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Introduction

The MERS® System Procedures Manual (“Procedures”) forms part of the Governing Documents constituting the MERS® System Membership Agreement. The Procedures set out requirements pertaining to MERS® System membership including, but not limited to, the use of the MERS® System, the MERS® System Quality Assurance Program, MERS Documents, the use of the Corporate Resolution Management System (“CRMS”), and Mortgage Electronic Registration Systems, Inc. (“MERS”) Signing Officers. This version of the Procedures replaces and supersedes, in their entirety, any and all previously published Procedures in place up to the effective date noted on the cover page. Each Member is bound by the Procedures and any amendments made to it. If a Member believes that there is a conflict between the requirements set forth in the Procedures and the requirements of any trading partner or jurisdiction, the Member should contact the MERSCORP Holdings, Inc. (“MERSCORP Holdings”) Help Desk at helpdesk@mersinc.org.

Conventions in Use in This Document

- Certain terms or items in this document have special formatting applied to them:
  - MERS® System Reports: MERS® System reports are formatted in italic font (e.g., Registration Rejects/Warnings (RG) Report).
  - Glossary Terms: Terms defined in the Glossary have the first letter of each word in the term capitalized. The first time that a Glossary term is used in a section of the Procedures, it is formatted as a dotted, italicized, underline link to the Glossary entry (e.g., Assignment to MERS).

- The step-by-step instructions in the procedures generally cover processing transactions on MERS® OnLine. For information on submitting transactions using the Flat-File or XML system-to-system interface, refer to the MERS® System Integration Handbook.

Overview of the MERS® System

MERSCORP Holdings owns and operates a national, electronic registry called the MERS® System that tracks changes in Mortgage servicing rights and beneficial ownership interests in loans secured by residential real estate.

The MERS® System is neither a legal System of Record nor a replacement for perfecting a mortgage lien interest in the public land records. Mortgage servicing rights and beneficial ownership interests are not transferred on the system; once such transfers have occurred, they are reported by MERS® System Members to be tracked only.

Types of Loans Registered on the MERS® System

There are three (3) types of Mortgage loans that can be registered on the MERS® System:
MOM loans: **MERS** is named as the original **Mortgagee** in the **Security Instrument**.

Non-MOM loans: MERS is named as Mortgagee post-origination as a result of an **Assignment to MERS**.

iRegistration loans: MERS holds no interest in the **Mortgage**. iRegistration loans are optionally registered on the MERS® System for tracking purposes only. iRegistration requirements are set forth in **Appendix B: Tracking iRegistration Loans on the MERS® System**.

A Member uses the **Registration** transaction to register a loan on the MERS® System. The result of a successful Registration transaction is the creation of a **MIN Record** for the loan on the MERS® System.

The following Mortgage loans are not permitted to be: (i) closed as a MOM loan, (ii) assigned to MERS post-origination as a Non-MOM, or (iii) registered on the MERS® System:

- Loans with a borrower who is participating in a state sponsored confidentiality program (i.e., the borrower’s name or address does not appear in the public record).
- Loans with a Security Instrument listing multiple properties.

### MERS Loans

For **MERS Loans**, **MERS** acts as the **Mortgagee** in the public land records and as **Nominee** for the **Lender** and its successors and assigns. During the closing of a MOM loan, the borrower and Lender agree to name MERS as Mortgagee on the **Mortgage**. The Lender then records the Mortgage in the public land records and registers the loan on the MERS® System.

Mortgage Electronic Registration Systems, Inc. ("MERS") can be named as the Mortgagee on the following types of loans and therefore the MERS® System supports the registration of these types of Mortgage loans including, but not limited to, securitized loans, reverse mortgage loans, condominium loans, co-op loans, **CEMA Loans**, and **Construction Loans**.

### Registering Loans before Closing

Loans are generally registered on the **MERS® System** post-closing, but the registration can be initiated before closing using the **Pre-Closing Registration** transaction. A Pre-Closing **MIN Record** is not active, so it cannot be updated, transferred, or deactivated, but it can be reversed if it was registered in error or a correction is required. Once the loan closes, the registration is completed using the **Post-Closing Registration** transaction.

### Other MERS® System Services

**MERSCORP Holdings** offers the following additional services that provide limited access to the loan information on the **MERS® System**:
- **MERS® ServicerID**: Allows the public to obtain contact information for the current Servicer, and optionally Investor, of a registered Mortgage loan. The phone-based counterpart of the MERS® ServicerID is called the Servicer Identification System ("SIS").

- **MERS® Link**: A service offered through MERS® OnLine that allows Members to retrieve summary information for registered Mortgage loans, including the loan’s current Servicer and any Property Preservation Company associated with the property.

### MIN Record Overview

This section provides a general overview as to how MIN Records associated with MERS Loans are maintained on the MERS® System.

- Once registered, a MERS Loan remains active on the MERS® System for so long as MERS remains Mortgagor, and the Servicer and Investor remain Members.

- While a MERS Loan remains active:
  - The Servicing Member ensures that the data in the MIN Record is maintained such that it matches the data on the Member’s System of Record.
  - If the contractual servicing rights or beneficial ownership interests of a registered loan are transferred to another Member, the transfer is reported to the MERS® System.
  - If the contractual servicing rights or beneficial ownership interests of a registered loan are transferred to a non-Member, or the Servicer or Investor cease being Members and do not transfer their respective interest to another Member:
    - An Assignment from MERS or UCC-3 is sent for Recordation, and
    - The MIN Record is deactivated on the MERS® System.
  - Any assumption of the loan is reported to the MERS® System.
  - If a Construction Loan is converted to a permanent Mortgage loan, that Modification Agreement is reported to the MERS® System.

- When MERS no longer holds an interest in a Mortgage, the MIN Record is deactivated on the MERS® System.

- The MERS® System displays the MIN Status of a MIN Record to Primary Organizations, Associated Members, and the registering Member. All other Members see the following summary statuses instead: Active, Pre-Closing, Registration Reversal, and Inactive.

Note: If the registering Member is not the Servicer or Subservicer of a loan, the MERS® System displays the MIN Status for a period of time that ends six (6) calendar days after the Registration Date or when the first TOS transaction is completed, whichever is shorter. After this time, the registering Member receives the above summary statuses.
Supporting Documentation

When reviewing the Procedures, Members may wish to refer to the following documents, which are available on MERSCORP Holdings’ Member website members.mersinc.org:

- **MERS® System Rules of Membership** (“Rules”): Forms part of the Governing Documents and sets out terms and conditions of MERS® System membership.


- **MERS® System Integration Handbook**: Provides the technical specifications for transacting with the MERS® System using the Flat File or XML System-to-System interface.

- **MERS® System Reports Handbook**: Provides descriptions of available MERS® System reports.

Note: The user credentials for the Member website are the same credentials used to access the MERS® System. Contact your internal MERS® System Administrator for assistance.
MERS® System Membership

Each organization that intends to become a Member goes through an application, approval, and Integration process as applicable to its membership type and intended use of the MERS® System.

Requirements: MERS® System Membership

- **MERS® System** membership is required:
  - To originate, service, or be the note owner or **Note Holder** of a MERS Loan.
  - For **Warehouse Lenders** and **Interim Funders** that intend to have their **Interim Funding Interest** reflected on the MERS® System.
  - For **Subservicers** if a **Servicer** intends to name the Subservicer on its loans registered on the MERS® System.
  - For **Vendors** that intend to perform transactions on the MERS® System on behalf of another Member pursuant to a contractual agreement.
  - For Members acting as a Vendor pursuant to a **Signing Authority Agreement (“SAA”)**.
  - To be a **MERS® eRegistry Participant**.

- Any Member that accesses borrower information from the MERS® System affirms that it neither uses nor intends to use that information (other than information which the Member already possesses) as a factor in determining a consumer’s eligibility for credit or insurance to be used primarily for personal, family or household purposes, for employment, for a government issued license, or to continue to retain an existing credit account, or in assessing a consumer’s credit or payment risks with respect to an existing obligation.

- A Servicer is not required to name a Subservicer on its registered loans. The field may be used at the Servicer’s discretion. If a Servicer needs its Subservicer to process transactions and/or receive mail service on its behalf, the Subservicer must be a Member and be named on the relevant **MIN Records**.

- The **Servicing Member** of a MERS Loan is responsible for complying with the requirements set forth in the **Membership Agreement**. These responsibilities remain with the Servicing Member even if a **Subservicer** or **Vendor** is named on the Servicing Member’s **MIN Records**.

Loans Closed by a Lite-R Member

**MERS® System Lite-R Members** close **MOM** loans for immediate sale to an **Investor** that will register the loans on the **MERS® System**. Lite-R Members do not have the MERS® System access necessary to register loans, perform **MIN Updates**, or deactivate **MIN Records** and can only be named in the **Originating Org ID** field on the MERS® System.
Requirements: Loans Closed by a Lite-R Member

- Because Lite-R Members cannot register loans on the MERS® System, it is the responsibility of the intended Investor of a loan closed by a Lite-R Member to register the loan in accordance with the requirements set forth in these Procedures.
- If the intended Investor does not purchase a loan, the intended Investor is still responsible for registering the loan, ensuring that an Assignment from MERS or UCC-3 is prepared and executed in accordance with the applicable document requirements (see MERS Documents) and sent for Recordation, and deactivating the loan on the MERS® System consistent with these Procedures. The intended Investor is also responsible for all Rule 13 and 14 obligations with respect to the loan as if it had purchased the loan.
- If the intended Investor fails to undertake any of the aforementioned actions in a timely manner, the MERS Entities may undertake such action, and the intended Investor shall reimburse the MERS Entities for all related costs and expenses. To identify the intended Investor of a loan, MERSCORP Holdings may rely upon the loan commitment or similar document.

Procedure: Member Integration

1. An organization submits a Membership Application to MERSCORP Holdings using the MERS® eApplication.
2. If MERSCORP Holdings approves the organization’s application for membership, it works with the organization to complete the MERS® System Integration process as applicable to the Member’s membership type and intended use of the MERS® System.

Membership Changes

Members are required to notify MERSCORP Holdings of certain changes that may necessitate an update to the Member’s membership or its Member Profile. Upon notification of a change, MERSCORP Holdings will review the change and advise the Member of any impact of the change and of any additional steps that may be required.

Requirements: Membership Changes

- Members are required to notify MERSCORP Holdings of the following types of changes or activities that affect the Member Profile of their Org ID or Affiliate Org ID:
  - Changes to legal ownership
  - Changes to legal name
  - Mergers or acquisitions
  - Changes to membership type or membership tier level
  - Changes to Lines of Business on the MERS® System.
• Changes to options on the MERS® System that the Member cannot update itself (see Information Maintained by MERSCORP Holdings)
• Changes to d/b/a names, trade names, or fictitious names

The membership changes listed above must be requested by an authorized individual of the Member utilizing the MERS® Change Request Form on the Member website.

Where not legally prohibited and sufficient time exists, a Member must notify MERSCORP Holdings in writing at least:
• 30 calendar days before a corporate name change becomes effective or
• 90 calendar days before a merger with or acquisition by another organization.

Procedure: Membership Changes

1. Submit a MERS® Change Request Form to request the change. Include any supporting documentation specified in the form.
2. Respond timely to requests for clarification or additional information.
3. Take any additional steps that may be requested by MERSCORP Holdings to facilitate the change.
4. Update any contact information on the MERS® System that is affected by the change, (e.g., mandatory contact information or corporate mailing address).
5. MERSCORP Holdings processes the change request and provides the Member with any additional instructions.

Note: Certain changes may require the submission of a new membership application, the resignation of an Org ID or membership, or the transfer or deactivation of MIN Records on the MERS® System. MERSCORP Holdings cannot advise a Member on the impact of a change until the MERS® Change Request Form and any supporting documentation has been received and reviewed.

Member Information

A Member can view all the information in its Member Profile at any time. Some of this information can be changed by the Member, but the remainder can only be changed by MERSCORP Holdings. See Information Maintained by MERSCORP Holdings for details.

Requirements: Maintaining Member Information

• At least monthly, a Member is required to review and reconcile the information in its Member Profile to ensure that it is accurate and current, including the following contacts:
  • Customer Service - Primary
  • Executive Sponsor
  • Legal
• **Operational - Primary**
• **Quality Assurance Officer**
• **System Administrator - Primary**
• **Technical** (required for Members using a *System-to-System* interface)

- If a Member’s GAL is a distribution list on its email server, the Member is responsible for ensuring the distribution list remains accurate and up-to-date.
- A Member is required to keep its *Accounts Billing Contact* accurate and current. This information is listed on the Member’s billing invoice from MERSCORP Holdings.
- A Member’s *MERS® System* contacts must be employees of the Member organization.
- The email addresses a Member provides for its GAL and MERS® System contacts must be valid email addresses that are issued by the Member on its corporate email system for the purpose of business correspondence. Public email domains are not permitted.
- If a distribution list or mailbox is used as the email address for one of the MERS® System contacts, the other fields for that contact must identify an individual in the Member organization.
- A Member must report changes to its GAL email address, Accounts Billing Contact information, and document handling preferences using the *MERS® Change Request Form*.
- If a Member uses the *My MERS®* feature, it must maintain its customized *Org ID* lists.
- If a Member uses the *Transaction Default Settings* feature, it must maintain the information it has provided.

**Procedure: Maintaining Member Information**

A *Member* maintains the following information in its *Member Profile*:

<table>
<thead>
<tr>
<th>Member Profile Component</th>
<th>Instructional Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Corporate Address and Contact Information</td>
<td><em>Member Information - Name &amp; Address Quick Reference Guide (“QRG”)</em></td>
</tr>
<tr>
<td>MERS® System Contacts</td>
<td><em>Member Information - Contacts QRG</em></td>
</tr>
<tr>
<td>Member Options</td>
<td>A Member may update certain fields in its Member Options (see <em>Member Information - Options QRG</em>). MERSCORP Holdings updates the other fields (see <em>Information Maintained by MERSCORP Holdings</em>).</td>
</tr>
</tbody>
</table>
| Relationships (with third-party organizations) | • *Member Information - Relationships QRG*  
  • *My MERS® QRG*  
  • *eRegistry Relationships QRG*  
  • *Vendor Relationships QRG* |
| Reports | • *Reports - QRG* |
| Transaction Default Settings | *Transaction Default Settings - QRG* |
Information Maintained by MERSCORP Holdings

MERSCORP Holdings maintains the information in the Member Profile listed in the table below. A Member can view this information at any time, but cannot update it. To request a change to this information, a Member must complete and submit the MERS® Change Request Form.

<table>
<thead>
<tr>
<th>Member Profile Component</th>
<th>Field</th>
</tr>
</thead>
</table>
| Name                     | • Org ID  
                          | • Company Name (see Membership Changes for details)  
                          | • Overnight Mail Special Instructions |
| General                  | All fields on page |
| Lines of Business        | All fields on page |
| Options                  | • Document Handling Instructions (All) *  
                          | • Days in pending foreclosure  
                          | • Bill Client  
                          | • Investor Options (All)  
                          | • Servicer Options (All, including Agency ID)  
                          | • Subservicer Options (All)  
                          | • Registration By Others (All)  
                          | * Contact the Help Desk to update Document Handling Instructions. |
| eRegistry Options        | All fields on page |
| eRegistry Certificate Information | All fields on page |

Member Resignation

A Member may initiate the resignation of its MERS® System membership by providing written notice of Resignation to MERSCORP Holdings.

Requirements: Member Resignation

- Member Resignation requests must be emailed to helpdesk@mersinc.org.
- Within sixty (60) calendar days of MERSCORP Holdings' acknowledgment, the Resigning Member must take the following actions on the MERS® System:
  - For active MIN Records where the Resigning Member is named as Servicer:
    - If the servicing rights to the loan have been sold to a new Servicer that is a Member, a Transfer of Servicing Rights (“TOS”) transaction must be initiated to that Member, or
    - If the servicing rights have been sold to a party that is not a Member, or if the Resigning Member will retain servicing rights to the loan, an Assignment from
**MERS or UCC-3 must be sent for Recordation, and the MIN Record must be deactivated as Transfer to Non-MERS Status** (see Transfer to Non-MERS Status).

- For active MIN Records where the Resigning Member is named as **Investor**:
  - If the beneficial rights to the loan have been sold to a new Investor that is a Member, a Transfer of Beneficial Rights ("TOB") transaction must be initiated by coordinating with the registered Servicer or Subservicer, or
  - If the beneficial rights have been sold to a party that is not a Member, or if the Resigning Member will retain beneficial rights to the loan, an Assignment from MERS or UCC-3 must be sent for Recordation, and the MIN Record must be deactivated as Transfer to Non-MERS Status (see Transfer to Non-MERS Status).

- For active MIN Records where the Resigning Member is named as **Subservicer**, the Servicer or Subservicer must perform a **MIN Update** to remove the Org ID from the Subservicer field (see MIN Update QRG).

- For active MIN Records where the Resigning Member is named as **Interim Funder**, the Interim Funder must remove its Org ID from the Interim Funder field (see Release Interim Funder Interests QRG).

- Within the same sixty (60) calendar days noted above, the Resigning Member must also:
  - Meet any other conditions that MERSCORP Holdings may set for the Resignation of its membership, including the removal of the Resigning Member from any active eNotes on the MERS® eRegistry.
  - RemEDIATE all outstanding Rules and Procedures violations that MERSCORP Holdings has notified the Member of (see Disciplinary Actions).
  - Execute the Completion of Resignation of Membership Attestation Form to indicate that all applicable requirements set forth in Rule 1 of the Rules have been satisfied and email the executed form to helpdesk@mersinc.org.

- The Resigning Member is responsible for the prompt payment of any fees, charges, and assessments invoiced to it, including any invoices it receives after its Resignation.

- If the Resigning Member fails to complete the Resignation Requirements, the MERS Entities reserve the right to complete the Resignation and charge the Resigning Member for any costs incurred.

- Once Resignation is complete, the Resigned Member remains liable and obligated under the terms of the Governing Documents.

**Procedure: Member Resignation**

1. A Member submits its Member Resignation request in writing by email to helpdesk@mersinc.org.
2. MERSCORP Holdings acknowledges the Member’s request to resign in writing.
3. Once the Resignation Requirements are complete, MERSCORP Holdings resigns the Member’s MERS® System membership.

Certificates of Ownership

The Certificate of Ownership ("Certificate") process allows an authorized representative of an active Member ("Authorized Requestor") to claim MIN Records that incorrectly name a Resigning Member or Resigned Member as the current Servicer, Subservicer, or Investor. MERSCORP Holdings grants an Org ID access to the Certificate process based upon Member request. Access to the Certificate process is obtained by providing the following information to SO-MERS-certificates@theice.com:

- The list of Org IDs for which access to the Certificate process is being requested.
- The name of each employee to be identified as an Authorized Requestor of the Member.
- The MERS® OnLine User ID of each Authorized Requestor. The User ID must be active, and the associated user name must match the name of the Authorized Requestor.
- The business email address of the Authorized Requestor. The domain must match that of the Org ID.

By submitting this information, the Member asserts that the Authorized Requestor is authorized to commit the Member to the transfer transactions and resulting fees.

Once an Org ID has access to the Certificate process, the Authorized Requestor can submit online Certificates to authorize MERSCORP Holdings to initiate MIN Record transfer transactions to the active Member on behalf of Resigned Members or Resigning Members.

Procedure: Certificates of Ownership

1. The Authorized Requestor logs on to the Online Certificate Submission request form and provides the following information to create the Certificate request:
   - The Certificate type.
   - The Org IDs of the previous Servicer, Subservicer, and Investor.
   - The Org IDs of the new Servicer, Subservicer, and Investor.
   - The list of MINs to be transferred.

2. Once the Authorized Requestor submits the Certificate, it is automatically forwarded to MERSCORP Holdings for review and approval.

System Actions: Certificates of Ownership

Once a transfer transaction resulting from a Certificate has been initiated on the MERS® System by MERSCORP Holdings, an email is sent from SO-MERS-certificates@theice.com to the Member’s Operational - Primary contact that contains the Transfer Batch number to be confirmed.
MERS® Online User Authentication

*MERS® OnLine* uses ICE Single Sign-on (“ICE SSO”) for user authentication. ICE SSO allows an authenticated user to access MERS® OnLine, MERS® eRegistry OnLine, MERS® Member Website, and many other MERS® Corporate Applications in the same browser session without having to log on again.

ICE SSO provides an added layer of authentication with Two Factor Authentication (2FA). After a user enters valid login credentials, ICE SSO sends a random numeric code to the user’s email address which must be entered on the *MERS® Login* page before access to MERS® OnLine is granted.

ICE SSO supports an optional IP whitelisting feature at the Org ID level, which can be overridden at a user level. When IP whitelisting is enabled, ICE SSO only grants access to an Org ID from a range of IP addresses provided by the Member.

ICE SSO login credentials consist of a user’s Global ID (user’s work email address) and password. MERS® OnLine users can change or reset their current password through ICE SSO using their work email address. User email addresses are updated by the Help Desk and update automatically for all ICE SSO enabled applications.

Any attempt to access MERS® OnLine is denied until a user satisfies all the requirements of ICE SSO configured for the user’s Org ID.

Note: The XML password for an Org ID is managed by a Member in MERS® OnLine.

MERS® System User IDs

A user’s MERS® OnLine User ID is used to track user actions for auditing purposes and is included in certain MERS® System reports to identify the user.

A Member’s internal MERS® System Administrator (Primary and/or Secondary) is responsible for establishing and maintaining the security settings that control access to its Org ID on MERS® OnLine, including the following User ID management tasks:

- Create and maintain the security roles that align with the Member’s operations.
- Create and maintain a unique User ID for each employee of the Member that requires online access to the MERS® System and/or the Member website.
- Enable, disable, and “delete” User IDs.

Note: While a “deleted” User ID cannot be used to access MERS® OnLine, it is not actually deleted; it remains in MERS® OnLine for display on reports and milestones. Once deleted, a User ID can be reinstated, but only for the same user.

