
Con: The borrower cannot buy another house for two years.

Foreclosure:

Pro: Don't have to do anything, just walk away.
Con: Will prevent the borrower from getting a real estate mortgage for seven years.
Con: An unsecured second lender could sue for judgment.

Bankruptcy:

Pro: Chapter 7 is a way to cancel credit card and all other debt and avoid foreclosure.
Con: May lose certain personal assets such as expensive cars and jewelry.
Con: Name is published in the newspaper; send of shame
Con: The cost (attorney costs, $1,000 and up, filing costs, about $300)
Con: Can only be declared once every eight years.
Con: May still use credit cards, but have to pay in full every month.

A short sale is when a home is sold for less than the amount the homeowner allegedly owes the bank. The transaction requires the bank's approval and a buyer but is one way to avoid foreclosure or bankruptcy.

Bankruptcies and pre-foreclosure notices have more than doubled and more then tripled in many areas. Seems it's a losing situation all around.

Before going down the road toward short sale, foreclosure, or even bankruptcy consider this report and do the research for yourself, and see if there is better solution to rectify this situation.

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PART I

FORECLOSURE – The end of the American Dream – Or is it?

Some borrowers sign their closing documents very reluctantly knowing that something is wrong, but not knowing what to do about it. Based on Federal and State Consumer Protection Laws, this Report could be a borrower's best defensive weapon against unfair and deceptive lending practices.

The *simple truth* is that most borrowers are victims of predatory lending and don't realize they've been taken advantage of. Can borrowers legally turn the tables on predatory lenders? Yes...Absolutely! Anyone with a mortgage should take advantage of the information found in this Report.

There is no doubt that Predatory Lending has become a critical problem. In fact, discrepancies are found in around 70% of mortgages audited. Your goal and ours is to expose "Lending Schemes" and "Unjust Enrichment" in mortgage documents.

In January of 2008, this Mortgage Meltdown of foreclosures was up 57%, and foreclosure filings saw yet another big jump throughout the year, compared to levels in the prior year; 45,327 homes were lost to bank repossessions.

Nevada, California and Florida had the highest foreclosure rates in the nation in 2008. During the housing boom, all three states recorded big price run-ups, and saw a large proportion of homes sold to investors. In Nevada, one of every 167 homes was in some foreclosure stage during a certain month. California had the largest total number of foreclosures among the states. There were more than 57,000 foreclosure filings there in January of 2008 and higher this year, one for every 227 homes. Florida trailed well back in total foreclosures with 30,000, but its rate of one for every 273 households was only slightly behind its West Coast rival. Several states recorded massive jumps in foreclosure activity in the last twelve months. In Rhode Island filings rose 279%; in Maryland they spiked 430%; and in Virginia they leapt 634%. Las Vegas tops foreclosure list.

Many borrowers seem to come to us with a range of reasons and mentalities. Some have a gut feeling that something is wrong with their mortgage. We have seen Clients who have personal relationships with their broker or lender and can't believe that they've been put into a bad loan.

Mortgage documents are difficult to understand. It takes auditors a long time to become proficient at what they do. Regardless of your situation, every mortgage borrower should get a Mortgage Audit, especially if your mortgage is less than 3 years old or threatened with Foreclosure.

We pay close attention to all types of mainstream media news clips regarding predatory lending and foreclosures. When foreclosures are mentioned, all that we seem to hear about is the inability of borrowers to pay their adjustable rate mortgages. Do we ever hear about the fault being with the Lenders? Is it possible that we are seeing so many foreclosures because borrowers are being set-up to fail?

When Predatory Lending is mentioned, there usually seems to be an agenda. That agenda more than likely is to get you into another loan. We don't agree with that as an initial solution. Refinancing can setback borrowers with prepayment penalties and additional broker fees. What makes it worst with this re-fi scenario is that Lenders are <u>not</u> held accountable for their actions.

We do not recommend Mortgage Brokers or Lenders to our Clients. We are determined to protect Borrowers. We're certain that Predatory Lenders are fearful of us. Honest Lenders should welcome our services and appreciate us weeding out the bad ones. We take pride in the positive comments we get regarding the approach we take.

How would you feel if you were a victim of Predatory Lending? For many, just the thought of being deceived or victimized can cause stress and anxiety.

We like clients to be open-minded and take a look at the Predatory Lending from another perspective. If you are in a good loan…that's great. If you do happen to be a victim of predatory lending, why spend your time worrying when there could be a bright side to your situation?

We make it as simple as possible for you to turn the tables on your Lender. Predatory Lenders get away with their practices because borrowers are unsuspecting, or don't know what to do. Since you're reading this, you are fortunate to be aware of what to do and path to follow!

Our ultimate goal is to have borrowers treated fairly.

State and Federal Consumer Protection Laws allow damages to accumulate fast for victims of predatory lending. Lenders may correct their errors and omissions at anytime during the life of a loan unless the borrower discovers discrepancies first.

We will be the first to say that it's unfortunate that the services we provide to protect borrowers is even needed. It's a shame that discrepancies are found in nearly 70% of mortgages audited. Only around 20% of the Preliminary Audits completed for our prospective clients prove to be good (non-predatory) loans.

Reasons why Lenders get away with deceptive lending practices:

- Borrowers are unsuspecting.
- Borrowers accept the response, "You signed it."
- Borrowers are unaware of Consumer Protection Laws.
- Borrowers don't know how to protect themselves.

Let's face reality. If predatory lenders can get away with taking advantage of borrowers 99% of the time...it's going to be profitable!

********There's More********

.... Let's Explore What Happens at the Escrow Closing Table....

Did We Really Close Anything?

PART II

REAL ESTATE
LOAN TRANSACTIONS

The five basic perquisites of a contract are:

1. Two, or more parties (of legal age and sound mind);
2. An offer (one party offers a service or product, which the other party desires);
3. Acceptance (the terms and conditions are accepted by the agreed parties);
4. Consideration (something of value must change hands); and
5. A termination date (a time specific terminating legal obligations).

Before a real estate loan transaction takes place, the lender has made it publicly known that they have a product or service to offer. They may advertise that they have the cheapest **"mortgage"** in town. Or, they may advertise that they have the lowest interest rates on **"home loans,"** or **"home equity loans."** So, whether you are looking to buy a home, or refinance your existing loan, you fill out an **"application"** and a **"credit report"** is ordered. Then the paper work begins, with the drafting and signing of the **"promissory note"** and the **"mortgage"** documents and all the federally required disclosure forms, and all the forms requiring various fees for specified services relative to such a transaction. This all takes place, before your final appearance at what is called a **"closing."** Sometime after all this is done, which may require anywhere from one to three meetings and signings, over a period of weeks and sometimes months, you receive the **"loan check"** drawn on an **"account"** housed with the lender, which you may have never seen, if you are using a **"loan broker"**. Use of the internet and wire transfers have recently sped up this process, somewhat.

But, who made the **"offer"** in this transaction? Did the lender ever make an offer to **"*loan* money"** to you? Or, did they offer to **"*make*"** you a loan? Did you make the offer when you filled out and signed the application for the loan? Or, was that an application for the service or product the lender was advertising? And, just what is a loan? If you need $20,00 and ask if I will loan you the twenty, which you promise to pay back the day after you receive your next paycheck, and I agree to loan you the twenty, where do I get the $20.00? From my own pocket of course. Is this what the lender in a real estate loan transaction does? Do they loan you their own money? In a **"money-less"** economy where all commerce operates on **"credit"** from where do the lenders get the money?

What about that promissory note? Could that be the offer that is being made? Are you offering to pay $ (your promissory note) to the lender, to get a loan, to purchase a property? Is a **"loan"** money and if it is, whose money is being loaned? Can you get a real estate loan, without signing a **"promissory note"** (your promise to pay) and assigning a **"security interest"** (mortgage) in the property, to the lender? Could that be why the lender has you sign the promissory note first, before you sign the **"mortgage"** document? After you close and receive the **"loan check,"** is the lender the one

"holding" your **"note,** with a security interest in the property, the **"mortgage"**? Are you offering your promissory note to the lender, in **"exchange"** for a loan? Is the lender loaning you the lender's own money? Is that then why the lender wants you to assign to the lender a **"security interest"** in the property being purchased, (before you purchase it) to secure the **"repayment"** of **"the loan"** or, is it only the **"payment"** the lender wants, which is represented by the wording in your promissory note, which the lender drafted?

Does your promissory note begin with the words: **"For a loan I have received, Borrower promises to pay $ ……"?** If so, **what was the loan you received**?

Before the lender met you, did the lender have your promissory note? Did the lender have your promise to pay? Did the lender have a mortgage on the property? Did the lender sign any of the documents that represent your loan transaction? Does the documents (promissory note and mortgage), provide for the sale or assignment of the note and mortgage to any third parties? Was this disclosed and explained to you? Does anyone's signature, other than yours, appear anywhere on the note or mortgage? What was the **"consideration"** offered by the lender? Is this a valid contract?

On what account was the loan check drawn? What funded that account? Was it the lenders funds? Was it the funds of the other depositors? Prior to the **"loan"** did you have a **"loan account"** with the lender? Was this the account from which the **"loan check"** was drawn?

How long did you have to wait, after the promissory note and the mortgage were signed by you (and only you), before, you were notified by the lender that your loan had been **"approved"**?

During this time (while you were waiting for approval of your loan), did the lender take your promissory note (with all the interest extrapolated out over the life of the note), and **"discount"** the note and sell it on the **"secondary market"** to a **"buyer of notes"** to raise the funds to complete the **"loan transaction"** with you? Did the lender also assign to the buyer of the note, an interest in the mortgage, as security for payment of the note? Are you sure? (My Cousin Vinny). How can you be so sure?