When a new user is created in MERS® OnLine, a Global ID is automatically created for the user in ICE SSO with access to the Member Website and other supporting MERS® Corporate Applications provisioned for the user. Changes to a MERS® OnLine User ID automatically update the user’s SSO Global ID but not the user’s MERS® eRegistry OnLine User ID. See the *MERS® OnLine User Guide* or *System Administrator QRG* for step-by-step instructions.
Requirements: System Security

- **MERS® OnLine** User IDs and ICE SSO login credentials must not be shared by multiple individuals.
- MERS® OnLine User IDs and ICE SSO login credentials must only be provided to employees of the **Member**.
- A Member must set up a **Vendor** relationship in the **Member Profile** of its **Org ID** to grant a third-party Vendor access to perform functions on behalf of the Member.
- A Vendor must access MERS® OnLine using its own Org ID.
- When a Vendor submits transactions to the MERS® System using the Flat-File or XML interface, the Vendor’s Org ID must be included in the field that identifies the Vendor.
- Once a Member ends a relationship with a Vendor, the Member must promptly remove the Vendor relationship from the **Member Profile** of its Org ID.
- At least one User ID for the Member must have the ability to maintain the Member Profile, and the person associated with the User ID must be responsible for reviewing and updating this information.
- Security roles that are no longer required by the Member must be deleted.
- A user’s MERS® System access must be promptly disabled or deleted upon employee termination or resignation and must be modified as appropriate when the employee’s duties and responsibilities change with respect to the MERS® System.
- User access to MERS® System must be reviewed at least annually to determine if any changes are necessary based on the employee's current duties and responsibilities.

**Note:** When conducting a MERS® System user access review, it is important to consider that the logon credentials also provide a user with access to the Member website.

Third-Party Vendors

Subject to approval by **MERSCORP Holdings**, a **Member** may grant security access to its **Org ID** to third-party **Vendors** to process the following transactions on its behalf:

- Registrations
- Transfers
- Deactivations
- Updates
- Inquiries

The Member sets up this access by creating a relationship with a Vendor in **MERS® OnLine** (see **Vendor Relationships QRG** for instructions).

A Member is not permitted to set up a User ID under its Org ID for a third-party.
Associated Members

The MERS® System allows a Servicer or Subservicer to name other active Members as an Associated Member on a MIN Record which grants them inquiry-only access to that MIN Record. The following types of Associated Members are available:

- Collateral Agent
- Government Housing Agency
- Mortgage Insurance Co.
- Warehouse/Gestation Lender
- Participation Investor
- Other
- FHLB/FRB
- Master Servicer
- Trustee
- Alternate Custodian
- Property Preservation Company

Associated Members can choose to receive the optional Change Notification (VB) and MIN Milestones (VA) reports for the MIN Records on which they are named.

The addition of Associated Members at Registration is reported on the Registration Verification (RF) or Seasoned Registration Rejects/Warnings (RB) report. Further changes to Associated Members are reported on the Maintenance Verification (MA) report.

XML and Batch Inquiry Transactions

The MERS® System provides two (2) different methods for Members and their Vendors to perform automated searches on registered loans based on MIN, property address, or borrower Social Security Number (“SSN”): XML Inquiry and Batch Inquiry.

XML Inquiry

XML Inquiry is a synchronous or real-time method of submitting search requests to the MERS® System through the XML Interface. It is available during and outside normal processing hours but not while maintenance is being performed. Both Summary and Status Inquiries are supported. The fields included in the search results vary based on the requesting Member’s affiliation to the MIN Record.

Batch Inquiry

Batch Inquiry is an asynchronous method of submitting search requests to the MERS® System through the Flat-file Interface. It is available during normal processing hours but not while maintenance is being performed. Both Summary and Status Inquiries are supported. The fields included in the search results vary based on the requesting Member’s affiliation to the MIN Record. Batch Inquiry is not “real-time” like XML Inquiry, but Batch Inquiry can support a much higher volume of inquiries compared to XML Inquiry.

For more information about XML and Batch Inquiry, including the data returned in the Summary and Status Inquiries and the transaction limits of each, see the MERS® System Integration Handbook.
Mortgage Identification Number (“MIN”)

The Mortgage Identification Number (“MIN”) is an 18-digit number that uniquely identifies a Mortgage loan registered on the MERS® System. A MIN is assigned to a loan at or prior to closing and cannot be duplicated or reused. To process information on the MERS® System, the MIN associated with the loan must be provided. The MIN is also placed on any MERS Document sent for Recordation (see MERS Documents for details).

A MIN consists of a three-part, 18-digit string in the following format:

- **Component One (1):** The seven (7) digit *Org ID* that uniquely identifies a *Member*. In the example above, the Org ID is 9594567.
- **Component Two (2):** A unique, ten (10) digit *Sequence Number* assigned by the Member. The Sequence Number can be an internal reference number used by the Member, or it can be randomly generated. In the example above, the Sequence Number is 0123456789.
- **Component Three (3):** A one (1) digit *Check Digit* calculated by the Member using the Mod 10 Weight 2 Algorithm. In the example above, the check digit is eight (8).

The MERS® System validates a MIN at Registration by checking for duplicate MINs, ensuring that the check digit is correct, and validating that the first seven digits of the MIN match an Org ID that has been setup on the MERS® System.

Procedure: Creating a MIN

1. The *Member* uses the seven-digit *Org ID* assigned by MERSCORP Holdings for component 1 of the MIN.
2. The Member determines the unique ten (10) digit *Sequence Number* for component 2 of the MIN.
3. The Member generates the *Check Digit* for component 3 of the MIN. See the MERS® System Integration Handbook for the step-by-step calculation of the Check Digit.

Note: Most Loan Origination Systems (“LOS”) are capable of generating MINs programmatically. Members interested in the MIN generation capabilities of their LOS should contact the company that supports their LOS.
Loan Registration

The Registration transaction is used to enter the required information on the MERS® System to report that a MERS Loan exists. The result of a successful Registration is the creation of a MIN Record for the loan.

A Registration transaction may be submitted using MERS® OnLine, the Flat File, or XML interfaces (XML Registration is not available for Non-MOM loans).

Note: The Registration transaction is also used to register an iRegistration loan on the MERS® System. See Procedures: iRegistration Loans for details.

Requirements: Loan Registration

In this section, the requirements for registering a loan on the MERS® System are organized into the following categories:

- **All Loan Registrations**: These requirements apply to all loan registrations.
- **MOM Loan Registrations**: These requirements apply to all MOM loan registrations.
- **Non-MOM Loan Registrations**: These requirements apply to all Non-MOM loan registrations.

In addition, the MERS® System Data Integrity requirements apply to all loan registrations unless noted otherwise.

Requirements: All Loan Registrations

- All applicable conditionally-required loan information on the MERS® System must be provided at Registration with the exception of the Originating Organization for a Non-MOM loan.

- The purchaser of an unregistered MERS Loan must take the necessary steps to ensure that it is registered on the MERS® System no later than seven (7) calendar days after the date upon which the purchaser begins servicing the loan on its System of Record.

Note: While a Member that purchases an unregistered MERS Loan can request that the seller register it on the MERS® System, the purchaser, as the current Servicer, remains responsible for ensuring that the loan is in compliance with the requirements set forth in the Membership Agreement.

- Once a MIN Record has been correctly deactivated on the MERS® System, if a Member re-registers the loan, it must be re-registered using the same MIN. Upon re-registration:
  - If the Mortgage has been assigned to MERS, the loan must be re-registered as a Non-MOM even if it was a MOM loan when initially registered.
  - If the Mortgage has been assigned to an entity other than MERS, the loan must be re-registered as an iRegistration.
• When a Member will register a Mortgage on both MERS® eRegistry and MERS® System, the loan must be registered on MERS® eRegistry before it is registered on MERS® System.

Requirements: MOM Loan Registrations

• The MOM Security Instrument or UCC-1 must be prepared and executed in accordance with the applicable document requirements (see MERS Documents) and must be sent for Recordation even if the jurisdiction does not require it.

• A Member must register on the MERS® System any MOM loan that it has closed, or any unregistered MOM loan that it has purchased or otherwise acquired.

• A MOM loan must be registered no later than seven (7) calendar days after the Note Date, or Funding Date, for refinance loans or loans in escrow states, even if the rights to the loan are immediately sold to a non-Member.

Requirements: Non-MOM Loan Registrations

• The Assignment to MERS or UCC-3 must be prepared and executed in accordance with the applicable document requirements (see MERS Documents) and must be sent for Recordation even if the jurisdiction does not require it.

• A Member must register on the MERS® System any loan with a Mortgage that it has assigned to MERS post-origination, or any unregistered Non-MOM it has purchased or otherwise acquired.

• A Non-MOM loan must be registered no later than seven (7) calendar days after the Assignment to MERS or UCC-3 was executed even if the rights to the loan are immediately sold to a non-Member.

• When MERS becomes Mortgagee for a previously registered iRegistration loan, the Conversion transaction must be performed no later than seven (7) calendar days after the Assignment to MERS or UCC-3 was executed.

• The Originating Organization on a Non-MOM loan must be provided no later than 90 calendar days after the Registration Date.

Requirements: MERS® System Data Integrity

When registering a loan on the MERS® System, the registering Member must validate that the data on the MERS® System matches its System of Record. The Member’s System of Record is the source of data for the MERS® System.

The following data integrity requirements apply to the data on the Servicer’s System of Record or to the Subservicer’s System of Record if one is named on the MERS® System.
<table>
<thead>
<tr>
<th>MERS® System Field...</th>
<th>Must Match on the Member’s System of Record...</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MIN Record Status</strong></td>
<td>The loan’s status.</td>
</tr>
<tr>
<td><strong>Original Borrower</strong></td>
<td>The exact name(s) of the original individual borrowers.</td>
</tr>
<tr>
<td>Name(s)</td>
<td></td>
</tr>
<tr>
<td>Current Borrower</td>
<td>The exact full name of each current individual Borrower, including middle name or initial. For a borrower with only one name see Corporate Name(s) below.</td>
</tr>
<tr>
<td>Name(s)</td>
<td></td>
</tr>
<tr>
<td>Corporate Name(s)</td>
<td>One of the following:</td>
</tr>
<tr>
<td></td>
<td>• The exact name(s) of the non-individual borrower(s), or</td>
</tr>
<tr>
<td></td>
<td>• The exact name of a borrower with only one name.</td>
</tr>
<tr>
<td><strong>Primary Borrower</strong></td>
<td>The Primary Borrower’s valid SSN or TIN, except as follows:</td>
</tr>
<tr>
<td>SSN or Tax ID (“TIN”)</td>
<td>• <strong>111-11-1111</strong>: Used for foreign national with no SSN or TIN.</td>
</tr>
<tr>
<td></td>
<td>• <strong>444-44-4444</strong>: A temporary placeholder used while a Member investigates a Borrower Dispute or when a borrower contacts the Member directly to initiate the dispute.</td>
</tr>
<tr>
<td></td>
<td>• No other placeholder values are permitted for SSN or TIN.</td>
</tr>
<tr>
<td></td>
<td>• SSN or TIN must not be entered into any other field on the MERS® System.</td>
</tr>
<tr>
<td></td>
<td>Note: SSN is required for a Primary Borrower, and TIN is conditionally required for a corporate borrower.</td>
</tr>
<tr>
<td>Property Address</td>
<td>The property address associated with the loan.</td>
</tr>
<tr>
<td></td>
<td>• Street Number is not required for a property without a street number like a rural route address.</td>
</tr>
<tr>
<td></td>
<td>• For a Co-op, the unit number is entered in the Unit Number field.</td>
</tr>
<tr>
<td>County/Place Code</td>
<td>The county where the property is located (County Name, FIPS Code, or ANSI Code).</td>
</tr>
<tr>
<td>Note Date</td>
<td>The date of the Note.</td>
</tr>
<tr>
<td></td>
<td>• Note Date is optional on the MERS® System for a Pre-Closing.</td>
</tr>
<tr>
<td></td>
<td>• For a CEMA Loan, the date of the consolidated Note.</td>
</tr>
<tr>
<td>Note Amount</td>
<td>The amount of the Note except as follows:</td>
</tr>
<tr>
<td></td>
<td>• For a reverse Mortgage loan, the Maximum Principal Amount from the Note.</td>
</tr>
<tr>
<td></td>
<td>• For a CEMA Loan, the amount from the consolidated Note.</td>
</tr>
<tr>
<td>MOM Indicator</td>
<td>Identifies how MERS acquired its present interest as Mortgagor.</td>
</tr>
<tr>
<td>Lien Type</td>
<td>The type of lien associated with the loan (1st lien or subordinate lien).</td>
</tr>
<tr>
<td><strong>Owner Occupied</strong></td>
<td>The designation of the property’s occupancy at origination (Yes, No).</td>
</tr>
<tr>
<td></td>
<td>Note: The Servicing Member may, at its discretion, update the value of the Owner Occupied field to reflect the current owner occupancy status of the property. Each Member is responsible for ensuring that their internal policy for determining whether a property is owner occupied is reflected on the MERS® System.</td>
</tr>
<tr>
<td>Investor</td>
<td>The entity that owns or holds the promissory note secured by a Mortgage.</td>
</tr>
<tr>
<td><strong>MERS® System Field</strong></td>
<td><strong>Must Match on the Member’s System of Record</strong></td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td><strong>Servicer</strong></td>
<td>The entity that owns the <strong>Servicing Rights</strong> of a Mortgage loan. If the Investor is the owner of the Mortgage Servicing Rights, but another entity performs the primary servicing obligations for the loan, the entity that performs the primary servicing obligations for the loan is the Servicer for the purposes of this definition.</td>
</tr>
<tr>
<td><strong>Subservicer</strong></td>
<td>The entity that the Servicer of a loan has contracted with to perform certain servicing functions for the loan.</td>
</tr>
<tr>
<td><strong>Property Preservation Company</strong></td>
<td>The name of the Property Preservation Company maintaining the property on behalf of the Servicer.</td>
</tr>
<tr>
<td><strong>Originating Org ID</strong></td>
<td>For <strong>MERS Loans</strong>, the <strong>Org ID</strong> of the loan originator if that entity was a Member at origination. The organization’s name and Org ID displays in the <strong>Originating Organization</strong> field. Required for all <strong>MOM</strong> loans with a Note Date after March 31, 2012.</td>
</tr>
<tr>
<td><strong>Original Note Holder</strong></td>
<td>For MERS Loans, the name of the entity that originated the loan if it was not a Member at origination. The organization’s name displays in the Originating Organization field. Either the Original Note Holder or Originating Org ID is required for all <strong>Non-MOM</strong> loans with a Note Date after March 31, 2012.</td>
</tr>
</tbody>
</table>
| **Co-Borrower SSN or TIN** | The Co-Borrower’s valid SSN or TIN except as follows:  
• **111-11-1111**: Used for foreign national with no SSN or TIN.  
• **444-44-4444**: A temporary placeholder used while a Member investigates a **Borrower Dispute** or when a borrower contacts the Member directly to initiate the dispute.  
• No other placeholder values are permitted for SSN or TIN.  
• SSN or TIN must not be entered into any other MERS® System field. |
| **Investor Loan Number** | The number assigned by an **Agency Investor** to identify a Mortgage loan. Required if the Agency requires it at **Registration**.  
• Investor Loan Number must be provided on the MERS® System if required by the Agency Investor.  
• Once the Investor Loan Number field is populated with the correct value, it generally should not change unless the loan is sold to another Investor. |
| **Agency ID**          | The number assigned by an **Agency Investor** to identify a mortgage company.  
• Agency ID must be provided on the MERS® System if required by an Agency Investor at Registration.  
• Once the Agency ID field is populated with the correct value, it generally should not change unless the loan is sold to another Investor. |
| **FHA/VA/MI**          | The FHA, VA, or MI Case number associated with the loan. The FHA, VA, or MI Case number must be provided on the MERS® System if required by an **Agency Investor**. |
| **Pool Number**        | The number assigned to a group of loans by an Agency Investor.  
• The Pool Number must be provided on the MERS® System if required by the Agency Investor at Registration. |
MERS® System Field... | Must Match on the Member’s System of Record …
--- | ---
|  | • Once the Pool Number field is populated with the correct value for a loan, it generally should not change unless the loan is sold to another Investor.
| Securitization | The name of the Trust for loans pooled in rated securities. Example: ABC Trustee 2010-10 or ABC as Indenture Trustee of the 2008HE3-2trust. For non-Agency securitizations, the name designated for the Trust in the prospectus must be placed in the Securitization field.

**Procedures: Loan Registration**

In this section, the procedures for registering a MERS Loan on the MERS® System are organized into the following categories:

- **Procedure: MERS Loan Registration**: This procedure applies to all MERS Loan registrations unless another procedure in this section addresses a scenario particular to a specific registration.
- **Procedure: Completing a Pre-Closing Registration**: This procedure applies to all loan registrations that were initially registered using the Pre-Closing transaction.
- **Procedure: Re-registration after Reversal**: This procedure applies to all MIN Records with a status of Registration Reversal for which the loan is being re-registered using the same MIN.
- **Procedure: Re-registration after Deactivation**: This procedure applies to all deactivated MIN Records for which the loan is being re-registered using the same MIN.

**Procedure: MERS Loan Registration**

For step-by-step instructions on registering a MERS Loan using MERS® OnLine, see one of the following QRGs: Registration, Pre-Closing, or Post-Closing.

1. Except for a Pre-Closing, the Lender and borrower close the loan. Any MERS Document to be recorded in the public land records is prepared and executed in accordance with the applicable document requirements (see MERS Documents) and promptly sent for Recordation.
2. The registering Member enters the MIN assigned to the loan on the Register a MIN page.
3. The registering Member completes the fields on the Registration Details page, adhering to the following instructions as applicable:
   - Select the appropriate value for the MOM indicator (i.e., MOM or Non-MOM). This step is optional for a Pre-Closing.
   - If the loan is being registered before it has closed, select the Yes Pre-Closing button.
   - Identify other Members with an interest in a loan as needed. This step is optional for a Pre-Closing.
Enter loan information exactly as it appears on the Member’s System of Record as specified in Requirements: MERS® System Data Integrity.

4. The registering Member submits the Registration.

Refer to System Actions: Loan Registration for details on the system actions that occur after a loan is registered on the MERS® System.

Procedure: Completing a Pre-Closing Registration

If a loan was registered on the MERS® System prior to closing using the Pre-Closing Registration transaction, the Registration is completed using the Post-Closing Registration transaction once the loan has closed (see Post-Closing QRG).

1. Once the loan has closed, the registering Member enters the loan’s MIN on the Register a MIN page to access the MIN Record created by the Pre-Closing transaction.

2. The information from the Pre-Closing displays on the Registration Details page.

3. The registering Member verifies all loan information and updates it as needed to ensure that it matches the Member’s System of Record and as specified in Requirements: MERS® System Data Integrity.

4. The registering Member submits the Registration.

Refer to System Actions: Loan Registration for details on the system actions that occur after a loan is registered on the MERS® System.

Procedure: Re-registration after Reversal

A loan with a MIN Status of Registration Reversal can be re-registered as a MOM, Non-MOM, iRegistration, and/or a Pre-Closing. During the re-registration process, the loan information can be updated including the Servicer and Investor Org IDs (see Re-registration after Reversal QRG).

1. The registering Member enters the MIN assigned to the loan on the Register a MIN page.

2. MERS® OnLine displays a summary of the loan information along with the Re-Registration menu.

3. The registering Member:
   o Enters the Org ID of any new Primary Organization including Servicer and Investor, and
   o Verifies all loan information and updates it to ensure that it matches the Member’s System of Record and as specified in Requirements: MERS® System Data Integrity.

4. The registering Member re-registers the loan.

5. The registering Member reports any assumptions that occurred since the Registration Reversal transaction was processed (see Assumption of Mortgage).
Refer to System Actions: Loan Registration for details on the system actions that occur after a loan is re-registered on the MERS® System.

Procedure: Re-registration after Deactivation

If a loan is correctly deactivated on the MERS® System for any reason other than Foreclosure Complete or Paid in Full and subsequently needs to be re-registered, it is re-registered using the same MIN (see Re-registration after Deactivation QRG).

1. The registering Member enters the MIN assigned to the loan on the Register a MIN page.
2. MERS® OnLine displays the loan information on the Registration Details page.
3. The registering Member:
   - Enters the Org ID of any new Primary Organization including Servicer and Investor, and
   - Verifies all loan information and updates it to ensure that it matches the Member’s System of Record and as specified in Requirements: MERS® System Data Integrity.
4. The registering Member re-registers the loan.
5. The registering Member reports any assumptions that occurred since the loan’s deactivation (see Assumption of Mortgage).

Refer to System Actions: Loan Registration for details on the system actions that occur after a loan is re-registered on the MERS® System.

System Actions: Loan Registration

After the Registration of a loan on the MERS® System, the following events occur:

- A MIN Record is created for a newly registered loan with a status of Active (Registered) or Pre-Closing.
- For a Re-registration, the status of the existing MIN Record changes to Active (Registered) or Pre-Closing for a Registration Reversal or a Deactivation Reversal.
- The appropriate registration or conversion transaction is listed on the Milestones page in MERS® OnLine. For a Post-Closing registration, the Registration Date reflects the date that the Post-Closing registration was processed.
- The appropriate registration fee appears on the Member’s next monthly invoice from MERSCORP Holdings:
  - The fee is normally charged to the Member that submitted the Registration transaction.
  - The exception to this rule is for a Vendor with an Org ID configured to bill the Member on whose behalf the Vendor submits transactions. In this scenario, the fee is charged to the Member for whom the Vendor submitted the registration and not the Vendor.
Successful Registrations are reported on one of the following optional verification reports:

- Registration Reversal Verification (RK)
- Seasoned Registration Verification (RA)
- Pre-Closing Registration Verification (PF)
- Conversion Verification (CF)
- Registration Verification (RF)

Successful Registrations are reported to Associated Members on the MIN Milestones (VA) Report.

Unsuccessful Registrations submitted through the Flat-File Interface are reported on one of the following mandatory reject reports:

- Conversion Rejects/Warnings (CG)
- Pre-Closing Registration Rejects/Warnings (PG)
- Registration Rejects/Warnings (RG)
- Registration Reversal Rejects/Warnings (RL)
- Seasoned Registration Rejects/Warnings (RB)

If the current primary borrower SSN, property, and first lien information of a newly registered MIN Record matches another active MIN Record, it is reported on the mandatory MINs for the Same Primary Borrower SSN, Property, and First Lien - Daily (RH) Report and the MINs for the Same Primary Borrower SSN, Property, and First Lien - Monthly (RI) Report.