Was the lender an "**institutionalized**" lender, or a **"mortgage lender"**? If the lender was other than an institutionalized lender, then did your lender have to go to an institutionalized lender, and borrow the funds to conduct his business with you, and assign an equity interest in the mortgage, to the institutionalized lender to secure the payment of the note, by you? Could your lender borrow **"more"** than the face amount of your note?

If the lender used your promissory note, to raise an asset to the lender, in an amount equal to or, more than, the necessary funds to fund the **"loan account"** in order to conduct the lender's advertised business, were you aware of that? Was that disclosed to you? Was that disclosed in the **"loan agreement"**?

If a lender does this, then is the lender providing the **"consideration"** in this transaction, or is it your signature on the note (your promise to pay), which is being sold, and the payment of the note is secured by your assignment of an **"equity interest"** in the property (mortgage), which you do not own at the time of this sale, that is actually raising the funds for the **"loan you have received"**?

If the consideration for this real estate loan transaction is being raised by hypothecation or the sale of your promissory note, and secured by an assignment, of your assignment of an equity interest in the property, which you do not yet own, and all this takes place before you are approved for the loan, or receive your loan check, then who do you think provided the funds for the **"loan you have received"**?

If your note was hypothecated or discounted and sold to raise the funds for your loan, (before you receive your loan), and you make every payment on the note and pay it off, then does not your contribution to this transaction have at least **"twice"** the **"face value"** of the original note, **not counting the interest** you have paid? (i.e. a 15 year note for $100,000 @ 8%, discounted 1 to 1.5 basis points, still raises over $100,000). If only $100,000 was needed to fund the loan (and the sale of your note by the lender raised that amount), who got the amount over $100,000? Did you?

Who is the actual **"offeror"** in a real estate loan transaction"? If the lender offered to **"make you a loan"** and you offered your **"promissory note"** as payment of that loan, and the lender hypothecated or **"sold"** your promissory note to raise the funds to do the **"lender's business"** with you, and did not disclose to you that was the lender's intention and past practice, who do you think was the offeror? Do you think you have been defrauded?

But, did the lender offer to loan you **"money"** in the amount of $ _____? (Amount that you promised to pay in return for the loan you have received). Did you believe that was the lender's stated intent? Why? Does it actually state that in the promissory note, loan agreement, or mortgage? Are you sure? How can you be so sure? Where does it so state?

If you pay the amount you promised to pay in your promissory note, with all the stated interest, then add the amount received by the lender when your note was sold, do you think your contribution to this real estate loan transaction would equal at least **"three times"** the **"face value"** of your original note?

What do you think was the lenders **"total contribution"** to this real estate loan transaction? What do you think was the lenders total **"risks"** in this real estate loan transaction? If you used a **"mortgage broker"** to find you a lender, do you think you might have paid an interest rate, that was higher than what was being advertised, and higher than if you had gone directly to the lender? Who do you think might have received the extra percentage points? Could the mortgage broker have received them? How many thousands of dollars do you think that was? How was that disclosed on the **"closing"** documents? Did you pay the mortgage broker their fees, or did the lender?

Were those fees (extra % points of interest over the life of the loan), paid by separate check, or was it thrown into the financing, to lower your **"closing costs"**? How much do you think that extra several thousand dollars cost you, at 8%, over the life of the loan? Was this disclosed to you?

What if your promissory note, which was hypothecated or sold by the lender to raise the funds to conduct his business with you, subsequently sells to other buyers of notes 6, 7, or 8 more times, at a discount? Now how much do you think your signature on the note, has generated? Five, six, seven times, the original face amount of your note? How much of that have you received? Was this disclosed to you? Did you sign a contract with the alleged lender to back the alleged loan? Where is that document? A Promissory Note is not a contract, a Mortgage Note is not a contract, a Deed of Trust is not a contract. Where is the contract that backs the alleged loan?

Do you see any legal issues here?

Why did Congress pass TILA, the Truth in Lending Act? Was it to protect consumers from unscrupulous lenders? What disclosures does Regulation Z, require of lenders? Who enforces Regulation Z?

PART III
FORECLOSURE

What if you fall on hard times and can no longer make the payment? Do you refinance? If you refinance, do you get back your original promissory note, with only your signature showing? Or, has it been, endorsed by the original lender, **"Without Recourse"** to a third party? Has it been sold, or assigned?

What if you can't refinance or make the payments on the refinance, and go into default? Will a lawyer file a foreclosure action, in the name of the original lender, who has hypothecated, sold or assigned the note and mortgage, **"Without Recourse"** to a third party? What if the original lender no longer is in possession of the note? What if the original lender, or the buyer or assignee, did not file a **"UCC-1 Financing Statement"** with the Secretary of State's Office? Do they have standing to enforce the **"security instrument"**? Does a lender have standing to file a UCC-1 Financing Statement with the Secretary of State's Office without a contract with you?

What if the original lender is serving as the **"servicer"** of the note, for the **"buyer"** of the note, can the foreclosure action then be brought in the name of the original lender, or would the original lender, or a sister company established to **"service"** the notes they sale, have to bring the action on behalf of the buyer? But, what if the buyer is not in physical possession of the note, and neither the servicer, nor the buyer have filed a UCC-1 Financing statement, does either have standing to enforce the security instrument?

What if the UCC-1 Financing Statement has been filed, and the mortgage foreclosure is judicially processed and the sale of the property is judicially ordered and the property is sold. And, what if the amount of the loan outstanding, is less than the equity in the property, but the sale is for the

amount of the outstanding loan? Who is entitled to the equity, in excess of the amount of the loan outstanding? Should it be you?

Would **"recoupment"** under TILA, be a **"common law"** (legal claim) defense to a mortgage foreclosure action? What has the U.S. Supreme Court had to say about that? What, are the statute of limitations for such a defense? Do you claim federal or state law, or both? Would you want to raise the issues of rescission or set-off, which are statutory defenses?

Would you file your answer and counterclaim in state court, or federal court? Would you file in state court and then remove to federal court, if your affirmative defenses and allegations in your counterclaim arise under federal law? How would you handle the diversity issue?

PART IV
FAIR DEBT COLLECTION PRACTICES ACT
(FDCPA)

What if the lawyer who filed the Foreclosure Complaint, **"Verified"** (attested to the truth and correctness) of the complaint, and signed both the verification and the complaint, but there is no declaration or affidavit filed with the complaint, by his alleged client, the original lender, the servicer, or the buyer (note holder)? Can a lawyer give testimony in a case for which he is the legal representative? (No) Does the lawyer have personal knowledge that the facts contained in the complaint are true and correct? (No) Would that be the same as filing a false affidavit in a judicial proceeding? (Yes) Is that an unethical practice? (Yes) Is that legal? (No) Is that a felony, or a misdemeanor? (Yes) Would such action by a lawyer subject him to sanctions (fine) under the FDCPA? Would that stop the foreclosure? Would that be just cause for the State disciplinary commission to investigate and sanction the lawyer, upon complaint being filed?

What if that lawyer (or law firm) had done that several hundred, or even thousands of times? Would that form the proper foundation for a "class action" lawsuit? Or, would thousands of individual lawsuits be more appropriate?

*******There's More*******

Not enough? Let's explore the possible Fraud, Misrepresentation, and Deceit!
Could our neighborhood banker deceive us? Play us for fools?
.....Lets See.....

PART V

FRAUD, DECEIT and GROSS MISREPRESENTATION BRIEF TO BE

ADMITTED OR DENIED WITH PROOF BY DEFENDANTS

BECAUSE OF 'FRAUD IN THE INDUCEMENT', NO VALID CONTRACT UNDERLAY THE PACKAGED MORTGAGE TRANSACTIONS, SO THE DEALS ARE NULL AND VOID, THE PAPER WORTHLESS

Expert sources in the field of predatory mortgage transactions have discovered the following: (a) 'The holder in due course or subsequent holder cannot hold a claim superior to the prior holder'; (b) 'An ultra vires act causes the piercing of the corporate veil or of any similar limited liability or partnership structure, so that the entire liability flows directly to the holder. Furthermore, publicly-owned corporations must publicly disclose a contingent liability reserve in their Securities and Exchange Commission (SEC) filings'; (c) 'A bank may remain a de facto corporation inter se among its shareholders, but if the 'corporation in good standing status' is suspended or otherwise terminated, it is no longer a corporation to the world at large, and it becomes a fraud to represent publicly that this entity is a corporation. Moreover, a publicly owned and traded corporation that loses its 'in good standing' status has an affirmative, positive duty to publish a public notice to that effect and to so inform all stockholders immediately. Furthermore, loss of 'in good standing' status by the corporation due to ultra vires acts, may toll the running of any applicable Statute of Limitations in respect of claims against the corporation and its shareholders'. This Editor's Note: The 'mainstream' media, compromised because of the Operation Mockingbird CIA penetration and control programmed referenced in this analysis, fails to report and investigate such breaches, in disgraceful continuing dereliction of its Fourth Estate duty.

OUTLINE OF A TYPICAL TRANSACTION

It is likely (and should by now be becoming crystal clear) that tens of thousands of FRAUD IN THE INDUCEMENT complaints will be filed by US borrowers against lenders and mortgage brokers who have energetically sold adjustable mortgage arrangements without income verification and other checks, because the lenders and mortgage brokers possessed information on their prospective borrowers that the intended contracted mortgage loan would be unserviceable by the prospective borrower, on the basis of the lenders' and brokers' own financial due diligence that they did not share with the borrower. In such instances, if ruled, then a meeting of minds did not take place and accordingly, no contract ever existed.

This is exactly the line that some Judges must now take heed to what is set before them in their courtrooms, and must give equal or just opportunity to scammed homeowners.

In some instances, the borrower will have to vacate the premises, which were never theirs anyway, but will not be responsible for making any payments on the property to anyone.

The borrower should also be awarded repayment of any and all mortgage payments they may have made on the property, inclusive of all origination fees, property taxes, recording fees, mandatory insurance premium, plus multiple damages from both the lender and the mortgage broker. There would also need to be NO negative impact upon the borrower's credit file and rating. What was that mortgage insurance for anyway?