If the MIN of a newly registered loan on the MERS® System matches the MIN of an eNote registered on the MERS® eRegistry, and the borrower names or property address information on the two MINs do not match, the MIN is listed on the Mismatched MIN/eNote Record (EJ) Report.

If an Originating Organization is not entered on a Non-MOM within sixty (60) calendar days after registration, it is reported on the MINs Without Originating Organization (QE) Report if the Note Date is after March 31, 2012.

If the Member that registered a loan is not the Servicer or Subservicer named on the MIN Record, the registering Member:

- Can update the MIN Record for a period of time that ends six (6) calendar days after the Registration Date.
- Cannot update the MIN Record if a TOS transaction is completed during the six (6) calendar days following the Registration Date unless it is named as the Servicer or Subservicer on the MIN Record after the transfer occurs.
- Has no access to a MIN Record once it can no longer update the MIN Record unless it is also named as a Primary Organization or an Associated Member.

Only the Servicer or Subservicer can update the MIN Record on or after the seventh day following the Registration Date.
Any data in the Funding Date field is automatically removed sixty (60) days after Registration and is reported on the Maintenance Verification (MA) Report and documented on the MIN Audit page.

Registration Reversal

The Registration Reversal transaction is used in the limited circumstances detailed in this section to correct errors in the registration of a loan on the MERS® System. Other loan information errors must be corrected by the Servicer or Subservicer through a MIN Update.

The Registration Reversal transaction is not a Deactivation transaction. It is not the correct transaction to deactivate a MERS Loan because a Lien Release, Assignment from MERS or UCC-3 has been sent for Recordation or MERS’s interest has otherwise been extinguished (e.g. in foreclosure or bankruptcy). For the correct deactivation transaction to use in these contexts, see MIN Record Deactivation.

A Registration Reversal may be submitted through MERS® OnLine or the Flat-file Interface.

Requirements: Registration Reversal

For a loan registered on the MERS® System as a MOM or Non-MOM loan, the Registration Reversal transaction must be performed no later than seven (7) calendar days after determining that MERS was never the Mortgagee.

- This might occur in the following scenarios:
  - A loan is rescinded by the borrower during the rescission period, and the Mortgage is never sent for Recordation.
  - A loan is registered as a Pre-Closing, does not close at a later date, and a Mortgage is never sent for Recordation.
  - A loan is mistakenly registered as a MERS Loan, but MERS is not the Mortgagee.
    - If the Member intends to track the loan on the MERS® System, it must be re-registered as an iRegistration loan (see iRegistration Loan Registration).

- If MERS was ever Mortgagee, a Registration Reversal is only appropriate in the following limited circumstances:
  - A loan was erroneously registered using a different MIN than that which appears on the Mortgage. The Registration Reversal transaction must be used to reverse the initial Registration and then the loan must be re-registered using the correct MIN.
  - If a Member erroneously sent a MOM Security Instrument for Recordation on a loan that did not close, the lien must be released and the loan registration must be reversed using the Registration Reversal transaction. See Requirements: Paid in Full
Deactivation for the requirements to which the Lien Release, UCC-3, or Deed-in-Lieu must conform.

- A loan was registered identifying an incorrect Servicer and/or Investor. The Registration Reversal transaction must be used to reverse the initial registration, and the loan must be re-registered using the same MIN with the correct Servicer and Investor identified.
- A MERS Loan was incorrectly registered as an iRegistration. The Registration Reversal transaction must be used to reverse the initial registration, and the loan must be correctly re-registered using the same MIN to identify it as a MOM or Non-MOM loan.
- If incorrect information was entered for a Pre-Closing loan before the loan closes, the Registration Reversal transaction may be performed and the loan re-registered with the correct information.

Note: Another option for resolving a discrepancy between the MIN used to register a loan on the MERS® System and the MIN appearing on the corresponding Mortgage recorded in the public land records is to send a document (e.g. Mortgagee’s MIN Affidavit) for Recordation to clarify that the MIN associated with the loan on the MERS® System is correct.

Procedure: Registration Reversal

To perform a Registration Reversal:

1. The Servicer, Subservicer, or Member that registered the loan verifies that the Registration can be reversed.
   - The Registration cannot be reversed while a MIN Record is in a pending transfer transaction (TOS, TOB, or TOS/TOB Combo).
   - The Servicer or Subservicer can perform a Registration Reversal at any time so long as the Servicer and Investor named on the MIN Record at Registration have not changed as the result of a completed transfer transaction.
   - If the Member that registered the loan is not the Servicer or Subservicer, the registering Member can reverse the Registration for a period of time that ends six (6) days after the Registration Date.
   - Once a transfer transaction is completed on a MIN Record:
     - The Registration can only be reversed if the Servicer and Investor fields on the MIN Record contain the same Org ID.
     - The registering Member can no longer reverse the Registration (if the transfer completed during the six (6) days following the Registration Date) unless it is named as the Servicer or Subservicer on the MIN Record after the transfer occurs.

2. The Servicer, Subservicer, or Member that registered the loan processes the Registration Reversal if it determines that a Registration Reversal is appropriate (see Reversals QRG).
System Actions: Registration Reversal

When the Registration Reversal transaction is performed on a MIN Record:

- The MIN Record status changes from Active (Registered) to Registration Reversal.
- The MIN Record no longer displays on MERS® ServicerID or the Servicer Identification System (“SIS”).
- All reversed registration information is retained for use if the loan is re-registered.
- No fee is incurred for a Registration Reversal, but the applicable Registration fee is assessed for the initial registration and any subsequent re-registration of the loan.
- The Registration Reversal is listed on the Milestones page in MERS® OnLine.
- Successfully processed Registration Reversal transactions are reported on the optional Registration Reversal Verification (RK) Report.
- Unsuccessful Registration Reversals submitted through the Flat-File Interface are reported on the Registration Reversal Rejects/Warnings (RL) Report.
Interim Funding Interests

A warehouse lender provides funds to a **Lender** to fund a **Mortgage** loan for a borrower and has an **Interim Funding Interest** in the loan prior to its sale in the secondary market. The warehouse lender may require that its interest in the loan be reported to the **MERS® System**. The MERS® System provides the following two fields to track Interim Funding Interests prior to the loan’s sale to the permanent **Investor**:

- **Interim Funder:**
  - An optional **Primary Organization** field that is entered by the **Member** registering the loan to report the warehouse lender’s interest in the loan.
  - An **Interim Funder’s Org ID** is removed from a **MIN Record**:
    - Automatically when a **TOB Option 1 Batch** is completed, or
    - By the Interim Funder when it no longer has an interest in the loan.

- **Warehouse/Gestation Lender:**
  - An optional **Associated Member** field that is entered by the Member registering the loan to reflect the warehouse lender’s interest in the loan.
  - A **Warehouse/Gestation Lender’s Org ID** is removed from a MIN Record:
    - Automatically when a TOB Option 1 Batch is completed,
    - Automatically when a **TOS Batch** or **TOS/TOB Combo Batch** is completed, or
    - By the **Servicer** or **Subservicer** when the Warehouse/Gestation Lender no longer has an interest in the loan.

**Requirements: Removing an Interim Funding Org ID**

- An **Interim Funder’s Org ID** must be removed by the Interim Funder from a **MIN Record** once it no longer has an interest in a loan if that interest is not removed by a completed **Transfer Batch**.

- The **Servicing Member** must ensure that the **Warehouse/Gestation Lender** field on a MIN Record is cleared when the Warehouse/Gestation Lender no longer has an interest in the loan if that field is not cleared by a completed Transfer Batch.

**Procedure: Removing an Interim Funding Org ID**

An **Interim Funder’s** or **Warehouse/Gestation Lender’s Org ID** may be removed from a **MIN Record** by a completed **Transfer Batch** or by a **Member** using **MERS® OnLine** or the **Flat-File Interface**.
• **Interim Funder:** An Interim Funder removes its Org ID from a MIN Record using the [Release Interim Funder Interests](#) transaction (see [Release Interim Funder Interests QRG](#)).

• **Warehouse/Gestation Lender:** The Servicer or Subservicer removes the Warehouse/Gestation Lender’s Org ID using a [MIN Update](#) (MIN Update QRG).

### System Actions: Removing an Interim Funding Org ID

- When a **Tob Option 1 Batch** is completed, any Interim Funder or Warehouse/Gestation Lender named on a MIN Record is removed.

- When a **Tos Batch** or **Tos/Tob Combo Batch** is completed, any Warehouse/Gestation Lender named on a MIN Record is removed.

- The removal of an Interim Funder or Warehouse/Gestation Lender from a MIN Record appears on the [MERS® OnLine](#) Milestones page.

- The removal of an Interim Funder from a MIN Record is reported on the optional [Release of Security Interests by Interim Funder (IB) Report](#).

- The removal of a Warehouse/Gestation Lender from a MIN Record is reported on the optional [MIN Milestones (VA)](#) and [Change Notification (VB) Reports](#).

- Completed **Tob Option 2 Batches** that name an Interim Funder or Warehouse/Gestation Lender are reported on the [Co-Existing Security Interests (IA) Report](#).

- If a **Release Interim Funder Interests** transaction is rejected, it is reported on the mandatory [Interim Funder Rejects (IC) Report](#).

- If a **MIN Update** to remove a Warehouse/Gestation Lender is rejected, it is reported on the mandatory [Maintenance Rejects/Warnings (MB) Report](#).
Transfers

There are three (3) types of transfer transactions on the MERS® System, which are used to report that the contractual servicing rights or the beneficial ownership interests of a registered loan are transferred to another Member:

- Transfer of Beneficial Rights (“TOB”)
- Transfer of Servicing Rights (“TOS”)
- TOS/TOB Combination (“TOS/TOB Combo”)

Servicing rights and beneficial ownership interests are not transferred on, through, or by the MERS® System. The MERS® System only tracks changes in these interests as reported by Members.

For instructions on processing transfer transactions on MERS® OnLine, please refer to:

- Transfer of Beneficial Rights, Option 1 QRG
- Transfer of Beneficial Rights, Option 2 QRG
- TOB Option 2 Confirmations QRG
- Transfer of Servicing Rights QRG
- TOS Transfer Confirmations
- Transfer Transactions Responsibilities QRG
- MERS® OnLine User Guide

Note: In the transfer-related requirements, the designations of “new” and “old” reflect the Member’s relationship to a loan after the transfer transaction has completed on the MERS® System. For example, the Member identified as the current Servicer in a TOS Batch is referenced in the requirements as the “old” Servicer.

Transfer of Beneficial Rights

The Transfer of Beneficial Rights (“TOB”) transaction is used to report the transfer of the beneficial ownership interests of an active, registered Mortgage loan from one Investor to another. A new Document Custodian can also be named as part of the TOB transaction. The current Document Custodian can also be deleted, or it can remain on the MIN Record.

A TOB transaction may be submitted through MERS® OnLine or the Flat-File Interface. When a TOB transaction is initiated, a Transfer Batch is created on the MERS® System for the MIN Records to be reported as transferred. There are two types of TOB transactions on the MERS® System: Option 1 and Option 2. The option used depends on the Member Profile of the purchasing Investor:

- Option 1: The TOB Option 1 transaction is used by Agency Investors to report that the beneficial rights in a registered loan have been transferred to them.
• Option 2: The TOB Option 2 transaction is used to report the transfer of the beneficial rights in a registered loan to a non-Agency Investor.

Requirements: TOB Transactions

• Members are required to report the transfer of beneficial ownership interests in a MERS Loan or iRegistration loan from one Member Investor to another using the TOB transaction.
• Each Member that is a party to a TOB transaction is responsible for ensuring that the TOB Transfer Batch is initiated and confirmed within the timeframes set forth in this section.
• The new Agency Investor must create a TOB Option 1 Batch no later than seven (7) calendar days after the Transfer Date.
• The Servicer or Subservicer must create a TOB Option 2 Batch no later than seven (7) calendar days after the Transfer Date.
• When a Servicer receives the Transfer of Beneficial Rights Reject (BF) Report for one of its unregistered loans in a TOB Option 1 Batch, it must ensure that the loan is registered immediately.
• The old and new Investor must reconcile the TOB transaction:
  o The old Investor (i.e., the seller) must verify that its TOB Transfer Batches for the previous month were accepted by the new Investor prior to the Transfer Expiration Date.
  o The new Investor (i.e., the buyer) must verify the MIN Record transfers in the TOB Transfer Batches that name it as the new Investor, accept the correct MIN Record transfers, report any discrepancies to the old Investor, and reject any MIN Record transfers that should not be reported as transferred.
  o The new Investor must verify that it has confirmed the TOB Transfer Batches naming it as the new Investor for the previous month prior to the Transfer Expiration Date.
  o The old Investor, Servicer, and/or Subservicer must work with the new Investor to address any rejected MIN Record transfers, making the necessary corrections to allow the new Investor to accept the MIN Record transfers as applicable.

TOB Option 1 Transfer

A TOB Option 1 Transfer is used by Agency Investors like Freddie Mac, Ginnie Mae, and Fannie Mae to report that the transfer of the beneficial ownership interests of a registered loan has been transferred to them. TOB Option 1 Batches:

• Cannot be canceled,
• Require no Confirmation, and
Automatically remove any **Org IDs** from the **Interim Funder** or **Warehouse/Gestation Lender** fields on the **MIN Record**.

Important dates for a TOB Option 1 Batch include:

- **Transfer Creation Date**: The date on which a TOB Option 1 Batch was created.
- **Transfer Date**: The date on which the beneficial rights are reported as transferred to the new Investor on the **MERS® System**, which may be the Transfer Creation Date or the current processing date if the Transfer Creation Date is in the past. The Transfer Date cannot be changed for a TOB Option 1 Batch.

**Procedure: TOB Option 1 Transfer**

1. The **TOB Option 1 Transfer** process begins when a **Member** delivers a loan to an **Agency Investor** per the Agency’s specific instructions.
2. The **Agency Investor** records the transfer of beneficial rights on its own system and then submits a TOB Option 1 transaction to the **MERS® System** to report the transfer.
3. Any **MIN Record** transfers in the TOB Option 1 Batch that are registered on the MERS® System are transferred to the **Agency Investor** on the **Transfer Date**.
4. Any **MIN Record** transfers in the TOB Option 1 Batch for loans that have not been registered by the **Transfer Date** continue to cycle for up to ten (10) days.
   - If the registering **Member** registers the loans within the ten (10) day cycling window, the MERS® System processes the TOB Option 1 Batch to the **Agency Investor**.
   - If the registering **Member** registers the loan after the ten (10) day cycling window:
     - The registering **Member** must name the **Agency** in the **Investor** field and contact the **Agency** for further instruction, or
     - The **Agency Investor**, at its discretion, can submit another TOB Option 1 Batch for the MIN Record transfer once the loan is registered.
5. Registered loans that are rejected from the TOB Option 1 Batch due to a processing error should be reviewed and resubmitted by the new **Investor** as appropriate.
6. The current and new **Investor** reconcile the **TOB** transaction.

**Note**: Most **TOB Option 1 Transfers** are system-to-system transactions, but a **TOB Option 1 Batch** can be created on **MERS® OnLine** (see **Transfer of Beneficial Rights, Option 1 QRG**).

**System Actions: TOB Option 1 Transfer**

- A **MIN Record** transfer can co-exist in a **TOB Option 1 Batch** and a **TOS Batch**.
- A TOB Option 1 Batch replaces any Option 2 **Investor** named on a MIN Record. The Option 2 **Investor** is notified in the optional **Investor Removed by Option 1 TOB (BI) Report**.
• MIN Record transfers in concurrent Option 1 and Option 2 TOB Batches are deleted from the Option 2 Batch when the Option 1 Batch processes and reported on the optional MINs Deleted from Transfer of Beneficial Rights (BH) Report.

**On the Transfer Date:**

• The **Investor** and **Document Custodian** fields are updated on each **MIN Record** per the **TOB** transaction.

• The new Investor may update the **Agency ID** for the MIN Record to identify the **Member** that sold them the loan.

• Any existing **Interim Funder** or **Warehouse/Gestation Lender** named on the MIN Record before the transfer is removed.

• Audit entries for the **TOB Option 1** transaction are written to the **Milestones, MIN Audit**, and **MIN Transfer Audit** pages for the MIN Record.

• The mandatory **Physical Transfer of Beneficial Rights (BB) Report** is generated, identifying each transferred MIN Record.

• For any unregistered loans in a TOB Option 1 Batch, the Member that should have registered the loan receives the **Transfer of Beneficial Rights Reject (BF) Report** listing its unregistered loans if the Member’s **Agency ID** is included in its **Member Profile**.

• Unregistered loans in a TOB Option 1 Batch that are in the ten (10) day cycling window are reported to **Agency Investors** in the mandatory **Transfer of Beneficial Rights Reject (BF) Report**.

**TOB Option 2 Transfer**

A **TOB Option 2 Transfer** is initiated on the **MERS® System** by a **Servicer** or **Subservicer** to report the transfer of the beneficial ownership interests of a registered loan to a non-Agency **Investor. TOB Option 2 Batches:**

• Cannot be used to report a transfer to an **Agency Investor**,  
• Require **Confirmation** from the current and new Investor, and  
• Do not remove **Interim Funder** or **Warehouse/Gestation Lender Org IDs** from a **MIN Record**.

Important dates for a TOB Option 2 Batch include:

• **Transfer Creation Date:** The date on which a TOB Option 2 Batch was created.

• **Transfer Date:** The date on which the beneficial rights are reported as transferred to the new Investor on the MERS® System.

• **Transfer Expiration Date:** The date on which a TOB Option 2 Batch expires:
  o **MIN Record** transfers not fully accepted or rejected by the Transfer Expiration Date remain with the current **Primary Organizations** and **Associated Members**.
The MERS® System sets the Transfer Expiration Date to be 31 calendar days after the Transfer Creation Date or the Transfer Date, whichever is later.

**Procedure: TOB Option 2 Transfer**

1. The **TOB Option 2 Transfer** process begins when two **Members** enter into a **Purchase and Sale Agreement** to transfer the beneficial rights of one or more registered loans.

2. The current **Servicer** or **Subservicer** creates a **TOB Option 2 Batch** (see **Transfer of Beneficial Rights, Option 2 ORG**).
   - All parties named in the TOB Option 2 Batch can view the unexpired Batch in **MERS® OnLine**. The **MIN Summary** page identifies a **MIN Record** in a Batch.
   - While the TOB Option 2 Batch is in a **Pending** or **Overdue** status, the initiating Member can:
     - Change the **Transfer Date**, which removes any previous **Confirmations**. All MIN Record transfers in the Batch must be confirmed again.
     - Add **MINs** to the Batch, but the additional MIN Record transfers must be confirmed before the transfers will be reflected on the **MERS® System**.
     - Delete MINs from the Batch that were not yet confirmed by the new **Investor**.
     - Cancel the entire Batch before the **Transfer Expiration Date**.
   - Any Member that is a party to the TOB transaction may reject the Transfer Batch at any time before the Transfer Expiration Date, even if its Confirmation is automatic.

3. The current and new **Investors** confirm the TOB Batch prior to the Transfer Expiration Date (see **Transfer Confirmation ORG**).
   - If the current Servicer **Org ID** is also the current Investor, the current Investor’s Confirmation is automatic.
   - If a current or new Investor is a **Passive Investor**, its Confirmation is automatic.
   - The new Investor can change its Confirmations any time prior to the Transfer Date.
   - **Interim Funder** or **Warehouse/Gestation Lender** Org IDs do not have to be removed from a MIN Record for a TOB Option 2 Batch to be processed (see **Interim Funding Interests**).

4. The current Investor, Servicer, or Subservicer works with the new Investor to address any MIN Record transfers rejected from the TOB Option 2 Batch.

5. The current and new Investor reconcile the **TOB** transaction.

**System Actions: TOB Option 2 Transfer**

**Before the Transfer Date (Pending Status):**
- A **MIN Record** transfer can exist in both a **TOB Option 2 Batch** and a **TOS Batch** only if the new **Servicer** and new **Investor** are the same entity.
• The optional Pending Transfer of Beneficial Rights (BA) Report is generated daily listing all TOB Option 2 Batches with a future Transfer Date. Confirmations are reported on the BA Report up to the Transfer Date.

• If a MIN Record transfer is rejected, it is reported on the mandatory Transfer of Beneficial Rights Rejects (BF) Report for that processing day.

• If a MIN Record transfer is added to or deleted from a TOB Option 2 Batch, including one deactivated while in the Batch, it is reported on the mandatory Modified Batch – Transfer of Beneficial Rights (BL) Report.

• A TOB Option 2 Batch is automatically canceled if all of the MIN Record transfers are deleted from the Batch.

• If a TOB Option 2 Batch is canceled, it is reported on the optional Canceled Transfer of Beneficial Rights (BG) report.

• MIN Record transfers in concurrent TOB Option 1 and TOB Option 2 Transfer Batches are deleted from the pending Option 2 Batch when the Option 1 Batch processes. The deleted MIN Record transfers are reported on the optional MINs Deleted from Transfer of Beneficial Rights (BH) Report.

On the Transfer Date:

• For each fully-confirmed MIN Record transfer in the TOB Option 2 Batch:
  o The Investor and Document Custodian fields on the MIN Record are updated per the TOB transaction.
  o Audit entries for the TOB Option 2 transaction are written to the Milestones, MIN Audit, and MIN Transfer Audit pages for the MIN Record.
  o The transfer is reported on the mandatory Physical Transfer of Beneficial Rights (BB) Report and the optional MIN Milestones (VA) Report.
  o The accepted MIN Record transfer is removed from the TOB Option 2 Batch.

• For each rejected MIN Record transfer in the TOB Option 2 Batch:
  o The TOB Option 2 transaction is not processed for the MIN Record, and the current Primary Organizations and Associated Members remain unchanged.
  o The rejected MIN Record transfer is removed from the TOB Option 2 Batch.
  o The rejected MIN Record transfer is reported on the Physical Transfer of Beneficial Rights (BB) Report.

  Note: The BB Report is NOT cumulative. A Member must review the report each time it is produced to review the activity from the previous cycle.

• If any unconfirmed MIN Record transfers remain in the TOB Option 2 Batch:
  o The status of the Batch is changed to Overdue.
The unconfirmed MIN Record transfers remain in the overdue Batch and are reported on the mandatory Overdue Transfer of Beneficial Rights (BC) Report.

After the Transfer Date and until the Transfer Expiration Date (Overdue Status):

- Any remaining unconfirmed MIN Record transfers in the overdue TOB Option 2 Batch are reported on the Overdue Transfer of Rights (BC) Report until the Batch expires.
- The MERS® System processes any newly confirmed or rejected MIN Record transfers each processing day after the Transfer Date and until the Transfer Expiration Date.
- If any unconfirmed MIN Record transfers remain in the Batch twenty (20) calendar days after the Transfer Date, a reminder displays on the MERS® OnLine Welcome page for the initiating and confirming Members.

On the Transfer Expiration Date (Pending Delete Status):

- The TOB Option 2 Batch expires.
- No further Confirmations are accepted for the TOB Option 2 Batch.
- Any unconfirmed MIN Record transfers in the TOB Option 2 Batch are not transferred, and the current Primary Organizations and Associated Members remain unchanged.
- The status of the TOB Option 2 Batch changes from Overdue to Pending Delete and then it is deleted as part of the work performed for that processing day.
- Any unconfirmed MIN Record transfers are reported on the optional Expired Transfer of Beneficial Rights (BD) Report.

Transfer of Servicing Rights

The Transfer of Servicing Rights (“TOS”) transaction is used to report the transfer of the Servicing Rights in an active, registered loan from one Servicer to another. A new Subservicer and/or Document Custodian can be named as part of the TOS transaction. The current Document Custodian can also be deleted, or it can remain on the MIN Record.

A TOS transaction may be submitted through MERS® OnLine or the Flat-File Interface. When a TOS transaction is initiated, a TOS Batch is created on the MERS® System for the MIN Records to be reported as transferred.

The MERS® System classifies Servicing Rights Transfers into two categories for billing purposes:

- **Flow Transfer**: The Transfer Date is 270 or fewer calendar days after the Note Date. A Flow Transfer incurs no fee. There is no limit to the number of successive Flow Transfers in which a MIN may be included.
- **Seasoned Transfer**: The Transfer Date is more than 270 calendar days after the Note Date. A Seasoned Transfer incurs a fee as specified in the MERS® System Pricing Schedule. The appropriate fee is normally billed to the Member named as the Servicer on the MIN Record when the TOS Batch is created, but the fee may be billed to the Member.
that becomes the Servicer as a result of the completed transfer under certain circumstances set forth in Rule 5 of the Rules.

Note: If the new Servicer is a Non-Member, a Deactivation transaction is used instead of the TOS transaction. (See Transfer to Non-MERS Status.)

When a new Subservicer is named in a TOS Batch, it is required to confirm the pending Transfer on behalf of the new Servicer by default. A Member can over-ride this default behavior by disabling the Allow New Subservicer to Approve Servicing Transfers option in its Member Profile to prohibit a new Subservicer in its pending Transfers from confirming the TOS Batch on the new Servicer’s behalf.

A Member may choose to confirm the pending Seasoned TOS Batches where it is named the current Investor. The Approval of Transfer Date option is set by MERSCORP Holdings. An Investor cannot confirm Flow Transfers.

Important dates for a TOS Batch include:

- **Transfer Creation Date**: The date on which a TOS Batch was created.
- **Sale Date**: The date on which the new Servicer purchases the servicing rights.
- **Transfer Date**: The date on which the responsibility for servicing a loan is reported as transferred to the new Servicer on the MERS® System if all necessary Confirmations have been made.

Note: The new Servicer purchases the servicing rights on the Sale Date and the Transfer Date should be the date that the new Servicer begins servicing the loans. These dates are specified in the Purchase and Sale Agreement.

- **Transfer Expiration Date**: The date on which a TOS Batch expires:
  - MIN Record transfers not fully accepted or rejected by the Transfer Expiration Date remain with the current Primary Organizations and Associated Members.
  - The MERS® System sets the Transfer Expiration Date to be 31 calendar days after the Transfer Creation Date or the Transfer Date, whichever is later.

Once a TOS transaction is complete, the previous Servicer and/or Subservicer is unable to perform further updates to the transferred MIN Records.

**Requirements: TOS Transactions**

- Members are required to report the transfer of the contractual servicing rights in a MERS Loan or iRegistration loan from one Servicer to another using the TOS transaction.
- Each Member that is a party to a TOS Batch is responsible for ensuring that the Transfer Batch is initiated and confirmed within the timeframes set forth in this section.
- The Servicer or Subservicer must create a TOS Batch no later than seven (7) calendar days after the Transfer Date.
- The old and new Servicer or Subservicer must reconcile the TOS transaction:
The old Servicer or Subservicer must verify that its TOS Batches for the previous month were accepted by the new Servicer(s) or Subservicer(s) prior to the Transfer Expiration Date.

The new Servicer or Subservicer must verify the MIN Record transfers in the TOS Batches that name it as the new Servicer or Subservicer, accept the correct MIN Record transfers, report any discrepancies to the old Servicer or Subservicer, and reject any MIN Record transfers that should not be reported as transferred.

The new Servicer or Subservicer must verify that it has confirmed the TOS Batches naming it as the new Servicer or Subservicer for the previous month prior to the Transfer Expiration Date.

The old Servicer or Subservicer must work with the new Servicer or Subservicer to address any rejected MIN Record transfers, making the necessary corrections to allow the new Servicer and/or Subservicer to accept the MIN Record transfers as applicable.

Procedure: TOS Transaction

1. The TOS transaction process begins when two Members enter into a Purchase and Sale Agreement to transfer the servicing rights of one or more registered loans.

2. The current Servicer or Subservicer creates a TOS Batch (see Transfer of Servicing Rights QRG).

3. Once the TOS Batch is created:
   - All parties named in the TOS Batch can view the unexpired Batch in MERS® OnLine. The MIN Summary page identifies a MIN Record in a TOS Batch.
   - If an incorrect Document Custodian or Subservicer is named, the Servicer or Subservicer must cancel and recreate the TOS Batch.
   - While the TOS Batch is in a Pending or Overdue status, the initiating Member can:
     - Change the Transfer Date, which removes any previous Confirmations. All MIN Record transfers in the Batch must be confirmed again.
       - Add MINs to the Batch, but the additional MIN Record transfers must be confirmed before the transfers will be reported on the MERS® System.
       - Delete MINs from the Batch that were not yet confirmed by the new Servicer and/or Subservicer.
       - Cancel the entire Batch before the Transfer Expiration Date.
   - Any Member required to confirm a TOS Batch may reject it any time before the Transfer Expiration Date, even if its Confirmation was automatic.

4. The Confirmation of a TOS Batch is automatic for the current Servicer or Subservicer that initiated the transaction. Any other current Servicer or Subservicer must confirm the TOS Batch (see Transfer Transactions Responsibilities QRG for details).
5. The new Servicer and/or Subservicer confirms the TOS Batch prior to the Transfer Expiration Date (see Transfer Confirmation QRG):
   o If the current Servicer creates the TOS Batch, its confirmation is automatic.
   o If no new Subservicer is in the TOS Batch, the new Servicer confirms the TOS Batch.
   o If a new Subservicer is named in the TOS Batch and the new Servicer has the Allow New Subservicer to Approve Servicing Transfers option:
     ▪ Enabled, the new Subservicer must confirm the pending TOS Batch on behalf of the new Servicer. The new Servicer cannot confirm the pending TOS Batch.
     ▪ Disabled, both the new Servicer and new Subservicer must confirm the pending TOS Batch.
   o If a current Subservicer creates a TOS Batch naming itself as the new Servicer, and names a new Subservicer, the new Subservicer must confirm the TOS Batch.
   o If an Investor has chosen to confirm its Seasoned Transfers, the Investor must confirm the TOS Batch if it is a Seasoned Transfer.

6. The current Servicer or Subservicer works with the new Servicer or Subservicer to address any MIN Record transfers rejected from the TOS Batch.

7. The current and new Servicers reconcile the TOS transaction.

**System Actions: TOS Transaction**

**Before the Transfer Date (Pending Status):**

- When a TOS Batch is created, the MERS® System creates separate batches for Flow and Seasoned MIN Record transfers.
- In a Flow TOS Batch, if the submitted sale and transfer dates are not equal, the MERS® System changes the Sale Date to the Transfer Date.
- A MIN Record transfer in a TOS Batch cannot be included in another TOS or TOS/TOB Combo Batch.
- A MIN Record transfer in a TOS Batch can also exist in a TOB Option 1 Batch:
  o If some of the MIN Record transfers in the pending TOS Batch also exist in a TOB Option 1 Batch, the MERS® System:
    ▪ Creates a new TOS Batch to the new Servicer for the duplicate MIN Record transfers,
    ▪ Removes the duplicate MIN Record transfers from the original TOS Batch,
    ▪ Carries over any Confirmations made for the duplicate MIN Record transfers, and
    ▪ Names the Agency as the Investor on the duplicate MIN Records, setting the Agency ID to the value in the TOB Option 1 Batch.
o If **all** the MIN Record transfers in the pending TOS Batch also exist in a TOB Option 1 Batch, the MERS® System:

- Does not create a new TOS Batch,
- Names the Agency as the Investor on the MIN Records in the TOS Batch, and
- Sets the Agency ID of the MIN Records to the value in the TOB Option 1 Batch.

- A MIN Record transfer in a TOS Batch can also exist in a **TOB Option 2 Batch** if the new Servicer and new Investor are the same entity.
- The optional *Pending Transfer of Servicing Rights (SA) Report* is generated daily listing all TOS Batches with a future *Transfer Date. Confirmations* are reported on the SA Report up to the Transfer Date.
- If a MIN Record transfer in a TOS Batch is rejected, it is reported on the mandatory *Transfer of Servicing Rejects/Warnings (SF) Report* for that processing day.
- If a MIN Record transfer is added to or removed from a TOS Batch, including one deactivated while in the Batch, it is reported on the mandatory *Modified Batch – Transfer of Servicing Rights (SJ) Report*.
- If a TOB Option 1 Batch replaces an Option 2 Investor named on a MIN Record transfer that is included in a TOS Batch, it is reported on the optional *Current Investor Changed for Pending TOS Rights (SH) Report*.
- If a MIN Record transfer is deleted from a pending TOS Batch because it is also in a TOB Option 1 Batch, it is reported on the optional *MINs Deleted from Pending TOS Rights (SI) Report*.
- A TOS Batch is automatically canceled if all the MIN Record transfers are deleted from the Batch.
- If a TOS Batch is canceled, it is reported on the optional *Canceled Transfer of Servicing Rights (SG) Report*.

**On the Transfer Date:**

- For each fully-confirmed, active **MIN Record** transfer in the **TOS Batch**:
  
  o The **Servicer** and **Subservicer** fields are updated per the **TOS** transaction:
    
    ▪ The previous Servicer and/or Subservicer is unable to perform further updates to the transferred MIN Record.
    
    ▪ The new Servicer and/or Subservicer can update the MIN Record as needed.
  
  o Any existing **Warehouse/Gestation Lender** and/or **Property Preservation Company** named on the MIN Record before the transfer is removed.
  
  o Any existing **Document Custodian** named on a MIN Record remains unless a new Custodian was named as part of the TOS transaction, or the **Delete Current Custodian** option was selected when the TOS transaction was created.
Audit entries for the TOS transaction are written to the Milestones, MIN Audit, and MIN Transfer Audit pages for the MIN Record.

The transfer is reported on the mandatory Physical Transfer of Servicing Rights (SC) Report and the optional MIN Milestones (VA) Report.

The accepted MIN Record transfer is removed from the TOS Batch.

For each rejected MIN Record transfer in the TOS Batch:

- The TOS transaction is not processed for the MIN Record, and the current Primary Organizations and Associated Members remain unchanged.
- The rejected MIN Record transfer is removed from the TOS Batch and reported on the Physical Transfer of Servicing Rights (SC) Report.

Note: The SC Report is NOT cumulative. A Member must review the report each time it is produced to review the activity from the previous cycle.

If any unconfirmed MIN Record transfers remain in the TOS Batch:

- The status of the Batch is changed to Overdue.
- The unconfirmed MIN Record transfers remain in the overdue Batch and are reported on the mandatory Overdue Transfer of Servicing Rights (SE) Report.

After the Transfer Date and until the Transfer Expiration Date (Overdue Status):

- Any remaining unconfirmed MIN Record transfers in the overdue TOS Batch are reported on the Overdue Transfer of Servicing Rights (SE) Report until the Batch expires.
- The MERS® System processes any newly confirmed or rejected MIN Record transfers each processing cycle after the Transfer Date and until the Transfer Expiration Date.
- If any unconfirmed MIN Record transfers remain in the Batch twenty (20) calendar days after the Transfer Date, a reminder displays on the MERS® OnLine Welcome page for the initiating and confirming Members.

On the Transfer Expiration Date (Pending Delete Status):

- The TOS Batch expires.
- No further Confirmations are accepted for the TOS Batch.
- Any unconfirmed MIN Record transfers in the TOS Batch are not transferred, and the current Primary Organizations and Associated Members remain unchanged.
- The status of the TOS Batch changes from Overdue to Pending Delete and then it is deleted as part of the work performed for that processing day.
- Any unconfirmed MIN Record transfers are reported on the optional Expired Transfer of Servicing Rights (SD) Report.
TOS/TOB Combination

The TOS/TOB Combo transaction is used to report the transfer of both the servicing rights and the Option 2 beneficial rights in a registered loan from one Member to another on the Transfer Date. A new Subservicer and/or Document Custodian can be named as part of the transaction. The current Document Custodian can also be deleted, or it can remain on the MIN Record.

If the servicing rights and beneficial rights are to be transferred to different Org IDs or transferred on different dates, the transfers should be reported separately using the TOS and TOB transactions.

A TOS/TOB Combo transaction may be submitted through MERS® OnLine or the Flat-File Interface. When a TOS/TOB Combo transaction is initiated, a TOS/TOB Combo Batch is created on the MERS® System for the MIN Records to be reported as transferred.

The TOS/TOB Combo transaction has the same requirements and fee structure and undergoes the same processing criteria as the TOS and TOB Option 2 transactions (see Transfer of Servicing Rights and TOB Option 2 Transfer) except as noted in this section.

Requirements: TOS/TOB Combo Transactions

The requirements for a TOS/TOB Combo transactions are the same as those for the TOS and TOB Option 2 transactions (see Requirements: TOB Transactions and Requirements: TOS Transactions).

Procedure: TOS/TOB Combo Transaction

1. The TOS/TOB Combo transaction process begins when two Members enter into a Purchase and Sale Agreement to transfer the servicing rights and the Option 2 beneficial rights of one or more registered loans.

2. The current Servicer or Subservicer creates a TOS/TOB Combo Batch.
   - A Transfer Date is specified for both the TOS and TOB component of the transaction.
   - The TOB Transfer Date cannot be later than the TOS Transfer Date, but may be a retroactive date within 60 calendar days of the transaction creation date.

3. Once a TOS/TOB Combo Batch is created:
   - All parties named in the TOS/TOB Combo Batch can view the unexpired Batch in MERS® OnLine. The MIN Summary page identifies a MIN Record in a Batch.
   - If an incorrect Document Custodian or Subservicer is named in the TOS/TOB Combo Batch, the Servicer or Subservicer must cancel and recreate it.
   - While the TOS/TOB Combo Batch is in a Pending or Overdue status, the initiating Member can:
- Change the Transfer Date, which removes any previous Confirmations. All MIN Record transfers in the Batch must be confirmed again.
- Add MINs to the Batch, but the additional MIN Record transfers must be confirmed before the transfers will be reported on the MERS® System.
- Delete MINs from the Batch that were not yet confirmed by the receiving party.
- Cancel the entire Batch before the Transfer Expiration Date.
  - Any Member required to confirm a TOS/TOB Combo Batch may reject it any time before the Transfer Expiration Date, even if its Confirmation was automatic.

4. The Confirmation of a TOS/TOB Combo Batch is automatic for the current Servicer or Subservicer that initiated the transaction. Any other current Servicer/Investor or Subservicer must confirm the TOS/TOB Combo Batch (see Transfer Transactions Responsibilities QRG for details).

5. The new Servicer/Investor and/or Subservicer confirm the TOS/TOB Combo Batch prior to the Transfer Expiration Date (see Transfer Confirmation QRG).
  - The new Servicer/Investor only confirms the TOS component of the transaction; the TOB component is not confirmed separately. All other confirmation requirements for a stand-alone TOS Batch apply.

6. The current Servicer or Subservicer works with the new Servicer or Subservicer to address any MIN Record transfers rejected from the TOS/TOB Combo Batch.

7. The previous and new Servicers reconcile the TOS/TOB Combo transaction.

**System Actions: TOS/TOB Combo**

**Before the Transfer Date (Pending Status):**

- When a **TOS/TOB Combo Batch** is created, the MERS® System creates separate batches for Flow and Seasoned MIN Record transfers.
- In a Flow Batch, if the submitted sale and transfer dates are not equal, the MERS® System changes the Sale Date to the Transfer Date.
- A MIN Record transfer in a TOS/TOB Combo Batch cannot be included in another TOS/TOB Combo, TOS, or TOB Option 2 Batch.
- A MIN Record transfer in a TOS/TOB Combo Batch can also exist in a **TOB Option 1 Batch**.
  - If some of the MIN Record transfers in the pending TOS/TOB Combo Batch also exist in a TOB Option 1 Batch, the MERS® System:
    - Creates a new **TOS Batch** to the new Servicer for the duplicate MIN Record transfers,
    - Removes the duplicate MIN Record transfers from the TOS/TOB Combo Batch,
▪ Carries over any Confirmations made for the duplicate MIN Record transfers, and
▪ Names the Agency as the Investor on the duplicate MIN Records, setting the Agency ID to the value in the TOB Option 1 Batch.
  o If all of the MIN Records transfers in the pending TOS/TOB Combo Batch also exist in a TOB Option 1 Batch, the MERS® System:
    ▪ Changes the TOS/TOB Combo Batch to a TOS Batch retaining the original Batch Number,
    ▪ Removes the TOB Transfer Date from the TOS Batch,
    ▪ Names the Agency as the Investor on the MIN Records in the Batch, and
    ▪ Sets the Agency ID of the MIN Records to the value in the TOB Option 1 Batch.
  • TOS/TOB Combo transactions are reported on the TOS Reports. In addition, MIN Record transfers deleted from a TOS/TOB Combo Batch are reported on the MINs Deleted from Pending TOS Rights (SI) Report, and the MINs Deleted from Transfer of Beneficial Rights (BH) Report.
  • For MIN Record transfers in a canceled TOS/TOB Combo Batch, the MERS® System automatically reverses the servicing rights transfer at the Sale Date.

On the Transfer Date:
• For each fully-confirmed MIN Record transfer in the TOS/TOB Combo Batch:
  o The Servicer, Investor, and Subservicer fields are updated per the TOS/TOB Combo transaction:
    ▪ The previous Servicer and/or Subservicer is unable to perform further updates to the transferred MIN Record.
    ▪ The new Servicer and/or Subservicer can update the MIN Record as needed.
  o Any existing Warehouse/Gestation Lender’s and/or Property Preservation Company named on a MIN Record is removed.
  o Any existing Document Custodian named on a MIN Record remains unless a new Custodian was named as part of the Transfer, or the Delete Current Custodian option was selected when the TOS/TOB Combo Batch was created.
  o Separate audit entries for the TOS and TOB components of the transaction are written to the Milestones, MIN Audit, and MIN Transfer Audit pages.
  o The accepted MIN Record transfer is removed from the TOS/TOB Combo Batch.
• Each rejected MIN Record transfer in the TOS/TOB Combo Batch is removed from the Batch with all current Primary Organizations and Associated Members unchanged.
• If any unconfirmed MIN Record transfers remain in the TOS/TOB Combo Batch, the status of the Batch is changed to Overdue.
After the Transfer Date and until the Transfer Expiration Date (Overdue Status):

- Any unconfirmed MIN Record transfers in the overdue TOS/TOB Combo Batch are reported on the Overdue Transfer of Servicing Rights (SE) Report until the Batch expires.
- The MERS® System processes any newly confirmed or rejected MIN Record transfers each processing day after the Transfer Date and until the Transfer Expiration Date.
- If any unconfirmed MIN Record transfers remain in the Batch twenty (20) calendar days after the Transfer Date, a reminder displays on the MERS® OnLine Welcome page for the initiating and confirming Members.

On the Transfer Expiration Date (Pending Delete Status):

- The TOS/TOB Combo Batch expires.
- No further Confirmations are accepted for the Batch.
- Any unconfirmed MIN Record transfers in the Batch are not transferred, and all current Primary Organizations and Associated Members remain unchanged.
- The status of the Batch changes from Overdue to Pending Delete and then it is deleted as part of the work performed for that processing day.
- Any unconfirmed MIN Record transfers are reported on the optional Expired Transfer of Servicing Rights (SD) Report.

Member-to-Member Petitions

The Member-to-Member Petition process allows a Member (the "Petitioner") to request the assistance of MERSCORP Holdings when the Petitioner encounters another active Member that is unresponsive to requests to initiate the necessary transactions on the MERS® System to reflect the correct Servicer, Subservicer, and/or Investor on one or more MIN Records.

Requirements: Member-to-Member Petition

The selling Member must be allowed seven (7) calendar days from the Transfer Date (TOB or TOS) to initiate the transfer transaction on the MERS® System before the purchasing Member may begin the Member-to-Member Petition process.

Procedure: Member-to-Member Petition

1. After seven (7) calendar days have elapsed since the Transfer Date, the Petitioner contacts the Help Desk to obtain the MERS® System contacts for the selling Member.
2. If the selling Member does not respond to the Petitioner, the Petitioner contacts the Help Desk, which sends the Petitioner the Member-to-Member Petition with instructions.
3. The Petitioner completes the Member-to-Member Petition and submits the completed form along with exhibits to the Help Desk.
4. **MERSCORP Holdings** notifies the selling Member via email, providing the selling Member fourteen (14) calendar days to respond or resolve the matter.

5. The selling Member is invoiced for the work performed on its behalf.

**Member Notice of Default (“NOD”) Dispute**

In the event an **Investor** is involved in a dispute with a **Servicer**, **Subservicer**, or warehouse lender, the **Members** involved shall engage in a good faith effort to resolve their dispute. If necessary, the Investor can ask **MERSCORP Holdings** to prevent activity on the disputed **MIN Records** by the Servicer and/or Subservicer, correct the disputed MIN Records, and/or transfer the MIN Records to another Servicer and/or Subservicer.