DECONSTRUCTION SPOTLIGHTS THE SEETHING MASS OF FRAUD

When these transactions are deconstructed, a horrific nexus of fraud becomes apparent. Once upon a time, the borrower sat down at the closing table at the escrow company. He did NOT own the property when he sat down at the table.

Yet, all of a sudden, he miraculously owns the property, free and clear of all encumbrances: otherwise, how could he mortgage it? The borrower has signed an agreement stating inter alia that 'for good and valuable consideration, RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED', and being fully seized in the property (which means fully owning it without any encumbrance) 'I, the borrower, do hereby enter into this agreement to mortgage said property as fully described in this document by virtue of my appointment as trustor, and do appoint as trustee irrevocably for this purpose' (the name of the trustee who works for the title company handling the transaction).
A document has been written which clearly states that the buyer admits to having received 'consideration' of some type PRIOR to this point in time – in exchange for WHAT? He admits that he owns the property free of all debt, otherwise he could not mortgage it. The escrow company agrees with him that the property at this point is free and clear of debt, or else they could not serve as the intermediary fiduciary party certifying these assertions as facts.

But this begs the very obvious question: if the borrower already owns the property, why does he need the mortgage, unless he is borrowing money to be used for some other private purpose of his? If he uses the property as collateral for the loan, when does he receive the money? Has the borrower, or has any party involved, EVER received the money from the mortgagee?

• The answer is NO!

THE ESSENCE OF THE FRAUD

What has actually happened is that the borrower's promissory note was immediately monetized by stamping 'Pay to the order of' on the reverse of the promissory note, which was then deposited as cash into a deposit account at a bank. The borrower was never told that this occurred.

• This 'stamping' procedure amounts to an ACT OF CONVERSION.

Furthermore, the very ACT OF ALTERING A NEGOTIABLE INSTRUMENT after the

signature of the payer or original issuer VOIDS THE INSTRUMENT.

The next thing that happens, again without the knowledge of the buyer, is that the bank opens a transaction account based on the cash deposit of the buyer, and from this transaction account, using the bank's name on a bank check, the check is issued to the seller in the agreed amount according to the sale figures.

• The numbers are of course all just bookkeeping entries, which simply debit the depositor's account by the amount of the bank check.

The seller leaves the escrow office with check in hand, which he then proceeds to deposit in his checking account, whereupon his bank balance increases via bookkeeping entry, while the issuing bank's transaction account is debited via a bookkeeping entry.

The next step in this fraudulent transaction occurs when the bank, now in possession of a large mortgage obligation, sells this mortgage obligation to a lender of some kind or other, usually the Government-Sponsored Enterprises (GSEs) Fannie Mae (Federal National Mortgage Association) or Freddie Mac (Federal Home Loan Mortgage Corporation). The bank then receives full cash payment, again via a simple bookkeeping entry, and is appointed the 'servicer' of the loan for its entire period of existence. The seller is happy, and goes his merry way.

But the buyer possesses no knowledge that he actually funded his own transaction through his own promissory note, and is never told that this was the basis of the entire transaction, or that he still has a demand deposit account at the bank from which the check to the buyer originated via the transaction account.

THE ARRANGEMENT IS FRAUDULENT FROM THE GET-GO

So the entire arrangement is absolutely unconscionable from the outset. Very clearly, as some US courts are showing signs of realizing, there was never any valid contract, so that no obligation could ever have arisen based upon its terms. The bank has clearly become unjustly enriched by means of the fraudulently prepared documents which have cleverly and most deviously concealed the true illegal nature of the transaction – wherein the bank was never in any danger of having incurred any risk whatsoever, and was enriched through the sale to the true purchaser of the mortgage, while not handing over the money to the actual issuer of the promissory note as the 'consideration' for the creation of the mortgage. What about the mortgage insurance?

BANKS' CHARTERS SHOULD BE REVOKED

The bank's charter will clearly reveal and confirm that such acts of concealment, conversion, misrepresentation etc constitute an act that is ultra vires, so that therefore the bank is fully liable for these transgressions, and should have its charter revoked.

Another crucial dimension arising from this skewed state of affairs is that, since the entire note of obligation has now been proven to be null and void ab initio, and the property 'owner' is still the trustor, he is entitled at this point to revoke trustee appointment of the

title company's trust document, since it was obtained through fraudulent misrepresentation.

THE POSITION IN WHICH THE PARTIES FIND THEMSELVES

Where does this state of affairs NOW leave all the parties? Since there is no valid mortgage, the property owner is now free to have the property reconveyanced into his name without any other names, hindrance or encumbrance applying to it. Specifically:

• The bank has sold an invalid mortgage to Fannie Mae.

• Fannie Mae is a true holder, since they took it for value as true, and as represented by the bank.

• The mortgage is now worthless as collateral, and can no longer be used as a component of the mortgage-backed securities bundle that has already been sold into the marketplace by Fannie Mae.