**Procedure: Member NOD Dispute**

1. The **Investor** notifies **MERSCORP Holdings** in writing of the dispute with the other **Member(s)** and provides proof of ownership.

2. The Investor may ask MERSCORP Holdings to:
   - Prevent activity on the disputed **MIN Records** by the Servicer and/or Subservicer,
   - Correct the disputed MIN Records, or
   - Process a **TOS, TOB**, or **TOS/TOB Combo** transaction to report the disputed MIN Records as transferred to a new Servicer and/or Subservicer.

3. MERSCORP Holdings reviews, approves, and processes the request.

4. MERSCORP Holdings invoices the Investor for the related transfers.
MIN Record Deactivation

The **MIN Record** of a loan registered on the **MERS® System** is deactivated when **MERS** no longer holds any interest in the **Mortgage** (e.g. the lien has been released, the Mortgage has been assigned from MERS, the lien has been stripped or extinguished due to bankruptcy or foreclosure) or an **iRegistration** will no longer be tracked on the MERS® System.

The following MIN Record **Deactivation** transactions are further explained in these **Procedures**.

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Used When</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paid in Full</strong></td>
<td>• The interest held by MERS in the Mortgage securing a loan has been released by the <strong>Recordation</strong> of a <strong>Lien Release</strong> or <strong>UCC-3</strong>, or &lt;br&gt; • MERS’s interest in a Mortgage is extinguished by a <strong>Deed-in-Lieu</strong>.</td>
</tr>
<tr>
<td><strong>Transfer to Non-MERS Status</strong></td>
<td>• An Assignment from MERS or UCC-3 is sent for Recordation for any reason other than that the loan is in default and headed to foreclosure (e.g., the servicing rights were sold to an organization that is not a Member),&lt;br&gt; • The Mortgage is a subordinate lien and is wiped out by the foreclosure of a prior lien, or&lt;br&gt; • The Mortgage is a subordinate lien and is extinguished by a lien stripping action in bankruptcy.</td>
</tr>
<tr>
<td><strong>Deactivate-Assigned from MERS for Default or Bankruptcy</strong></td>
<td>• An Assignment from MERS or UCC-3 is sent for Recordation due to:&lt;br&gt; • The loan being in default and headed to foreclosure, or&lt;br&gt; • The borrower filing for bankruptcy protection and the Member intends to file Legal Proceedings.</td>
</tr>
</tbody>
</table>

Additionally, a **Foreclosure Complete** Deactivation transaction is available for MIN Records that remain in a status of **Foreclosure Pending (Option 2)** which was available prior to July 22, 2011.

iRegistration loans have unique deactivation requirements; see **iRegistration Loan Deactivation** for details.

Once a MIN Record is deactivated, no further update is required by the **Servicer** or **Subservicer** unless it was deactivated in error (see **Deactivation Reversals**) or the Member re-registers the loan on the MERS® System (see **Procedure: Re-registration after Deactivation**).

Note: A **Deactivation** transaction submitted by a **Member** for a **MIN Record** that is in a **Transfer Batch** will not be processed by the MERS® System unless it originated from the **MERS® eRegistry**.
Paid in Full Deactivation

Requirements: Paid in Full Deactivation

- The Paid in Full transaction must be used to deactivate a MIN Record when the interest held by MERS in the Mortgage securing a loan has been released by the Recordation of a Lien Release or UCC-3, or when MERS’s interest in a Mortgage is extinguished by a Deed-in-Lieu.
  - The only time the Paid in Full transaction is not the correct transaction to use when the interest held by MERS has been released is when a MOM Security Instrument was erroneously sent for Recordation on a loan that did not close. In this scenario:
    - The Lien Release, UCC-3, or Deed-in-Lieu must conform to the requirements set forth in this section, and
    - The loan registration must be reversed using the Registration Reversal transaction (see Registration Reversal).
  - When a MIN Record is deactivated using the Paid in Full transaction because the loan has been consolidated into a new CEMA Loan, MERSCORP Holdings does not require the Recordation of a Lien Release.
- If a Member decides to Charge Off a loan then it may only deactivate the MIN Record as Paid in Full if a Lien Release or UCC-3 is sent for Recordation. Until that occurs, the MIN Record must remain Active because MERS remains the Mortgagee. Alternatively, the Member may send an Assignment from MERS for Recordation and deactivate the MIN Record as Transfer to Non-MERS Status.
- The MIN Record must be deactivated using the Paid in Full transaction no later than seven (7) calendar days after the event or action occurs in the Member’s System of Record that represents the decision to execute a Lien Release, UCC-3, or Deed-in-Lieu.
- The Lien Release, UCC-3, or Deed-in-Lieu associated with a Paid in Full MIN Record deactivation must be:
  - Prepared and executed in accordance with the applicable document requirements (see MERS Documents), and
  - Promptly sent for Recordation in accordance with state and Investor guidelines.

Procedure: Paid in Full Deactivation

To deactivate a MIN Record as Paid in Full on the MERS® System:

1. The Servicer or Subservicer receives payment in full, Charges Off the loan, or accepts a short sale or Deed-in-Lieu.
2. The Servicing Member ensures that a Lien Release, UCC-3, or Deed-in-Lieu is prepared and sent for Recordation.
3. The Servicer, or Subservicer if one is named, deactivates the MIN Record as **Paid in Full** (see *Paid in Full QRG*).

**System Actions: Paid in Full Deactivation**

- When a **MIN Record** is deactivated as **Paid in Full**, its status changes to **Paid in Full**, and the current date is set as the deactivation date.
- The **Paid in Full** deactivation appears on the **MERS® OnLine Milestones** and **MIN Audit** pages for the **MIN Record**.
- Successful **Paid in Full** deactivations are reported on the optional **Paid in Full Verification (DK)**, **Deactivation Summary (DD)**, and **MIN Milestones (VA) Reports**.
- Unsuccessful **Paid in Full** deactivations submitted through the **Flat-File Interface** are reported on the mandatory **Payoff Reject (DP) Report**.

**Transfer to Non-MERS Status Deactivation**

**Requirements: Transfer to Non-MERS Status Deactivation**

- The **Transfer to Non-MERS Status** transaction must be used to deactivate a **MIN Record** when:
  - An **Assignment from MERS** or **UCC-3** is sent for **Recordation** for any reason other than the loan being in default (e.g., the servicing rights were sold to a non-**Member**),
  - The **Mortgage** is a subordinate lien that was wiped out by the foreclosure of a prior lien, or
  - The Mortgage is a subordinate lien and is extinguished by a lien stripping action in bankruptcy.
- The MIN Record must be deactivated as **Transfer to Non-MERS Status** no later than seven (7) calendar days after the event or action in the Member’s **System of Record** that represents the decision to execute the Assignment from MERS or UCC-3 or otherwise deactivate the **MIN Record**.
- The **Assignment from MERS, UCC-3**, or other documentation associated with a **Transfer to Non-MERS Status** MIN Record deactivation must be:
  - Prepared and executed in accordance with the applicable document requirements (see **MERS Documents**),
  - Executed no later than seven (7) calendar days after the event or action that occurs in the Member’s **System of Record** representing the decision to execute the document or deactivate the MIN Record, and
  - Promptly sent for Recordation.
Procedure: Transfer to Non-MERS Status Deactivation

To deactivate a MIN Record as Transfer to Non-MERS Status on the MERS® System:

1. An action or event occurs on the Servicer’s or Subservicer’s System of Record that requires a loan to be deactivated as Transfer to Non-MERS Status.

2. The Servicing Member ensures that an Assignment from MERS or UCC-3 is prepared and sent for Recordation except in instances where the Mortgage has been wiped out by the foreclosure of a prior lien or extinguished by a lien stripping action in bankruptcy.

3. The Servicer, or Subservicer if one is named, deactivates the MIN Record as Transfer to Non-MERS Status (see Transfer to Non-MERS Status ORG).

System Actions: Transfer to Non-MERS Status Deactivation

- When a MIN Record is deactivated as Transfer to Non-MERS Status, its status changes to Transfer to Non-MERS Status, and the current date is set as the deactivation date.

- The Transfer to Non-MERS Status deactivation appears on the MERS® OnLine Milestones and MIN Audit pages for the MIN Record.

- Successful Transfer to Non-MERS deactivations are reported on the mandatory Transfer to Non-MERS Status Verification (DL) Report and optional Deactivation Summary (DD) and MIN Milestones (VA) Reports.

- Unsuccessful Transfer to Non-MERS deactivations submitted through the Flat-File Interface are reported on the mandatory Transfer to Non-MERS Status Reject (DQ) Report.

Deactivate-Assigned from MERS for Default or Bankruptcy Deactivation

Requirements: Deactivate-Assigned from MERS for Default or Bankruptcy Deactivation

- The Deactivate-Assigned from MERS for Default or Bankruptcy deactivation must be used to deactivate a MIN Record when:
  - An Assignment from MERS or UCC-3 is sent for Recordation due to the loan being in default, or
  - An Assignment from MERS or UCC-3 is sent for Recordation due to the borrower filing for bankruptcy protection and the Member intends to file Legal Proceedings.

- The MIN Record must be deactivated as Deactivation-Assigned from MERS for Default or Bankruptcy no later than seven (7) calendar days after the event or action in the Member's System of Record that represents the default or decision to initiate foreclosure or the decision to file Legal Proceedings, as applicable.
The Assignment from MERS or UCC-3 associated with a **Deactivate-Assigned from MERS for Default or Bankruptcy** MIN Record deactivation must be:

- Prepared and executed in accordance with the applicable document requirements (see *MERS Documents*),
- Executed no later than seven (7) calendar days after the event or action that occurs in the Member’s System of Record that represents the default or decision to initiate foreclosure or represents the decision to file Legal Proceedings, as applicable,
- Executed before foreclosure is initiated or Legal Proceedings are filed, as applicable, and
- Promptly sent for Recordation.

If an Assignment from MERS or UCC-3 is sent for Recordation but foreclosure is not initiated (e.g. the loan reinstates), and the MIN Record status is still **Active**, the MIN Record must be deactivated as **Transfer to Non-MERS Status** (see *Transfer to Non-MERS Status*).

Note: Members should consult their legal counsel to determine when in a given jurisdiction foreclosure is said to be initiated.

**Procedure: Deactivate-Assigned from MERS for Default or Bankruptcy Deactivation**

1. The **Investor** decides to foreclose or to file **Legal Proceedings**.
2. The **Servicing Member** ensures that an **Assignment from MERS** or **UCC-3** is prepared and executed before initiating foreclosure or filing Legal Proceedings.
3. The Assignment from MERS or UCC-3 is promptly sent for **Recordation**.
4. The **Servicer**, or **Subservicer** if one is named, deactivates the **MIN Record** as **Deactivate-Assigned from MERS for Default or Bankruptcy** (see *Deactivate-Assigned from MERS for Default or Bankruptcy QRG*).
5. The Servicer or Subservicer may name a **Property Preservation Company**, or a Property Preservation Company may name itself, on a MIN Record with a status of **Deactivation-Assigned from MERS for Default or Bankruptcy** or **Foreclosure Complete** (see *Property Preservation*).

**System Actions: Deactivate-Assigned from MERS for Default or Bankruptcy Deactivation**

- When a **MIN Record** is deactivated due to foreclosure or bankruptcy, its status changes to **Deactivate-Assigned from MERS for Default or Bankruptcy**, and the current date is set as the deactivation date.
• The Deactivation-Assigned from MERS for Default or Bankruptcy deactivation appears on the MERS® OnLine Milestones page.

• Changes to the Property Preservation Company field are listed on the MERS® OnLine MIN Audit page.

• Successful Deactivation-Assigned from MERS for Default or Bankruptcy deactivations are reported on the mandatory Foreclosure Verification (DA) Report and optional Deactivation Summary (DD) and MIN Milestones (VA) Reports.

• Unsuccessful Deactivation-Assigned from MERS for Default or Bankruptcy deactivations submitted through the Flat-File Interface are reported on the mandatory Foreclosure Reject (DF) Report.

Foreclosure Complete Deactivation (Initiated Before 7/22/11)

Requirements: Foreclosure Complete Deactivation

• For foreclosures initiated in the name of MERS (allowed prior to July 22, 2011):
  o If the property went to sale, MERS must not be left in title on the sale documentation unless in a state where this was temporarily allowed.
  o If title was deeded to MERS temporarily, the subsequent deed that removes MERS from title must be immediately sent for Recordation once the sale is complete.

• For MIN Records in a Foreclosure Pending Option 2 status on the MERS® System, additional updates are required when the foreclosure has been resolved or completed:
  o If foreclosure is averted, the status of the MIN Record must be updated to Reinstated or Modified Option 2 no later than seven (7) calendar days after the event or action occurs in the Member’s System of Record that represents the reinstatement of the loan.
  o Once foreclosure completes, the MIN Record must be deactivated as Foreclosure Complete no later than seven (7) calendar days after the event or action occurs in the Member's System of Record that represents the completion of foreclosure.
  o If the Foreclosure Pending Option 2 status was entered in error, the MIN Record’s status must be returned to Active using the Foreclosure Status Reset option no later than seven (7) calendar days after the error is identified.

Procedure: Foreclosure Complete Deactivation

• If a MIN Record has a status of Foreclosure Pending (option 2), the Servicer, or Subservicer if one is named, deactivates it as Foreclosure Complete once the loan has been liquidated on the Member’s System of Record.
If foreclosure is averted, the Servicer, or Subservicer if one is named, updates the status of the MIN Record to **Reinstated or Modified (option 2)** to reflect the reinstatement.

**System Actions: Foreclosure Complete Deactivation**

- When a MIN Record is deactivated as Foreclosure Complete, its status changes to **Foreclosure Complete**, and the current date is set as the deactivation date.
- The Foreclosure Complete deactivation appears on the **MERS® OnLine Milestones** page.
- Changes to the Property Preservation Company field are listed on the MERS® OnLine MIN Audit page.
- Successful Foreclosure Complete deactivations are reported on the mandatory Foreclosure Verification (DA) Report and optional Deactivation Summary (DD) and MIN Milestones (VA) Reports.
- Unsuccessful Foreclosure Complete deactivations submitted through the Flat-File Interface are reported on the mandatory Foreclosure Reject (DF) Report.
- MIN Records that remain in a foreclosure pending status beyond the time specified in the Member’s Profile are reported on the Past Due Foreclosure Terminations (DI) Report.

**Deactivation Reversals**

If a MIN Record is erroneously or incorrectly deactivated on the MERS® System, the Servicer or Subservicer reverses the Deactivation using the Deactivation Reversal transaction. This section covers the reversal of the following Deactivation transactions:

- **Paid in Full**
- **Transfer to Non-MERS Status**
- **Deactivate-Assigned from MERS for Default or Bankruptcy**

**Requirements: Deactivation Reversals**

- If a Deactivation is performed erroneously, the Servicer or Subservicer must reverse it on the MERS® System no later than seven (7) calendar days after the error is identified.
  - If a MIN Record was deactivated but no Lien Release, Assignment from MERS, or UCC-3 was sent for Recordation to release MERS’s interest in the Mortgage, the erroneous Deactivation must be reversed to return the MIN Record’s status to Active.
  - If a MIN Record was deactivated using a Deactivation transaction that does not correspond to the type of document sent for Recordation, the incorrect Deactivation status must be reversed, and then the MIN Record must be deactivated using the correct Deactivation transaction.
**Procedure: Deactivation Reversals**

1. The *Servicer* or *Subservicer* verifies that the *Deactivation* should be reversed.
2. The Servicer or Subservicer processes the *Deactivation Reversal* to revert the *MIN Record* to an Active status on the *MERS® System* (see *Reversals QRG*).
3. Once the Deactivation is reversed, any corrections needed to the MIN Record are completed via a *MIN Update* (see *MIN Update QRG*), and any transfers that have occurred are reported to the MERS® System (see *Transfers*).

**System Actions: Deactivation Reversals**

- When a *MIN Record Deactivation* is reversed on the *MERS® System*, its status changes to Active (Registered).
- The *Deactivation Reversal* appears on the *MERS® OnLine Milestones* page.
- Successful *Deactivation Reversals* are reported on the corresponding mandatory Deactivation verification report.
- Unsuccessful *Deactivation Reversals* submitted through the *Flat-File Interface* are reported on the corresponding mandatory deactivation reject report.
Modification Agreements

The MIN Update transaction on the MERS® System is used to report that a Lender and borrower(s) have entered into a Modification Agreement to change the terms of a Note and/or Mortgage.

Requirements: Modification Agreements

- Any Modification Agreement executed for a MERS Loan to convert it from a Construction Loan to a permanent Mortgage loan must be reported to the MERS® System no later than seven (7) calendar days after:
  - The Modification Agreement’s effective date if the loan is registered on the MERS® System,
  - The Registration Date if the Modification Agreement is being reported as part of a Re-registration, or
  - The Transfer Date if a Member has purchased a loan and the Modification Agreement was not previously reported to the MERS® System.
- Members are not required to report any other type of Modification Agreement to the MERS® System.
- Any MERS Document generated during the modification process must be prepared and executed in accordance with the applicable document requirements (see MERS Documents), and any MERS Document to be recorded must be promptly sent for Recordation.

Procedure: Modification Agreements

1. A Lender and borrower(s) enter into a Modification Agreement. Any MERS Document that will be recorded in the public land records is promptly sent for Recordation.
2. For a MERS Loan that is converted from a Construction Loan to a permanent Mortgage loan, the Servicer or Subservicer reports the Modification Agreement to the MERS® System (see Modification QRG).

System Actions: Modification Agreements

When a MIN Update is used to report a Modification Agreement on the MERS® System:

- The changes to the Modification Note Date and Modification Note Amount fields on the MIN Record are listed on the MIN Audit page in MERS® OnLine.
- Successful modifications are reported on the optional Maintenance Verification (MA) and MIN Milestones (VA) Reports.
- Unsuccessful modifications submitted through the Flat-File Interface are reported on the mandatory Maintenance Rejects/Warnings (MB) Report.
Construction and CEMA Loans

The MERS® System supports the registration of both Construction Loans and Consolidation, Extension, and Modification Agreement Loans ("CEMA Loans").

- A Construction Loan is used to pay for the cost of building or renovating a home.
- A CEMA Loan may be used in the state of New York to consolidate or extend the term of an existing loan with or without additional funding to save the borrower from paying taxes associated with refinancing.

Requirements: Construction and CEMA Loans

- Any Modification Agreement executed for a MERS Loan to convert it from a Construction Loan to a permanent Mortgage loan must be reported to the MERS® System. See Modification Agreements for details.
- Any CEMA Loan that is a MERS Loan must be registered as a new loan on the MERS® System. See Loan Registration for details.
- Any MERS Document generated during the CEMA Loan origination process (e.g., Modification Agreement, CEMA, gap Mortgage, consolidated Mortgage, Assignment) must be prepared and executed in accordance with the applicable document requirements (see MERS Documents), and any MERS Document to be recorded must be promptly sent for Recordation.
- The requirements for Construction Loans and CEMA Loans are the same as the corresponding loan type (i.e., MOM, Non-MOM, or iRegistration).

Procedures: Construction Loans

In this section, the procedures for processing Construction Loans on the MERS® System are organized into the following categories:

- Construction Loan Modified to Become Permanent: This procedure is used when a Construction Loan has been modified to become the permanent Mortgage loan.
- Construction Loan Paid off by Permanent Loan: This procedure is used when a Construction Loan is paid off by the permanent Mortgage loan.

Procedure: Construction Loan Modified to Become Permanent

A Construction Loan previously registered on the MERS® System may be modified to become the permanent Mortgage loan.

1. When construction is completed, the Lender and borrower enter into a Modification Agreement to convert the temporary Construction Loan to a permanent loan.
2. The Servicer or Subservicer performs a MIN Update to report the Modification Agreement (see Modification Agreements).

Procedure: Construction Loan Paid off by Permanent Loan

A Construction Loan previously registered on the MERS® System may be paid off by the permanent Mortgage loan. If the permanent loan is a MERS Loan, it must be registered on the MERS® System as a new loan and will incur a separate Registration fee.

1. When construction is completed, the Lender and borrower close a permanent loan that includes the pay off of the temporary Construction Loan.

2. If the permanent loan is a MERS Loan, the registering Member uses a new MIN to register the permanent loan on the MERS® System like any other loan (see Loan Registration).

3. The Servicer of the Construction Loan, or Subservicer if one is named, deactivates the MIN Record as Paid in Full once it has been paid off by the permanent loan (see Paid in Full).

Procedure: CEMA Loan Registration

The following procedure is used to register a CEMA Loan on the MERS® System if it is a MERS Loan.

1. The Lender and borrower close a CEMA Loan.

2. The registering Member uses a new MIN to register the CEMA Loan on the MERS® System, entering the consolidated note amount in the Note Amount field (see Loan Registration).

3. If the original loan is registered on the MERS® System, the Servicer of that loan, or Subservicer if one is named, deactivates the MIN Record as Paid in Full once it has been consolidated into the new CEMA Loan (see Paid in Full).

When a MIN Record is deactivated using the Paid in Full transaction because the loan has been consolidated into a new CEMA Loan, MERSCORP Holdings does not require the Recordation of a Lien Release.

System Actions: Construction and CEMA Loans

- See System Actions: Loan Registration for details on the system actions associated with the registration of a loan on the MERS® System.
- See System Actions: Paid in Full for details on the system actions associated with the Paid in Full deactivation on the MERS® System.
- See System Actions: Modification Agreements for details on the system actions that occur when a MIN Update is used to report a Modification Agreement on the MERS® System.
Assumption of Mortgage

The Assumption transaction on the MERS® System is used to report the acceptance of the obligations of a mortgagor under an existing Mortgage when:

- A new borrower assumes the outstanding Mortgage debt,
- A new borrower is added to the existing loan obligation, or
- An existing borrower is removed from the loan obligation.

Requirements: Assumption of Mortgage

- The Assumption must be reported to the MERS® System no later than seven (7) calendar days after the effective date of the Assumption or the Registration Date if the Assumption is being reported as part of a Re-registration.
- Any MERS Document generated during the Assumption process must be prepared and executed in accordance with the applicable requirements (see MERS Documents), and any MERS Document to be recorded must be promptly sent for Recordation.