• The property owner has no obligation to Fannie Mae, as Fannie Mae was never a party to the sale. On the contrary, the bank is the party that benefited from the payment of cash provided by Fannie Mae, and the bank must therefore make Fannie Mae whole by return of the value by a legitimate means – either by paying cash, or else by the replacement of another fraudulently obtained mortgage.

• That leaves the property owner in possession of a free and clear property, and the criminal bank holding the bag as the entity responsible to the actual lender (Fannie Mae, or whomever), for repayment of the funds advanced.

• The bank cannot lay claim to any property interest, as the bank was engaged in a fraudulent transaction and had no valid contract with the buyer, and acknowledged that the property owner had no claim on this property at the time of the transaction.

WRONGDOERS MAY NOT PROFIT FROM THEIR WRONGDOINGS

Here, we need to take the law as it clearly stands, without second-guessing any dimension of its application, either in the United States or Britain. The law 'leaves wrongdoers where it finds them', and 'they may not profit from their wrongdoings' – a fact of life which is currently being forced into the depraved consciousness of the world-class financial fraudsters who have begun to be exposed via these Wantagate reports.

This reality opens a further can of worms for the banks, in that the law is also governed by a maxim that 'any money you make from the illegal use of my money, is my money'.

THE GOVERNMENT-SPONSORED ENTERPRISES CAN RECLAIM THE MONEY 'SCAMMED' FROM THEM BY THE BANKS: THEY ARE GROSSLY NEGLIGENT IN FAILING TO DO SO

Both the principal sum and the illegal profits generated by the bank can theoretically be

reclaimed by Fannie Mae and Freddie Mac (which, given the huge gaps in the accounts of these and other Government-Sponsored Enterprises, they urgently need to do), since it was their funds that were obtained by fraud in the first place.

Of course we are now well and truly through the Looking-Glass, because Fannie Mae, Freddie Mac, the Federal Home Loan Bank System and other relevant Government-Sponsored Enterprises (or GSEs) and the banks themselves are all actually 'government agencies' – although the double-minded phrase Government-Sponsored Enterprise itself gives the lie to such obfuscation and the banks are independent organizations as well as being supervised 'government agencies'.

• The GSEs cannot 'operate in the private sector' and at the same time refrain from seeking the remedies due to them when they have been defrauded: and officials in Government who may seek to restrain them from so doing would be acting illegally. In any case, the books still need to be balanced, but that's a problem for Fannie Mae and Freddie Mac; it's not the buyer's problem.

CASE LAW HAS PROTECTED BORROWERS WHO WERE MISLED

US case law already exists in which the banks concerned have been obliged by the courts to pay back all the money paid in by borrowers who were not informed in writing at the outset, that their payments would rise as soon as the Federal Reserve raised interest rates, so that through the banks' failure to disclose, the contracts were shown to have been illegal.

The banks appealed against this outcome, and lost. As a consequence, thousands of home owners had millions in payments and fees returned to them. However the case in question did NOT bring up any of the issues discussed in our analysis.

When loans are extended, the party extending the loan MUST provide FULL DISCLOSURE, or the transaction is illegal. Another thorny problem facing banks is that once a banking corporation has committed an ultra vires action, their charter is required to be suspended and they are obliged to cease all business transactions immediately until reinstated by the State banking authority.

While in this condition, banks may not enter into any contracts, nor may they sue in court. What, then, does this mean for ALL THE BUSINESS that they have conducted SINCE the first ultra vires action was committed?

ALL TRANSACTIONS SINCE THE ULTRA VIRES ACTION MAY BE NULL AND VOID

Does it not mean that all the transactions following the ultra vires action have been null and void? And if so, does that not mean that the trillions generated off the back of funds that are owned by others (e.g. Ambassador Wanta) are all not merely illegally procured, but also that the transactions themselves are null and void? And to complicate matters even further, the insurance companies' contracts contain clauses which state that policies are in effect ONLY so long as corporate banking charters are in effect and/or the

corporation is in good standing.

Nor can it be complacently taken for granted any longer by the criminalist classes that American Courts are now so notoriously corrupt, and the Judiciary so irrevocably compromised, that they can be relied upon to sustain the illegal status quo indefinitely.

FIDDLING OF BANKS' BOOKS DOES NOT CREATE A CONTRACT

In other words, all of a sudden, the bank's books are balanced, since the bank possesses a credit and a debit that suddenly match. But that process does not create a contract, which is what the court requires to be filed, in order to support any request for foreclosure PROVIDED A CONTRACT IS REQUESTED BY THE PERSON BEING FORECLOSED UPON, WHEN THE FORECLOSURE IS BEING CHALLENGED IN COURT.

The crucial point here is that when the person being foreclosed upon requests the contract when challenging the foreclosure in court, he or she will be able thereby to demonstrate to the court that the bank cannot provide any such document.

In the case cited with Deutsche Bank , they could not provide the contract because it did not possess a contract . Accordingly, the court properly dismissed the foreclosure process. Cases were cited out of Ohio.

So the message to all who are vexed by this fraudulent finance offensive is that no loan can be foreclosed upon without a contract to back it up: and no contract exists in these cases. However it is essential for the foreclosure to be challenged at the hearing and that the contract be requested. This is usually done in America by means of a motion lodged prior to the date of the hearing.

COURTS WILL 'DO THE RIGHT THING' IF THEY HAVE NO CHOICE

The Court will (perhaps surprisingly to some) usually do the right thing if the right documents are placed before it by means of the proper procedure, as it has no choice in the matter. On the other hand, the Court does not have to answer a question that it is not asked to adjudicate upon or to take into consideration. This means that even if the Judge may be aware that no contract exists to back up the foreclosure, **UNLESS THE REQUEST FOR THE CONTRACT IS MADE**, the foreclosure will be granted. Therefore, those concerned must always ensure that a motion challenging the foreclosure and requesting the contract **MUST** be lodged prior to the hearing.

In the Ohio report cited, the author implies, but does not actually state, that the reason the bank did not possess the contract was that the contract had been collectivized as the bank had been a purchaser of some of the packaged sub prime derivatives. It can now be seen that these so-called mortgage-backed, collectivized, synthetic derivatives that have been sold around the world which are based on loans, have nothing to back them up and are therefore worthless.

APPENDIX B: Summary of the Law of Voids in the United States:

What follows is a brief summary giving details of how to stop a foreclosure or else to get one's house back after it has been taken through the invalid Court process.
Before a Court (Judge) can proceed juridical, jurisdiction must be complete – consisting of two opposing parties (not their Attorneys: although Attorneys can enter an appearance on behalf of a party, only the parties can testify, and until the Plaintiff testifies, the Court has no basis upon which to rule juridical). The two halves of subject matter jurisdiction equate to the statutory or common law authority that the action is brought under (the theory of indemnity) and the sworn testimony of a competent fact witness concerning the injury suffered (= the cause of action). If a jurisdictional failing appears on the face of the record, the matter is void, subject to vacation with damages, and can never be time-barred. So a question that naturally occurs is:
International Currency Review, World Reports Limited [see this website] Volume 31, Numbers 3 & 4, Fourth Quarter 2006, pages 178-179; and International Currency Review, Volume 33, Numbers 1 and 2, September 2007, pages 383 and 285.
(2) E.g. Transamerica Insurance Co. v. South, 975 F. 2d 321, 325-326 (7th Circuit 1992); United States v. Daniels, 902 F. 2d 1238, 1240 (7th Circuit 1990); King v, Ionization International, Inc., 825 F. 2d 1180, 1188 (7th Circuit 1987); and: Central Laborer's Pension and Annuity Funds v. Griffey, 198 F. 3d 642, 644 (7th Circuit 1999).
(3) Wahl v. Round Valley Bank 38 Ariz. 411, 300 P. 955 (1931); Tube City Mining & Milling Co. v. Otterson, 16 Ariz. 305, 146p 203 (1914); and Milken v. Meyer, 311 U.S. 457, 61 S. CT. 339, 85 L. Ed. 2d 278 (1940).
Fraud in the Inducement: "… is intended to and which does cause one to execute an instrument, or make an agreement… The misrepresentation involved does not mislead one as the paper he signs but rather misleads as to the true facts of a situation, and the false impression it causes is a basis of a decision to sign or render a judgment"
Source: Steven H. Gifts, 'Law Dictionary', 5th Edition, Hauppauge: Barron's Educational Series, Inc., 2003, s.v.: 'Fraud'.

Step 2: Fraud in Fact by Deceit (Obfuscation and Denial) and Theft:

*• "**ACTUAL FRAUD**. Deceit. Concealing something or making a false representation with an evil intent [scanter] when it causes injury to another…". Source: Steven H. Gifis, 'Law Dictionary', 5th Edition, Hauppauge: Barron's Educational Series, Inc., 2003, s.v.: 'Fraud'.*
Theft by Deception and Fraudulent Conveyance:

***THEFT BY DECEPTION**:*

*• "**FRAUDULENT CONCEALMENT**… The hiding or suppression of a material fact or circumstance which the party is legally or morally bound to disclose…".*
• "The test of whether failure to disclose material facts constitutes fraud is the existence of a duty, legal or equitable, arising from the relation of the parties: failure to disclose a material fact with intent to mislead or defraud under such circumstances being equivalent to an actual 'fraudulent concealment'…".
• To suspend running of limitations, it means the employment of artifice, planned to prevent inquiry or escape investigation and mislead or hinder acquirement of information disclosing a right of action, and acts relied on must be of an affirmative character and fraudulent…".
Source: Black, Henry Campbell, M.A., Black's Law Dictionary', Revised 4th Edition, St Paul: West Publishing Company, 1968, s.v. 'Fraudulent Concealment'.