Procedure: Assumption of Mortgage

1. One (1) or more mortgagors enter into an agreement with a Lender to accept the obligations under an existing Mortgage for a loan registered on the MERS® System.
2. The Servicer or Subservicer updates the borrower information for the MIN Record on the MERS® System using the Assumption transaction (see Assumption QRG).

System Actions: Assumption of Mortgage

- When an Assumption transaction is processed on the MERS® System:
  - For the first Assumption of a registered Mortgage loan, the current borrower information is copied to the original borrower fields on the MIN Record.
  - All original borrower information is retained for the life of the loan.
  - Any borrower added with the Assumption transaction is reported as a current borrower for the loan, and any borrower removed is no longer reported as a borrower.
  - If multiple Assumptions occur, interim borrower(s) are not tracked.

- Assumptions are listed on the MIN Audit page in MERS® OnLine.
  - The Assumption date is not stored on the MERS® System.
  - The date the Assumption transaction was processed is listed on the Milestones page in MERS® OnLine.

- Successful Assumptions are reported on the mandatory Assumption Verification (AA) Report and the optional MIN Milestones Report for Associated Members (VA).

- Unsuccessful Assumptions submitted through the Flat-File Interface are reported on the mandatory Assumption Rejects/Warnings (AB) Report.
Property Preservation

The Property Preservation Company field on the MERS® System allows a Servicer or Subservicer to name up to four (4) Property Preservation Companies on a MIN Record with a vacant property. Other Members use the MIN Find or MERS® Link search features to identify these companies and retrieve their contact information.

Procedure: Property Preservation Member Updates

1. The Servicer and Property Preservation Company create Property Preservation contacts in their Member Profile to be displayed on the Member Summary and MIN Summary page in MERS® Link and MERS® OnLine (see Member Information - Contacts).

2. A Servicer or Subservicer may establish a relationship with one or more Property Preservation Companies to allow these companies to add or remove their Org IDs from the MIN Records naming the Servicer or Subservicer (see Member Information – Relationships QRG).

3. Up to four (4) Property Preservation Company Org IDs may be added to a Member’s Transaction Default Settings so they will be included by default on all loans registered by the Member in MERS® OnLine (see Transaction Default Settings QRG).

Procedure: Property Preservation MIN Updates

If a MIN Record has a status of Active, Deactivation-Assigned from MERS for Default or Bankruptcy, or Foreclosure Complete:

3. The Servicer or Subservicer may add or remove a Property Preservation Company through a MIN Update regardless of whether a Property Preservation Company relationship exists in its Member Profile (see MIN Update QRG).

4. The Property Preservation Company may add or remove itself through a MIN Update if it has a Property Preservation Company relationship with the Servicer or Subservicer.

System Actions: Property Preservation

- Changes to the Property Preservation Company fields on a MIN Record are listed on the MIN Audit page in MERS® OnLine.

- Successful Property Preservation Company updates are reported on the optional Maintenance Verification (MA) Report.

- Unsuccessful Property Preservation Company updates submitted through the Flat-File Interface are reported on the mandatory Maintenance Rejects/Warnings (MB) Report.

- A Property Preservation Company has view-only access to the MIN Records on which it is named and displays on the MIN Summary page in MERS® OnLine and MERS® Link.

- The Property Preservation Company receives the optional:
- MIN Milestones (VA) and Change Notification (VB) reports for each MIN Record on which it is named, and
- The Maintenance Verification (MA) Report if it adds or removes itself to/from a MIN Record.

- When the Servicer named on a MIN Record changes, all of the Property Preservation Company Org IDs are removed.
MERS® System Quality Assurance Program

The intent of the MERS® System Quality Assurance ("QA") Program is to assure that each Member has processes in place to ensure compliance with the requirements set forth in the Membership Agreement.

Key components of the MERS® System QA Program include the following:

- **QA Plan**: Confirms that a Member is in compliance with the requirements set forth in the Membership Agreement. For details, refer to *MERS® System QA Plan*.
- **Annual Report**: Confirms that a Servicing Member has processes and controls in place to ensure compliance with the requirements set forth in the Membership Agreement and has integrated these requirements into its daily business practices. For details, refer to *Annual Report*.
- **Data Reconciliation**: Members reconcile all required and conditionally-required fields on the MERS® System with their System of Record. For details, refer to *Data Reconciliation*.
- **QA Reviews**: Allows MERSCORP Holdings to monitor Member compliance with the requirements set forth in the Membership Agreement. For details, refer to *Quality Assurance Reviews*.

Requirements: MERS® System QA Program

- Each Member is required to have processes in place to ensure compliance with the requirements set forth in the Membership Agreement and integrate these requirements into its daily business practices.
- Upon a Member becoming aware of any discrepancy between the information shown on the MERS® System and the information in the applicable public land records or state agency records, the Member shall promptly correct the discrepancy.
- When a Member identifies a data mismatch between its System of Record and the MERS® System, the Member must perform root cause analysis and document an action plan to remediate the mismatch and root cause issue within thirty (30) calendar days.

MERS® System QA Plan

By submitting a QA Plan for its Org ID and any associated Affiliate Org ID, a Member confirms that it is in compliance with the requirements set forth by the Membership Agreement. MERSCORP Holdings notifies a Member when it is required to submit its first or updated QA Plan.
Requirements: MERS® System QA Plan

Each Member with a Line of Business that provides it with the ability to perform MIN Record transactions on the MERS® System may be required to:

- Have a current QA Plan in place for each active Org ID, which also covers any associated Affiliate Org ID, using MERSCORP Holdings’ QA Plan template,
- Submit its completed QA Plan by the date specified by MERSCORP Holdings,
- Save a copy of its completed QA Plan for its records,
- Monitor its performance against its current QA Plan, and
- Use a random sample of its loans when self-auditing its performance against its QA Plan with the results meeting or exceeding the requirements in the Membership Agreement.

Procedure: MERS® System QA Plan Submission

Only individuals listed as MERS® System mandatory contacts for an Org ID are authorized to complete and submit a Member’s QA Plan to MERSCORP Holdings using the eQAPlan tool on the Member website. The requirements presented in the QA Plan template are specific to a Member’s membership type.

To help protect the confidentiality of Member information, the eQAPlan tool does not email a copy of an accepted QA Plan to a Member.

Annual Report

By submitting the Annual Report, a Member acknowledges that even if a specific topic is not included in the Annual Report it must still comply with all of the requirements set forth in the Rules and Procedures.

An Annual Report covers activity since a Member’s last Annual Report submission. A Member may submit its Annual Report to MERSCORP Holdings any time after receiving the initial notice that it is due for the current year.

Requirements: Annual Report

- Servicing Members may be required to submit an Annual Report to MERSCORP Holdings. A Member’s Annual Report covers activity under its Org ID and any Affiliate Org IDs it may have. The Annual Report is due by December 31st of the current year.
- A Member’s Executive Sponsor must sign the Annual Report. To verify or change the Executive Sponsor for an Org ID, see the Member Information Contacts QRG.
- An internal or external Annual Report reviewer (“Reviewer”) must work with the Member to complete and sign the Annual Report. Refer to the Annual Report Reviewer Recommendation Guide on the Member website for detailed information.
If a Member is named as the Servicer on 1,000 or more active MIN Records as of March 31st of the current year, the Reviewer must be an external entity.

- The external Reviewer must be a third-party review organization or audit firm with demonstrable expertise and experience with performing quality assurance audits of organizations in the mortgage industry.
- In the case of a CPA firm, MERSCORP Holdings may provide an exception to allow the letter of engagement to serve as a proxy for third-party sign-off. Please contact the Help Desk for further assistance.

If a Member is named as the Servicer on less than 1,000 active MIN Records as of March 31st of the current year, the Reviewer may be an internal resource of the Member organization or an external entity. For Members using an internal Reviewer:

- The Member’s QA Officer or Legal MERS® System contacts are the only contacts who may serve as the internal Reviewer.
- Any other employee of the Member who is not affiliated with the Member’s MERS® System operations may serve as the internal Reviewer.

Each Member must save a copy of its completed yearly Annual Report for its records.

**Procedure: MERS® System Annual Report Submission**

An individual authorized to submit the Annual Report for a Member, and its Reviewer, completes and submits the Annual Report to MERSCORP Holdings electronically using the online eAnnualReport tool.

To help protect the confidentiality of Member information, the eAnnualReport tool does not return a copy of an accepted Annual Report to a Member.

**Data Reconciliation**

Members named as Servicer on the MERS® System are required to perform a periodic data reconciliation as detailed in this section.

Please refer to Reconciliation Recommendations for details on the data standardization rules that MERSCORP Holdings uses during its Quality Assurance Data Reviews.

**Requirements: Data Reconciliation**

- Each Member named as Servicer on at least one active MIN Record as of March 31st of the current year must perform a periodic two-way validation between its System of Record and the MERS® System at the required frequency listed below:
  - Monthly, if the Servicer is named on 1,000 or more MIN Records, or
  - Quarterly, if Servicer is named on less than 1,000 MIN Records.
• The data on the MERS® System must match the corresponding data on the Member’s System of Record.

• The fields subject to the Data Reconciliation Requirement vary based on whether the loan is a MERS Loan or an iRegistration.

  o For MERS Loans, see MERS Loan Data Reconciliation Requirements.

  o For iRegistration loans, see iRegistration Data Reconciliation Requirements.

  o Any other fields that contain data on the MERS® System must be reconciled with the Member’s System of Record as well except as follows:

    ▪ **Agency ID**: Is not subject to the periodic data reconciliation requirement.

    ▪ **Funding Date**: Is not subject to the periodic data reconciliation requirement.

    ▪ **Owner Occupied**: Is not subject to the periodic data reconciliation requirement.

    ▪ **Original Borrower**: If a Member’s System of Record stores Original Borrower information after an Assumption occurs, the Member must reconcile this data on the MERS® System. If the Member’s System of Record does not store Original Borrower information, the Member is not required to reconcile this data on the MERS® System.

**Member Reconciliation Extract (MRE)**

The Member Reconciliation Extract (“MRE”), available upon request from MERSCORP Holdings, is a tool designed to help a Member perform its monthly or quarterly system-to-system reconciliation between its System of Record and the MERS® System. Refer to the MRE Output File Layouts and the MRE QRG for further information about the MRE.

A Member must contact helpdesk@mersinc.org to have the MRE scheduled for its Org ID. MERSCORP Holdings, in its sole discretion, determines the MRE schedule and reserves the right to change the schedule to maintain system performance and availability.

**MERS Loan Data Reconciliation Requirements**

The MERS® System fields in the table below must be reconciled for MERS Loans. The following values are used in the Required or Conditionally Required column:

- **Required**: Must be present on all MIN Records.

- **Conditionally Required**: Must be present on all MIN Records if the data is present on the Member’s System of Record and the corresponding Conditionally-Required Field Criteria is true.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
<th>Required or Conditionally Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>MIN_NBR</td>
<td>MIN</td>
<td>Required</td>
</tr>
<tr>
<td>MIN_STAT</td>
<td>MIN Status Indicator</td>
<td>Required</td>
</tr>
<tr>
<td>Field Name</td>
<td>Field Description</td>
<td>Required or Conditionally Required</td>
</tr>
<tr>
<td>--------------------------</td>
<td>---------------------------------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td>LIEN_TYPE</td>
<td>Lien Type</td>
<td>Required</td>
</tr>
<tr>
<td>NOTE_AMT</td>
<td>Note Amount</td>
<td>Required</td>
</tr>
<tr>
<td>NOTE_DT</td>
<td>Note Date</td>
<td>Required</td>
</tr>
<tr>
<td>ORGNL_MRGTE_ID</td>
<td>Originating Org ID</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>NOTE_HLDR_NM</td>
<td>Original Note Holder</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>SERVR_ORG_ID</td>
<td>Servicer Org ID</td>
<td>Required</td>
</tr>
<tr>
<td>SUB_SERVR_ORG_ID</td>
<td>Subservicer Org ID</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>INVST_ORG_ID</td>
<td>Investor Org ID</td>
<td>Required</td>
</tr>
<tr>
<td>PPC1_ID</td>
<td>Property Preservation Company 1 Org ID</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>BORR_CORP_NM</td>
<td>Borrower Corporate Name</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>BORR_FST_NM</td>
<td>Borrower First Name</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>BORR_MID_NM</td>
<td>Borrower Middle Name</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>BORR_LST_NM</td>
<td>Borrower Last Name</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>BORR_SSN</td>
<td>Social Security Number (SSN)</td>
<td>Required</td>
</tr>
<tr>
<td>BORR_CORP_NM</td>
<td>Co-Borrower Corporate Name</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>BORR_FST_NM</td>
<td>Co-Borrower First Name</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>BORR_MID_NM</td>
<td>Co-Borrower Middle Name</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>BORR_LST_NM</td>
<td>Co-Borrower Last Name</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>BORR_SSN</td>
<td>Co-Borrower SSN</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>PROP_NBR</td>
<td>Property Street Number</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>PROP_STRT</td>
<td>Property Street Name</td>
<td>Required</td>
</tr>
<tr>
<td>PROP_UNIT_NBR</td>
<td>Property Unit Number</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>PROP_CITY</td>
<td>Property City</td>
<td>Required</td>
</tr>
<tr>
<td>PROP_ST</td>
<td>Property State</td>
<td>Required</td>
</tr>
<tr>
<td>PROP_ZIP</td>
<td>Property Zip</td>
<td>Required</td>
</tr>
<tr>
<td>PROP_DESCR_VAL</td>
<td>Property County</td>
<td>Required</td>
</tr>
<tr>
<td>SI_IN_MERS</td>
<td>MOM Indicator</td>
<td>Required</td>
</tr>
<tr>
<td>INVST_LOAN_NBR</td>
<td>Investor Loan Number</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>FHA_VA_MI_NBR</td>
<td>FHA/VA/MI Loan Number</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>POOL_NBR</td>
<td>Pool</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>SECURITIZATION</td>
<td>Securitization</td>
<td>Conditionally Required</td>
</tr>
</tbody>
</table>

Note: The PROP_DESCR_VAL field contains only one of the following: the county name where the property is located, or the corresponding FIPS Code, or ANSI Place Code.
**Conditionally-Required Field Criteria**

The following table lists each conditionally-required field in the MERS® System and the corresponding condition that makes the field required for a specific MIN Record:

<table>
<thead>
<tr>
<th>Conditionally-Required Field Name</th>
<th>Description</th>
<th>Conditional Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORGNL_MRGTE_ID</td>
<td>Originating Org ID</td>
<td>Required if the originator of a MOM or Non-MOM loan is a Member.</td>
</tr>
<tr>
<td>NOTE_HLDR_NM</td>
<td>Original Note Holder</td>
<td>Required if the originator of a Non-MOM loan is not a Member.</td>
</tr>
<tr>
<td>SUB_SERVR_ORG_ID</td>
<td>Subservicer Org ID</td>
<td>Required if a Servicer uses a Subservicer to service its loans, and the Subservicer needs to process transactions on the MERS® System, or receive mail service on behalf of the Servicer.</td>
</tr>
<tr>
<td>BORR_CORP_NM</td>
<td>Borrower Corporate Name</td>
<td>Required if the borrower is a corporation or an individual borrower with only one name.</td>
</tr>
<tr>
<td>BORR_FST_NM</td>
<td>Borrower First Name</td>
<td>Required if the borrower is an individual.</td>
</tr>
<tr>
<td>BORR_MID_NM</td>
<td>Borrower Middle Name</td>
<td></td>
</tr>
<tr>
<td>BORR_LST_NM</td>
<td>Borrower Last Name</td>
<td></td>
</tr>
<tr>
<td>BORR_CORP_NM</td>
<td>Co-Borrower Corporate Name</td>
<td>Required if a corporation is listed as a co-borrower on a Member’s System of Record.</td>
</tr>
<tr>
<td>BORR_FST_NM</td>
<td>Co-Borrower First Name</td>
<td>Required if an individual is listed as a co-borrower on a Member’s System of Record.</td>
</tr>
<tr>
<td>BORR_MID_NM</td>
<td>Co-Borrower Middle Name</td>
<td></td>
</tr>
<tr>
<td>BORR_LST_NM</td>
<td>Co-Borrower Last Name</td>
<td></td>
</tr>
<tr>
<td>BORR_SSN</td>
<td>Co-Borrower Social Security number</td>
<td></td>
</tr>
<tr>
<td>PROP_NBR</td>
<td>Property Street Number</td>
<td>Required if the property address includes a street number. The value of the street number may be included in either the Property Street Number field or the Property Street Name field.</td>
</tr>
<tr>
<td>PROP_UNIT_NBR</td>
<td>Property Unit Number</td>
<td>Required if the property address includes a unit number.</td>
</tr>
<tr>
<td>INVST_LOAN_NBR</td>
<td>Investor Loan Number</td>
<td>Required if an Agency requires an Investor Loan Number for its loans in securities.</td>
</tr>
<tr>
<td>FHA_VA_MI_NBR</td>
<td>FHA/VA/MI Loan Number</td>
<td>Required if an Agency requires an FHA/VA Case Number or MI Certificate Number on its loans.</td>
</tr>
<tr>
<td>POOL_NBR</td>
<td>Pool Number</td>
<td>Required if an Agency requires a Pool Number for its loans in securities.</td>
</tr>
<tr>
<td>SECURITIZATION</td>
<td>Securitization</td>
<td>Required for loans that are part of a non-Agency securitization.</td>
</tr>
</tbody>
</table>
Quality Assurance Reviews

**MERSCORP Holdings** conducts periodic Quality Assurance (“QA”) Reviews to evaluate compliance with the requirements set forth in the **Membership Agreement** and monitor the effectiveness and accuracy of a Member’s training, tools, processes, and procedures. These QA Reviews may include, but are not limited to, an assessment of the **MERS Documents** related to a Member’s **MERS Loans** and a review of the data on the Member’s **System of Record** related to these loans.

### Requirements: Quality Assurance Reviews

If a Member or an Affiliate Org ID is selected for one of the following QA Reviews, it must participate in good faith throughout the entire process, which includes addressing any items identified in a post-review action plan.

<table>
<thead>
<tr>
<th>QA Review</th>
<th>Description</th>
</tr>
</thead>
</table>
| Data Review     | - A system-to-system comparison of active MIN Record data from the MERS® System and the Member’s System of Record that verifies all the required and conditionally-required fields on the MERS® System match the Member’s System of Record, including MIN Record status and the Servicer, Subservicer, and Investor fields.  
- A Member is selected for a Data Review because it is the current Servicer for MERS Loans.  
- The Member provides a set of tab-delimited text files containing data for its active MERS Loans from its System of Record as of a certain date, and MERSCORP Holdings compares this data to an extract from the MERS® System as of the same date.  
- May include an action plan for the Member to remediate any cited findings.  
- **iRegistration** loans are not reviewed by MERSCORP Holdings during a Data Review. |
| Document Review | - Evaluates a Member’s compliance with the MERS® System requirements concerning actions taken in the name of MERS and the transactions performed on the MERS® System.  
- A Member may be selected for a Document Review based on the size of its active MIN Record portfolio, by random selection, or for adverse reasons.  
- MERSCORP Holdings selects a random sample of the Member’s MIN Records and requests documentation based upon each MIN Record’s status.  
- May include an action plan for the Member to remediate any cited errors. |
<p>| Compliance Review | - May cover any aspect of a Member’s MERS® System operations and may include a discussion on process improvement opportunities or required training. |</p>
<table>
<thead>
<tr>
<th>QA Review</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Scheduled with a Member in advance and may be conducted on-site.</td>
</tr>
<tr>
<td></td>
<td>• May be at the Member’s expense.</td>
</tr>
<tr>
<td></td>
<td>• May result in an action plan for the Member to address any cited mismatches.</td>
</tr>
<tr>
<td></td>
<td>• MERSCORP Holdings reserves the right to examine the <em>Purchase and Sale Agreement</em> to determine if a transfer meets the <em>Flow</em> criteria or a sale of servicing occurred.</td>
</tr>
</tbody>
</table>
MERSCORP Holdings Mail Services

The MERSCORP Holdings Mail Center and Help Desk are responsible for ensuring that mail and service of process received by MERS as a result of being named as Mortgagee in the public land records is promptly forwarded to the Servicer or Subservicer identified in the MERS® System for the relevant MIN Record. Mail may continue to be sent to a Servicer or Subservicer after their membership has been resigned or terminated. If the memberships of both the Servicer and Subservicer are resigned and/or terminated, mail is forwarded to the current Investor identified in the MERS® System for the relevant MIN Record.

Mail is indexed to the appropriate MIN, scanned, and the electronic image is sent to the Member’s GAL email address.

The MERSCORP Holdings Mail Center makes reasonable efforts to identify and forward:

- **Urgent Mail** to the designated Servicing Member within two (2) business days of receipt, and
- **Non-Urgent Mail** within five (5) business days of receipt.

MERS should never receive, and will not forward, mail or service of process for iRegistration loans unless the loan was previously a MERS Loan.

The MERS mail address should not be given to organizations that normally direct mail to a Servicer and Subservicer (e.g., hazard insurance companies, taxing authorities).

All paper mail is stored for 30 calendar days after imaging and then destroyed.

Requirements: Service of Process and Other Mail

- A Member must maintain a valid GAL email address that is monitored daily.
- A Member must review and respond to service of process documents forwarded by the Help Desk.
- A Member must ensure that all mail it receives that is subject to Rule 14 of the Rules is handled in accordance with the requirements set forth in the Rule (see Rules for details).
- If a Member receives imaged mail for a loan that it is no longer servicing, it must forward the imaged mail to the loan’s new Servicer. If the Member does not have this information or the new Servicer is no longer in business, the imaged mail should be sent to the Help Desk.

Procedure: Unidentified Mail

1. The MERSCORP Holdings Mail Center receives mail throughout the day and attempts to identify the MERS Loan associated with it based on information in the mail and/or by using the MERS® System.
2. If a mail document cannot be matched to a MERS Loan, the Help Desk:
- Creates a record to track that document as unidentified mail, and
- Contacts the sender of the mail for further identifying information.

3. The list of unidentified mail records is uploaded daily to the Member website.

4. Members review the unidentified mail list to determine if any items pertain to one of their borrowers or properties.

5. If a Member is able to claim an unidentified mail record, the employee reviewing the unidentified mail clicks the Case # link to send an email to the Help Desk.

6. If the Servicer remains unidentified, the Help Desk searches the public land records. An external research fee, as specified in the MERS® System Fee Schedule, is charged on a per-loan basis. If the loan belongs to a Resigning Member, this fee is charged to the active Member associated with the loan and/or requesting the research.

7. For items successfully routed to the Member, the Help Desk also handles the disposition of the original mail:
   - Original Mortgage documents and funds are forwarded to the Member.
   - For original Mortgage documents, the Help Desk reviews the Member Profile to determine how to forward the documents (regular mail or overnight delivery at the Member’s expense).
Corporate Resolution Management System ("CRMS")

The CRMS is the web application used for the certification and appointment of MERS Signing Officers. It can be accessed online at https://crms.mersinc.org. Certification consists of reading the MERS Signing Officer Primer and then passing an examination (the “Certification Exam”) in the CRMS. Appointment refers to the issuance of a Corporate Resolution by MERS granting limited authority to an individual(s) to act in the name of MERS as its officer(s). For more information on the authority of Signing Officers, see Appendix A.

During or after Integration, a Member may be set up with an account in CRMS. The same Org ID used to identify a Member in the MERS® System is used to identify it in the CRMS. Once its account has been set up in CRMS, a Member may also request to establish a Signing Authority Agreement (“SAA”) for the purpose of MERS granting authority to a Vendor or law firm (“SAA Vendor”) with which the Member has contracted. A Member manages its SAA in CRMS under an account referred to as an SAA Relationship.

Within the CRMS, a user’s access to functionality and information depends on the role(s) assigned to him/her. The table below provides an overview of the available CRMS user roles.

<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRMS Manager (“CM”)</td>
<td>Manages an Org ID or SAA Relationship, including adding, removing, editing, and unlocking users. The CM role is assigned during Integration. The CM may later set up a second CM.</td>
</tr>
<tr>
<td>CRMS Manager Admin (“CMA”)</td>
<td>Optional role that assists CM with management of an Org ID or SAA Relationship. Has access to the same functionality and information as a CM but is unable to submit requests for Corporate Resolutions and SAAs, request deactivation of Member’s CRMS account, terminate an SAA, or perform the Quarterly Attestation.</td>
</tr>
<tr>
<td>Signing Officer (“SO”)</td>
<td>An individual selected for certification and appointment as an officer of Mortgage Electronic Registration Systems, Inc. with specified authorities. Able to retrieve Corporate Resolution(s) currently granting him/her authority.</td>
</tr>
<tr>
<td>View Only Contact (“VOC”)</td>
<td>Optional role. Able to retrieve Corporate Resolutions and SAAs.</td>
</tr>
<tr>
<td>Member Signer (“MS”)</td>
<td>Individual who reviews an SAA on behalf of the Member party and is authorized by the Member to sign the SAA on its behalf.</td>
</tr>
<tr>
<td>Vendor Signer (“VS”)</td>
<td>Individual who reviews an SAA on behalf of the Vendor party and is authorized by the Vendor to sign the SAA on its behalf.</td>
</tr>
</tbody>
</table>

A CRMS user guide is accessible from the CRMS Help menu. The user guide provides step-by-step guidance on the features and functionality of the CRMS.

Note: The CRMS does not use ICE SSO. User credentials are established by a CM or CMA.
Requirements: CRMS

- Only **Signing Officers** are permitted to act in the name of **MERS**. A Signing Officer’s actions must comply with the **Rules**, the **Procedures**, applicable laws, rules and regulations, and the terms of the specific **Corporate Resolution** that is the source of his/her authority.

- Each Signing Officer must certify prior to being appointed by a Corporate Resolution and must maintain his/her certification by recertifying annually during the recertification period, which occurs in the month of October. If a Signing Officer’s certification expires then any authority granted to him/her by MERS is revoked.

- Each Signing Officer must be appointed by a Corporate Resolution. Any authority granted by a Corporate Resolution to a Signing Officer is revoked upon revocation of such Corporate Resolution.

- Only officers of a **Member** are eligible for appointment as Signing Officers pursuant to a Corporate Resolution issued to such Member. If a Member has no officers then, subject to review and approval of a Rule 3 Exception by **MERSCORP Holdings** and MERS, only employees of such Member who hold a position that is equivalent to that of an officer are eligible for appointment as Signing Officers pursuant to a Corporate Resolution issued to such Member.

- For Signing Officers appointed by a Corporate Resolution issued pursuant to an **SAA**:
  - If the SAA **Vendor** is a vendor (i.e. non-law firm) then only officers of the SAA Vendor are eligible for appointment as Signing Officers.
  - If the SAA Vendor is a law firm then only licensed attorneys employed by such law firm who are in good standing with a state bar are eligible for appointment as Signing Officers.

- Each SAA Vendor is required to have an active **MERS® System** membership.

- At least monthly, the Member must review its Corporate Resolution and attached list of Signing Officers to ensure that each is current and accurate. This is an internal check and is separate and apart from the Quarterly Attestation that Members are required to perform in the CRMS.

- Each Member to which a Corporate Resolution has been issued, and has not been revoked, must perform the Quarterly Attestation in CRMS for its **Org ID**. If a Member manages an SAA Relationship in CRMS and a Corporate Resolution has been issued pursuant to an SAA, and has not been revoked, the Member must perform the Quarterly Attestation for such SAA Relationship. The Quarterly Attestation is due no later than the last day of the month that is three (3) months since the last Quarterly Attestation or request for Corporate Resolution.

- The following information is required to be provided and kept accurate and up-to-date in CRMS for each Signing Officer:
  - First Name: Must be the individual’s full first name. May be a first initial only if a full middle name is provided.
o Middle Name: Must be the individual’s full middle name or his/her middle initial. Not required only if the individual does not have a middle name.

o Last Name: Must be the individual’s full last name.

o Job Title: Must be the title the individual holds with the Member making him/her eligible to be appointed as a Signing Officer (i.e. title as an officer or, if applicable, officer-equivalent).

o Email Address: Must be issued to the individual by the Member for the purpose of business correspondence. Personal email addresses are not permitted. Must be unique to the individual, meaning it cannot be a shared inbox or distribution list.

- Each Member with an account in CRMS is responsible for designating an individual as its CM and maintaining accurate and up-to-date information for him/her in CRMS. This requirement also applies to any active SAA Relationships established by the Member in CRMS.

### Procedure: Requesting a Corporate Resolution Appointing Signing Officers

A CM may request from MERS a Corporate Resolution appointing Signing Officers. To update the list of Signing Officers for an Org ID or SAA Relationship, the CM must request a new Corporate Resolution, which becomes effective upon execution by MERS and replaces any prior Corporate Resolution. To request a Corporate Resolution, the CM must do the following:

1. The CM logs into the CRMS using CRMS login credentials and selects the Org ID or SAA Relationship for which a Corporate Resolution will be requested.

2. The CM navigates to the Corporate Resolution tab and selects Create Corporate Resolution Request.

   a) If the request pertains to an Org ID, not an SAA Relationship, and it is the first time that a Corporate Resolution is being requested then the CM will have the option to select Request Rule 3 Exception. This should only be selected if the Member does not have any officers in its organization. See Procedure – Rule 3 Exception.

   b) If the request pertains to an SAA Relationship, the CM will only be able to request a Corporate Resolution after an SAA has been fully-executed.

   c) If this is not the first time that a Corporate Resolution is being requested then the CM will have the option of selecting Use previous Signing Officer List as baseline for new Corporate Resolution. This is the default option, and it allows the CM to add or remove Signing Officers from the list of Signing Officers appointed by the previous Corporate Resolution.

3. The CM can add users and assign them the role of Signing Officer from either the Pending Signing Officers pane appearing in the Corporate Resolution tab or from the Manage Users tab:
From the *Pending Signing Officers* pane, the CM selects the *Add* button and a box spawns in which the CM must provide the required user information and assign the role of *SO*. The CM selects *Submit* when finished and closes out of the box.

From the *Manage Users* tab, the CM selects the *Add User* button and a box spawns in which the CM must provide the required user information and assign the role of *SO*. The CM selects *Submit* when finished and closes out of the box.

The CM can remove Signing Officer users from either the *Pending Signing Officers* pane appearing in the *Corporate Resolution* tab or from the *Manage Users* tab:

From the *Pending Signing Officers* pane, the CM selects the box beside the user he/she wishes to remove and selects *Remove*.

From the *Manage Users* tab, the CM selects the box beside the user he/she wishes to remove and selects *Remove User*.

When the CM is finished adding or removing Signing Officer users, he/she selects *Request Corporate Resolution* from the *Pending Request* pane of the *Corporate Resolution* tab.

A box containing an attestation spawns. The CM must perform the attestation. The request is only fully-submitted to MERS when all Signing Officer users have completed certification.

The CM is notified by email from the CRMS when the request for a Corporate Resolution is approved or rejected.

If the request is approved, MERS issues a Corporate Resolution appointing the Signing Officers. The CM may retrieve the Corporate Resolution, which is saved as a PDF file and includes the list of appointed Signing Officers from the *Corporate Resolutions* pane of the *Corporate Resolution* tab of the Org ID or SAA Relationship.

If the request is rejected, the email from the CRMS provides the rejection reason and no Corporate Resolution is issued by MERS.

Note: A CMA can also add or remove Signing Officer users, but only a CM can request a Corporate Resolution.

**Procedure: Signing Officer Certification**

To complete the certification process, a *Signing Officer* user must do the following:

1. The Signing Officer logs into the *CRMS* using CRMS login credentials and selects *Download Signing Officer Primer* from the left-hand menu to download the current *MERS Signing Officer Primer*. The *MERS Signing Officer Primer* is also included in these Procedures as *Appendix A*.

2. When the Signing Officer has read and understands the contents of the *MERS Signing Officer Primer* he/she navigates to the *Certification* tab.

3. Within the *Certification* tab an attestation appears. The Signing Officer must complete the attestation before proceeding to the Certification Exam.
4. The Certification Exam is a ten (10) question exam that tests on the contents of the MERS Signing Officer Primer. To pass the Certification Exam, the Signing Officer must answer at least eight (8) questions correctly.

5. When the Signing Officer has answered all questions in the Certification Exam, he/she is given the opportunity to review the answers before submitting them for scoring. To return to a question and change an answer the Signing Officer selects the answer choice he/she wants to change and the CRMS returns to that question. The Signing Officer may then change the answer and select Return to Answer Review to return to the review screen where all answers appear.

6. When the Signing Officer wishes to submit the Certification Exam answers for scoring, he/she selects Submit.

7. The CRMS informs the Signing Officer if he/she passed or failed the Certification Exam on both the user interface and via email.
   a) If the Signing Officer passed the Certification Exam then his/her certification status updates to Test Passed and he/she is certified until the end of the next recertification period, which occurs in October. The Signing Officer is not authorized to act for MERS until he/she has been appointed by a Corporate Resolution.
   b) If the Signing Officer failed the Certification Exam then his/her certification status does not change and he/she must wait until the next day to retake the Certification Exam. Signing Officers only have three (3) attempts to pass the Certification Exam before their certification status becomes Ineligible. An Ineligible Signing Officer is permanently ineligible to be a Signing Officer for MERS and his/her access to the CRMS in that role is denied.

   Note: Signing Officer recertification consists of the same procedure as certification.

Procedure: Rule 3 Exception

If a Member does not have officers, and therefore no one from its organization would be eligible to be a Signing Officer, the Member’s CM must do the following if the Member wishes to obtain signing authority from MERS for its employees:

1. During the process of requesting an initial Corporate Resolution, the CM logs into the CRMS using CRMS login credentials, navigates to the Corporate Resolution tab, and selects Request Rule 3 Exception.

2. MERSCorp Holdings contacts the CM and requests documentation demonstrating that the Member does not have officers. Relevant documentation may include, but is not limited to, incorporating documents, internal board resolutions, and organizational charts.

3. MERS reviews and determines whether to approve or reject the Rule 3 Exception request.
   o The CM is notified by email of MERS’s determination and may then follow the procedure for requesting a Corporate Resolution. Only if the Rule 3 Exception was approved may the CM assign the role of Signing Officer to users who are employees of the Member who hold a position that is equivalent to that of an officer.
Procedure: Requesting a Signing Authority Agreement ("SAA")

To request an SAA, the Member’s CM must do the following:

1. The CM logs into the CRMS using CRMS login credentials and selects the Member’s Org ID.
2. The CM navigates to the SAA tab and selects Request New SAA.
3. From the box that spawns on the screen, the CM selects an SAA Vendor from the dropdown menu.
4. The CM provides information to identify the Member Signer in the fields that appear.
5. The CM provides information to identify the Vendor Signer in the fields that appear.
6. The CRMS sends an email to the Member Signer and Vendor Signer, providing each of them with login credentials and the link to access the CRMS and review the SAA.
   a) If either the Member Signer or Vendor Signer rejects the SAA then the CM is notified of such, no SAA is established and the procedure ends.
   b) If the Member Signer and Vendor Signer approve the SAA then their electronic signatures are applied to it and the CM is notified that the SAA is awaiting signatures by MERSCORP Holdings and MERS.
7. The CRMS notifies the CM via email when MERSCORP Holdings and MERS approve or reject the SAA.
   a) If either MERSCORP Holdings or MERS reject the SAA, no SAA is established and the procedure ends.
   b) If MERSCORP Holdings and MERS approve the SAA, they each electronically sign the SAA. The SAA is now fully-executed and effective and the CM may follow the procedure for requesting a Corporate Resolution.

Note: Only after an SAA has been fully-executed may the CM request a Corporate Resolution for an SAA Relationship. While the SAA is under review the CM can get a head start on the process of requesting a Corporate Resolution by identifying Signing Officer users so that they can access the CRMS and complete their certification.

Procedure: Terminating a Signing Authority Agreement ("SAA")

An SAA may be terminated via the CRMS by a CM or by MERS or MERSCORP Holdings. To terminate an SAA, the CM must do the following:

1. The CM logs into the CRMS using CRMS login credentials and selects the SAA Relationship.
2. The CM navigates to the Corporate Resolution tab, selects Terminate SAA, and confirms.
3. The SAA is terminated, meaning it is no longer effective. Any Corporate Resolution issued pursuant to the SAA is revoked and any authority granted to Signing Officers is
revoked as well.

4. The CM and any Signing Officers are notified of the termination and revocation via email.

5. The Member’s access to the SAA Relationship in CRMS is denied.

Procedure: Deactivating the Member's CRMS Account

If a Member determines that it does not need signing authority from MERS, it can request deactivation of its account in CRMS. To deactivate the CRMS account for an Org ID, the CM must do the following:

1. The CM logs into the CRMS and selects the Org ID for which deactivation will be requested.

2. The CM navigates to the Corporate Resolution tab and selects Deactivate CRMS Account, which sends a request to MERS to approve deactivation of the Member’s CRMS member account.

3. The CM is notified via email once MERS approves or rejects the deactivation request.

4. If a CRMS account is deactivated, any Corporate Resolution issued to the Member is revoked and any authority granted to Signing Officers is revoked as well.

5. The CM and any Signing Officers are notified of the revocation via email.

6. The Member’s access to the Org ID in CRMS is denied.

Note: Once an Org ID in the CRMS is deactivated, the Member is unable to access it in the CRMS. The CM should download copies of any Corporate Resolutions for the Member’s records prior to the deactivation of the Org ID in the CRMS.

Procedure: Quarterly Attestation

The CRMS notifies the CM via email when the Quarterly Attestation becomes due for an Org ID or SAA Relationship. The CM can also track when the Quarterly Attestation is due and has been performed from the Status and Report tabs of the account. To fulfill the Quarterly Attestation requirement, the CM must do the following:

The CM logs into the CRMS and selects the Org ID or SAA Relationship for which the Quarterly Attestation will be performed.

The CM retrieves the current Corporate Resolution by selecting the PDF file appearing beneath the text Download your current Corporate Resolution in the left-hand menu or by navigating to the Corporate Resolution tab, selecting the most recent Corporate Resolution, and selecting Download Corporate Resolution.

1. The CM reviews the Corporate Resolution and the attached list of Signing Officers to confirm that the list is accurate, up-to-date and each individual listed continues to hold a
position that makes him/her eligible to be a Signing Officer under the relevant Corporate Resolution.

a) If the CM confirms that the list is accurate, up-to-date and the eligibility requirements are met, the CM navigates to the Quarterly Attestation pane of the Status tab, selects Submit Attestation, spawning a box containing an attestation, and completes the attestation.

b) If the CM is unable to confirm that the list is accurate, up-to-date and/or the eligibility requirements are met, the CM makes the necessary changes and follows the procedure for requesting a Corporate Resolution. The request for a new Corporate Resolution fulfills the Quarterly Attestation requirement.

System Actions: CRMS Statuses for Org IDs and SAA Relationships

Each **Org ID** and **SAA Relationship** in CRMS has a CRMS status indicating what, if any, activity has occurred under that account concerning the certification and appointment of **Signing Officers** and the status of the **Member’s MERS® System** membership. The table below provides a description of the CRMS statuses.

<table>
<thead>
<tr>
<th>CRMS Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>A CM has not started the process for requesting a Corporate Resolution.</td>
</tr>
<tr>
<td>Draft</td>
<td>A CM has started, but not finished the process for requesting a Corporate Resolution. The option to add the SO role to a user account is only available when the CRMS Status is Draft.</td>
</tr>
<tr>
<td>Submission Pending</td>
<td>A CM has selected to request a Corporate Resolution, but because one or more SOs are not in a certification status of Test Passed or Testing the CRMS has not advanced the request to MERS for approval or rejection.</td>
</tr>
<tr>
<td>Submitted</td>
<td>A CM has selected to request a Corporate Resolution and because all SOs are in a certification status of Test Passed or Testing the CRMS has advanced the request to MERS for approval or rejection.</td>
</tr>
<tr>
<td>Auto-Submitted</td>
<td>The CRMS has submitted a request for a Corporate Resolution due to the CRMS Status of an SO(s) changing to Ineligible or Expired. A CM cannot cancel an auto-submitted request for a Corporate Resolution.</td>
</tr>
<tr>
<td>Approved</td>
<td>MERS approved a request for, and issued, a Corporate Resolution.</td>
</tr>
<tr>
<td>Rejected</td>
<td>MERS rejected a request for a Corporate Resolution. A Corporate Resolution was not issued.</td>
</tr>
<tr>
<td>Deactivation Pending</td>
<td>A request to deactivate the Org ID in the CRMS was submitted and is pending approval or rejection by MERS.</td>
</tr>
<tr>
<td>Deactivated</td>
<td>MERS approved the request to deactivate the Org ID in the CRMS. Access to the Org ID in the CRMS is denied, and any Corporate Resolution is revoked.</td>
</tr>
<tr>
<td>Revoked</td>
<td>For an Org ID, MERS has revoked the Corporate Resolution. The Member retains its access to the Org ID. For an SAA Relationship, the SAA has been terminated and any Corporate Resolution has been revoked. Access to the SAA Relationship in the CRMS is denied.</td>
</tr>
</tbody>
</table>
## System Actions: Changes in Status of MERS® System Membership

The resignation or termination of a Member’s MERS® System membership results in the following:

- The **CRMS** status of the Member’s **Org ID** updates to **Resigned** or **Terminated**, as appropriate, and the Member’s access to the Org ID in the CRMS is denied.
- Any **Corporate Resolution** issued to the Member is revoked and any authority granted to **Signing Officers** is revoked as well.
- The CRMS status of any **SAA Relationship** managed by the Member, or involving the Member as an SAA Vendor, updates to **Revoked** and the Member’s access to such SAA Relationships is denied.
- Any SAAs to which the Member is a party are terminated. Any Corporate Resolutions issued pursuant to such SAAs are revoked and any authority granted to Signing Officers is revoked as well.
- The CRMS notifies the Member and any affected Signing Officers via email about the resignation/termination and its consequences.

## System Actions: Auto-Submission of Request for a Corporate Resolution

If a **Corporate Resolution** has been issued, and has not been revoked, for an **Org ID** or **SAA Relationship**, the **CRMS** will automatically submit a request for a Corporate Resolution, which cannot be canceled by the **CM**, upon the occurrence of any of the following:

- The **Member** informs **MERSCORP Holdings** of a change in its name. The list of Signing Officers submitted for appointment remains unchanged from the list of **Signing Officers** attached to the Member’s existing Corporate Resolution. See **Membership Changes**.
• The certification status of a Signing Officer appearing on the list of Signing Officers attached to the Member’s Corporate Resolution updates to *Expired*. The *Expired* Signing Officer is removed from the list of Signing Officers submitted for appointment.

• The certification status of a Signing Officer appearing on the list of Signing Officers attached to the Member’s Corporate Resolution updates to *Ineligible*. The *Ineligible* Signing Officer is removed from the list of Signing Officers submitted for appointment.
MERS Documents

A MERS Document is any document that creates or affects an interest held by MERS or that makes a representation by or about MERS; this includes, but is not limited to, Security Instruments, Lien Releases, Assignments to MERS, Assignments from MERS, Modification Agreements, substitutions of trustee, subordinations, and legal pleadings.

In this section, the requirements for MERS Documents are organized into three (3) categories:

- **General:** These requirements apply to all MERS Documents. Only in those instances where a general requirement conflicts with a document-specific or state-specific requirement does it not apply.

- **Document-Specific:** These requirements apply only to certain types of MERS Documents. Document-Specific Requirements exist for the following types of MERS Documents:
  - Security Instruments
  - Assignments from MERS
  - Assignments to MERS
  - UCC Financing Statements
  - Substitutions of Trustee
  - Lien Releases
  - Modification Agreements

- **State-Specific:** These requirements apply only to MERS Documents in certain states. Members are prohibited from applying the state-specific requirements in any other states or jurisdictions. State-Specific Requirements exist for the following states:
  - Colorado
  - Indiana
  - Mississippi
  - New York
  - Pennsylvania
  - Louisiana
  - Maine
  - Montana
  - Oregon
  - Washington

To assist Members by illustrating some of the MERS Document requirements, several sample MERS Documents are available on the Member website. The sample MERS Documents are only intended as guidance and do not necessarily adhere to any particular jurisdiction’s requirements or address all requirements for each document type.

Members should contact MERSCORP Holdings if they become aware of any potential conflict between the MERS Document requirements and jurisdictional requirements.

**Requirements**

Members are responsible for complying with the MERS Document requirements and for ensuring that MERS Documents comply with applicable laws, rules, and regulations.
General Requirements

Name and Role of MERS:

- **MERS** must be referred to by its full legal name: Mortgage Electronic Registration Systems, Inc. The acronym MERS may only be used after being defined (e.g. Mortgage Electronic Registration Systems, Inc. (“MERS’’)).