FRAUDULENT CONVEYANCE:

• 'FRAUDULENT CONVEYANCE… A conveyance or transfer of property, the object of which is to defraud a creditor, or hinder or delay him, or to put such property beyond his reach…".
• "Conveyance made with intent to avoid some duty or debt due by or incumbent on person (entity) making transfer…".
Source: Black, Henry Campbell, M.A., 'Black's Law Dictionary, Revised 4th Edition, St Paul: West Publishing Company, 1968, s.v. 'Fraudulent Conveyance'.

**********There's More**********

Do you really know what happened now? Or do you need one more push?
Here it comes. The process and what you can do

PART VI
STOP FORECLOSURES

Beginning at the Escrow closing table we become victims of Predatory Lenders. We sit down, and before we leave the Escrow Company we believe we have borrowed enough money to buy the American Dream – Our home.

Does it ever occur to anyone to actually read the Deed of Trust or the Mortgage Note in detail without an attorney and take the responsibility to know exactly what we are signing?

DEED OF TRUST

A. **Security Instrument** means this document, which is dated together with all Riders to this document.
B. **Borrower** is the American Dream Buyer and/or Mrs. American Dream Buyer.
   Borrower is the trustor under this Security Instrument.
C. **Lender** is ABC MORTAGE Lender is a CORPORATION under the law of a federal savings bank. And the address is 2345 USA Street, Any City, Any State.
D. **Trustee** is You Got Screwed Trust Company
E. **Mers** is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns, **MERS is the Beneficiary under this Security Instrument.** MERS address is PO Box 2026, Flint, MI 48501-2026.
F. **Note** means the promissory note signed by Borrower and dated "who knows when", And the note states the Borrower owes Lender "A bazillion dollars, plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than 500 years from now..
G. **Property** means...
H. **Loan** means...
I. **Riders** means...
J. **Applicable Law** means...
K. **Community Association Dues , Fees and Assessments** means
L. **On and On and On...**

1-24. All the awesome things you agreed to within the Deed of Trust.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

_____ Borrower

EXPLAINATION OF
DEED OF TRUST

1. The Deed of Trust is **NOT** a **contract** it is only signed by one party. *A promissory agreement between two or more people that creates, modifies, or destroys a legal relation. An agreement between two or more parties, preliminary step in making of which is offer by one and acceptance by other, in which minds of parties meet and concur in understanding of terms.* ***Lee v, Travelers Ins. Co. of Hartford, Conn.***
2. Who did you have a **Meeting of the Minds** with in order to create this contract? *Is required to make a contract is not based on secret purpose or intention on the part of one of the parties, stored away in his mind and not brought to the attention of the other party, but must be based on purpose and intention which has been known or which from all the circumstances should be known.* ***McClintock v. Skelly Oil Co.***
3. Who did you make the agreement with and who do you have to perform for?
4. Is this an **Unconscionable Contract**? *One which no sensible man not under delusion, duress, or in distress would make, and such as no honest and fair man would accept.* The lenders, escrow companies, trustees, and beneficiaries accept these agreements beings they are not honest or fair. **Franklin Fire Ins. Co. v. Noll.**
5. **Unilateral contract**: *One which one party makes an express engagement or undertakes a performance, without receiving in return any express engagement or promise of performance from the other.* There is no other! The alleged lender indicates they have given you a loan, and you have promised to pay it back. They didn't give you anything.

Without a contract there is no Deed of Trust, without a Deed of Trust there is no lien or Security Interest, therefore what you have created is a one sided agreement with yourself. What you create you can un-create. As if in the making of a **WILL**.

THE PROCESS OF UNRAVELING THE FRAUD

1. We have created this agreement called a "Deed of Trust" so now we will work it backwards to unravel puts things right.
2. First we will follow the agreement, by honoring what we have agreed to by sending appropriate Notices to alleged Lenders and the Trustees we assigned or were appointed by original Beneficiary and/or Lenders.
3. We will exercise the Right to Cancel which we created within the Mortgage documents by canceling this Voided contract.
4. Notices are sent out dismissing, releasing and discharging these appointments, and all further assignments shall be dismissed.
5. Notices of Revocation of Power of Attorney that we appointed and agreed to will be revoked, rescinded and voided. Not further appointments will exist.
6. On the same day or shortly thereafter we send out the **Notices** of Removal and Revocation to all alleged Lenders, Trustees, and Beneficiary's.
7. We will file a Quitclaim with the county recorders to Notice the Substitution of our newly released appointments of Trustees and Beneficiary's and set on file our new appointments.
8. As soon as we receive the green card receipts back for the post office to assure the opponents received their notices we will then file a "Release of Trust Deed" and reconvey the property back to the Borrower, Owner, Trustor, Grantor – YOU.
9. A final document could be a Grant Deed or Warranty Deed whichever applies in your state.
10. You are now in control without obligation to anyone of your own property.

STRIKEBACK AT PREDATORY LENDERS!

FOR MORE INFORMATION
CALL (770)-256-7881

Email: info@figww.com
3900 CROWN ROAD # 16533 ATLANTA, GA 30321

THE END