- Subject to state-specific requirements, MERS must be referred to as:
  - **Mortgagee**, if the Security Instrument is a Mortgage
  - Beneficiary, if the Security Instrument is a deed of trust
  - Grantee, if the Security Instrument is a security deed

- Subject to state-specific requirements, MERS may also be referred to as a nominee. When referring to MERS as a nominee, the language “its successors and assigns” must appear after the **Lender** for which MERS is identified as nominee.
  - For a **MOM** loan, the Lender identified should be the original Lender named on the Security Instrument.
  - For a **Non-MOM** loan, the Lender identified should be the Lender identified in the *Assignment to MERS*, but if no Lender was identified in the Assignment to MERS then the **Lender** identified should be the current Lender.
  - When assigning a Mortgage to MERS, if referring to MERS as nominee for the Lender and Lender’s successors and assigns, the Lender identified should be the note owner or note holder.

Note: Even when referring to MERS as a nominee, the requirement to refer to it as mortgagee/beneficiary/grantee still applies. The only exception to this requirement is in Montana, Oregon, and Washington where MERS’s role is as nominee of the beneficiary and beneficiary’s successors and assigns. See **State-Specific Requirements** for details.

- Examples of proper ways for MERS’s name to appear:
  - Mortgage Electronic Registration Systems, Inc., as mortgagee
  - Mortgage Electronic Registration Systems, Inc., as beneficiary
  - Mortgage Electronic Registration Systems, Inc., as grantee
  - Mortgage Electronic Registration Systems, Inc., as mortgagee, as nominee for [Lender], its successors and assigns
  - Mortgage Electronic Registration Systems, Inc., as beneficiary, as nominee for [Lender], its successors and assigns
  - Mortgage Electronic Registration Systems, Inc., as grantee, as nominee for [Lender], its successors and assigns

- MERS should not be referred to as:
- Servicer
- Lender
- Beneficial owner
- Investor
- Trustee
- Note owner
- Financial institution

- Do not use the term beneficial interest to describe the interest MERS holds in a Mortgage.
- MERS should only be referred to as note holder if in fact MERS is the promissory note holder and the Member can demonstrate such.

Address for MERS:

- An address for MERS is required to appear on the Mortgage of any MOM loan and on any Assignment to MERS. An address for MERS may appear on any other MERS Document, but is not required unless required by the applicable jurisdiction.
- Subject to state-specific requirements where required or where it otherwise may appear, the address for MERS should appear as P.O. Box 2026, Flint, MI 48501-2026.
- The MERS address must not be used as the return address for documents sent for Recordation.

MIN:

- For MERS Loans, the MIN is required on the first page of any recordable MERS Document (not including the cover page).
- The MIN may appear on the Note of a MERS Loan.
- The MIN is not required to appear in legal pleadings.

SIS Number:

- For MERS Loans, the SIS Number is required on any recordable MERS Document.
- The SIS Number should appear in one of the following ways:
  - (888) 679-6377
  - (888) 679-MERS
- The SIS Number is not required to appear in legal pleadings.
Effective Date:

- A MERS Document should not have an effective date that is different from the date it was signed.

Documents Signed by MERS:

- Documents signed by MERS should only be signed by Signing Officers acting within the scope of authority granted to them by MERS in a current MERS Corporate Resolution.
- When signing for MERS, Signing Officers must use a title granted to them by MERS (i.e. Assistant Secretary, Assistant Vice President, or Vice President).
- The printed first and last name of a Signing Officer on a document he/she signs for MERS must exactly match his/her name on the MERS Corporate Resolution that is the source of his/her authority; the middle name is not required to appear in print on the document, but if it does then it too must match exactly to the name on the MERS Corporate Resolution. If only a first initial appears on the MERS Corporate Resolution (due to the Signing Officer’s full middle name being provided as an alternative) then the printed name on the document must include first initial, middle name, and last name and match exactly to the MERS Corporate Resolution.
- The signature of a Signing Officer on a document he/she signed for MERS must be consistent with the printed name appearing for him/her on such document.

Corporate Seal:

- If required by law or otherwise to apply a seal to a MERS Document signed by MERS, the MERS corporate seal must be used.

A JPG image of the MERS Corporate Seal is available for download from the Announcements section of the CRMS and should be used when ordering a MERS Corporate Seal through the Member’s office supply vendor.

Notarization:

- MERS Documents are required to comply with any and all applicable laws, rules, and regulations pertaining to notarization.
Document-Specific Requirements

Security Instruments:

- The Security Instrument must convey legal title to MERS establishing it as the Mortgagee. Fannie Mae and Freddie Mac have published state-specific uniform Security Instruments with instructions for naming MERS as Mortgagee. These uniform Security Instruments generally contain three sections pertaining to MERS: the Definitions Section, the Granting Clause, and the Disclosure Section. The sample language appearing in this subsection is only provided as guidance.
  
  - Definitions Section: Identifies the various parties to the Mortgage loan and explains their respective roles.
    
    “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 mortgagee under this Security Instrument. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

  - Granting Clause: Express conveyance of certain property rights by the borrower.
    
    Borrower does hereby mortgage, grant and convey to MERS (solely as nominee for Lender and Lender’s successors and assigns) and to the successors and assigns of MERS, the following described property...

  - Disclosure Section: Acknowledgment by the borrower of the interests held by MERS and MERS’s authority to exercise rights given to a Mortgagee, including discharging the Mortgage and foreclosing.
    
    Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender’s successors and assigns) has the right: to exercise any or all of those interests, including but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

Assignments from MERS:

- Language indicating that MERS is assigning the Note (e.g. together with the note or together with the indebtedness) is prohibited in an Assignment from MERS.

- Use of the word sells to describe the action being taken by MERS is prohibited in an Assignment from MERS.
Assignments to MERS:

- Language indicating that the **Note** is being assigned to **MERS** (e.g. together with the note or together with the indebtedness) is prohibited in an **Assignment to MERS**.

- Use of the word *sells* to describe the action being taken by the assignor to MERS is prohibited in an Assignment to MERS.

Substitutions of Trustee:

- **MERS** should not be substituted as trustee.

Lien Releases:

- **Lien Releases** should not indicate that the debt has been paid to **MERS**.

Modifications:

- **MERS** should not sign a modification solely of the **Note**. Any modification of the Note should be signed by the **Lender**. MERS, as **Mortgagee**, may only sign a modification of the **Mortgage**. If a modification is of both the Mortgage and the Note, and MERS is Mortgagee, then both MERS and the Lender should sign the modification.

UCC Financing Statements and Amendments

- **MERS** must be referred to by its full legal name “Mortgage Electronic Registration Systems, Inc.” in the appropriate section of the UCC forms as noted in the table below.

- Because MERS’s role is clearly stated on the UCC forms, no further reference to its role is required on the UCC forms.

- The address for MERS is subject to the general Address Requirements for all MERS Documents and must be included in the appropriate section of the UCC forms as noted in the table below.

<table>
<thead>
<tr>
<th>UCC Form Type</th>
<th>Location of MERS’s Name and Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCC-1 naming MERS original secured party</td>
<td>Secured Party section</td>
</tr>
<tr>
<td>UCC-3 Assignment to MERS</td>
<td>Changed (New) or Added Information section</td>
</tr>
<tr>
<td>UCC-3 Assignment from MERS</td>
<td>Secured Party section</td>
</tr>
<tr>
<td>UCC-3 Termination (Paid in Full)</td>
<td>Secured Party section</td>
</tr>
</tbody>
</table>

- The **MIN** is required in the **Optional Filer Reference Data** section of the UCC form.

- The **SIS Number** is required in the **Optional Filer Reference Data** section of the UCC form.
State-Specific Requirements

Colorado:

- Members must request Lien Releases from public trustees in their own name, not as MERS. When requesting a Lien Release for a MOM loan secured by a deed of trust, the request form should identify “Mortgage Electronic Registration Systems, Inc., as nominee for [Lender identified in the Security Instrument], its successors and assigns” as the original beneficiary.

Indiana, Mississippi, New York, and Pennsylvania:

- Where required, the address for MERS should appear as 1901 E Voorhees St., Suite C, Danville, IL 61834; P.O. Box 2026, Flint, MI 48501-2026. This does not apply to UCC financing statements (e.g. UCC-1, UCC-3).

Louisiana:

- MERS should not be referenced as a licensed financial institution in Lien Releases.

Maine:

- Members should check with Investors regarding requirements for MERS Loans in Maine.

Montana, Oregon, and Washington:

- In Montana, Oregon, and Washington, MERS should not be referred to as the beneficiary. Instead, MERS must be referred to as the nominee of the beneficiary and beneficiary’s successors and assigns.
- Examples of proper ways for MERS’s name to appear in Montana, Oregon, and Washington:
  - Mortgage Electronic Registration Systems, Inc., as designated nominee for [Lender], beneficiary of the security instrument, its successors and assigns
  - Mortgage Electronic Registration Systems, Inc., as designated nominee for the beneficiary of the security instrument, [Lender], its successors and assigns
- Fannie Mae and Freddie Mac have published a Mortgage Electronic Registration Systems, Inc. Rider (“MERS Rider”) (Form 3158) to modify the standard Security Instruments used in these states.
- The following language must appear in any Assignment to MERS:
MERS is appointed as the nominee for the Beneficiary to exercise the rights, duties and obligations of the Beneficiary as Beneficiary may from time to time direct, including but not limited to appointing a successor trustee, assigning, or releasing, in whole or in part the Security Instrument, foreclosing or directing the trustee to institute foreclosure of the Security Instrument, or taking such other actions as Beneficiary may deem necessary or appropriate under the Security Instrument.

The Beneficiary designates MERS as the nominee for the Beneficiary and any notice required by applicable law or the Security Instrument to be served on the Beneficiary must also be served on MERS as the designated nominee for Beneficiary.
Borrower Disputes

If MERSCORP Holdings or MERS receives a dispute from an individual to correct personal information on the MERS® System (“Borrower Dispute”), MERSCORP Holdings sends the individual's request to the Servicing Member named on the MIN Record from borrower_dispute@mersinc.org as an encrypted email.

Note: Members should whitelist borrower_dispute@mersinc.org to ensure that they receive communications sent from this email address.

Requirements: Borrower Disputes

- When a Member receives a Borrower Dispute for a MERS Loan, it must investigate the disputed information and respond to the individual within 30 calendar days, in accordance with the Procedures, whether the Borrower Dispute is submitted directly to the Member by the individual or forwarded by MERSCORP Holdings on behalf of the individual.

- If the dispute involves an SSN discrepancy, the Member must update the SSN field on the MERS® System for the individual with the temporary placeholder value of 444-44-4444 to indicate that a Borrower Dispute involving an SSN discrepancy is occurring.

- The placeholder value of 444-44-4444 must be updated on the MERS® System no later than seven (7) calendar days after the conclusion of the Member’s investigation.

Procedure: Borrower Disputes

When a Member receives a borrower dispute for a MERS Loan, it must:

1. Investigate the disputed information reported by the individual.
2. Correct any disputed information on the MERS® System that it determines is inaccurate or incomplete.
3. Respond directly to the individual with the results of its investigation.
4. Comply with any other provisions of applicable law.
Disciplinary Actions

Rule 7 of the Rules governs the process by which MERSCORP Holdings may impose monetary penalties or otherwise sanction a Member for violations of the Rules or Procedures or for errors, delays or other conduct materially detrimental to the operation of MERSCORP Holdings or MERS, the MERS® System or other Members (each a “Violation”).

MERSCORP Holdings uses the email address MERS-rulenotifications@theice.com to communicate with Members about Violations. Notifications pursuant to the Disciplinary Actions process are sent to the Executive Sponsor named on the Org ID. The following MERS® System contacts may also be included depending on the Violation: the CRMS Manager (“CM”), Legal Contact, Primary Operational Contact, and QA Officer. Violation notices are not sent to a Member's GAL email address.

Note: Members should whitelist MERS-rulenotifications@theice.com to ensure that they receive communications sent from this email address.

During the latter stages of the process (e.g., Penalty Imposition, Member Lockout, Termination of Membership) MERSCORP Holdings also sends the Rule Violation notifications to the Member's Executive Sponsor via certified mail.

When replying to Violation notices, or making payment for penalties, the Member must include the Case Number assigned to the Violation to ensure that its response is associated with the correct Violation in a timely manner.

Lockout Status

MERSCORP Holdings may institute a Lockout of a Member from the MERS® System under certain conditions as provided for in the Rules or the Procedures. While a Lockout is in effect, a Member cannot log on to MERS® OnLine and is unable to perform transactions on the MERS® System.

Lockout does not relieve a Member from any of the obligations and requirements set out in the MERS® System Membership Agreement.

- A Member with an Org ID in a Lockout status must work with MERSCORP Holdings to resolve the issue that resulted in the Lockout.
- Other active Members are unable to perform transactions on any MIN Records that name a locked out Org ID as a Primary Organization.
- If an active Member needs to perform transactions on a MIN Record with a Primary Organization in a Lockout status, the active Member should contact the Help Desk for assistance.
MERSCORP Holdings Help Desk

The Help Desk serves as a point of contact for Members regarding the use of the MERS® products and services, including:

- Distribution of corporate communications from MERSCORP Holdings to Members. Members should whitelist MERS-Broadcast@mersinc.org and helpdesk@mersinc.org to ensure that they receive communications from these email addresses.
- Mailroom document processing.
- Functional and procedural questions about the MERS® System.
- Technical support, including MERS® System connectivity.

Other highlights of the Help Desk include:

- After-hours technical support for emergency technical issues.
- Support for MERS® ServicerID, the Servicer Identification System, and MERS® Link.

Contacting the Help Desk

- A Member contacts the Help Desk by phone at 1-888-680-MERS (6377) from 8 a.m. to 8 p.m. Eastern Time Monday through Friday or by email at helpdesk@mersinc.org.
- Once the Member provides its Org ID to the Help Desk representative, a Case Number is assigned to track the inquiry and ensure a timely resolution. The Case is worked and a response is provided to the Member.
- The Help Desk confirms with the Member that it has received the response.

Initiate Problem Resolution

<table>
<thead>
<tr>
<th>Description/Example</th>
<th>Service Level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Severity 1</strong>—Critical problem affecting all or most users. A complete interruption of system availability or extreme degradation of service for all Members. Example: The Production application is unavailable or major business functionality is not performing as expected.</td>
<td>Immediately</td>
</tr>
<tr>
<td><strong>Severity 2</strong>— Major problem affecting multiple users. A significant interruption of system availability or degradation of service for one or more Members. Example: The Production application is not performing as expected, with limited Member impact.</td>
<td>Within 2 hours</td>
</tr>
<tr>
<td><strong>Severity 3</strong>—Moderate problem that has a reasonable workaround. A moderate interruption of system availability or degradation of service for one or more Members for which a workaround exists.</td>
<td>Within 48 hours, except for scheduled holidays</td>
</tr>
<tr>
<td>Description/Example</td>
<td>Service Level</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Example: A Member cannot locate its SFTP password but can perform transactions through MERS® OnLine.</td>
<td></td>
</tr>
<tr>
<td><strong>Severity 4</strong>—A minor inquiry or problem that has little to no production impact. A minor interruption of system availability or degradation of service, including single user issues. Example: Non-production issues, a single User ID is not working, a general question about the application.</td>
<td>Within 5 days</td>
</tr>
</tbody>
</table>

### Receiving Email Communications from MERSCORP Holdings

*MERSCORP Holdings* sends various types of messages to *Members* via email, including service of process requests. It is critical that these messages reach the correct people and departments in the Member’s organization.

MERSCORP Holdings recommends that Members establish a dedicated email address on their corporate email system to receive official communications from MERSCORP Holdings. This email address is known as the Member’s **GAL** email address.

- A Member’s GAL email address is added to MERSCORP Holdings' email infrastructure during new Member Integration.
- All communication and mail images sent by the Help Desk are sent to the Member’s GAL email address.
- Multiple individuals should have access to the GAL email address to insure that incoming messages are monitored daily.
- The employees working the GAL email address should be trained to handle and distribute the communications received.

Member communications originating from the *MERSCORP Holdings* corporate office are generally sent to both a Member’s GAL email address and the email addresses of the following *MERS® System* contacts:

- **Compliance Officer**
- **Executive Sponsor**
- **Operational - Primary**
- **QA Officer**
- **Customer Service - Primary**
- **Legal**
- **Operational - Secondary**
- **Technical**
MERSCORP Holdings and MERS Email Messages

Email messages from **MERSCORP Holdings** and **MERS** are usually sent to **Members** in an email template called the **MERS® Customer Notification**. When a **MERS® Customer Notification** is sent, it is generally delivered to all active Members except **MERS® eRegistry Brokers**. If a **MERS® Customer Notification** is appropriate for all Members to view, it is uploaded to the **Member website** once it has been sent. **MERS® Customer Notifications** are sent from the following email address: **MERS-Broadcast@mersinc.org**.

In addition, the following table contains the list of subject line conventions used to forward mail received by MERSCORP Holdings and/or MERS to the current **Servicer** or **Subservicer** of a **MIN Record**.

<table>
<thead>
<tr>
<th>Subject Line Starts as...</th>
<th>Message Includes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail Document Type: Adversaries</td>
<td>Documents concerning an adversary proceeding</td>
</tr>
<tr>
<td>Mail Document Type: Bankruptcy</td>
<td>Any bankruptcy document not related to an adversary proceeding</td>
</tr>
<tr>
<td>Mail Document Type: Bills &amp; Invoices</td>
<td>Any document requesting or demanding an actual dollar amount</td>
</tr>
<tr>
<td>Mail Document Type: City/County Code Lawsuits</td>
<td>Any complaint or lawsuit concerning a code violation</td>
</tr>
<tr>
<td>Mail Document Type: Eminent Domain</td>
<td>Documents concerning an eminent domain action</td>
</tr>
<tr>
<td>Mail Document Type: Foreclosure</td>
<td>Documents concerning a foreclosure, including tax foreclosures, mechanic’s lien foreclosures, and homeowner’s association foreclosures</td>
</tr>
<tr>
<td>Mail Document Type: Funds</td>
<td>All funds received</td>
</tr>
<tr>
<td>Mail Document Type: Government Documents</td>
<td>Documents sent by a government entity or official. Most often a letter, notice, or memorandum of inquiry.</td>
</tr>
<tr>
<td>Mail Document Type: Lawsuit</td>
<td>Any document concerning a lawsuit, including foreclosure counterclaims and cross-claims</td>
</tr>
<tr>
<td>Mail Document Type: Notices &amp; Requests</td>
<td>Notices not included in another category, and requests not naming a dollar amount</td>
</tr>
<tr>
<td>Mail Document Type: Recordable Docs</td>
<td>Any original recorded document, and all mobile home title documents</td>
</tr>
<tr>
<td>Mail Document Type: Rejected Discharge of Mtg</td>
<td>Recordable documents rejected by local recorder or clerk</td>
</tr>
<tr>
<td>Mail Document Type: Req for Discharge of Mtg</td>
<td>Any letter or notice concerning a request for a Lien Release</td>
</tr>
<tr>
<td>Mail Document Type: Subpoenas</td>
<td>All subpoenas</td>
</tr>
<tr>
<td>Mail Document Type: Title Policy</td>
<td>Any document concerning title insurance (unless lawsuit related)</td>
</tr>
</tbody>
</table>
Reporting

The MERS® System provides monthly reconciliation reports, daily mismatch and confirmation reports, and on-request reports to help a Member verify that its transactions are processed correctly, and the data on the MERS® System matches its System of Record.

- Reports reflect the previous day’s processing and are not real-time, ad hoc reports.
- Reports can be accessed on MERS® OnLine or downloaded from the MERS® System Secure File Transfer Protocol (“SFTP”) server.
- A report for a given day includes transactions from:
  - The Flat-File Interface that were submitted up until 10:00 PM ET Monday through Friday or 2:00 PM ET Saturday, and
  - MERS® OnLine and the XML Interface that were submitted up until 11:00 PM ET (Monday through Friday) or 3:00 PM ET Saturday.

Note: Members should place their Batch files in the appropriate SFTP folder at least 30 minutes before end of day to ensure those transactions are processed for that day.

- MERSCORP Holdings bills transactions on the last business day of the month. The two-character report mnemonic for the Monthly Billing Transaction Report is “LD”.
- Once generated, the MERS® System reports are available to a Member for a minimum of ten (10) calendar days after the report date and then archived.
- All MERS® System reports that contain a field for Borrower SSN or TIN mask all but the last four digits of the data stored in the field (Example: XXXXX1234). Use the MRE to access the unmasked SSN.

MERSCORP Holdings recommends that each Member retrieve its reports before they are archived and retain them at least until the day’s activity is reconciled.

Contact the Help Desk to retrieve any archived report but note that there is a fee for this service, which is covered in the MERS® System Fee Schedule as a value-added service.

Additional information is available to help Members work with the MERS® System reports:

- For a detailed listing of the MERS® System Reports, see the Reports Handbook.
- For a brief description of each report including its Text file layout, see the MERS® System Reports Page.
- For instructions on ordering a Portfolio Analysis Report, refer to the Portfolio Analysis Report section of the MERS® OnLine User Guide or the Portfolio Analysis Report QRG.
Requirements: MERS® System Reports

- Each Member must check daily for new reports generated by the MERS® System.
- Each Member, including the registering Member, must manage to a timely, proper resolution all reject and warning messages in the MERS® System reports generated for its Org ID using the MERS® System reports or another reconciliation process or tool available to the Member.
- Each Member must have procedures in place to provide assurance that all reject and warning messages in the MERS® System reports generated for its Org ID are researched and cleared, and any new or remaining items are tracked.

Procedure: Retrieving Reports

To retrieve reports in MERS® OnLine:

1. Select Reports from the MERS® OnLine Main Menu.
2. Select the day associated with the report to be viewed.
3. Select the particular report to be viewed.
4. View, print, or save the report.
5. Review the report and reconcile it with the Member’s System of Record.
6. Correct mismatches, warnings, and rejects on each report as needed.
7. Resolve and resubmit rejected transactions to the MERS® System.
Involuntary TOS to a MERS® System Member

The transactions discussed in this section are used infrequently and should not affect most Members in their daily MERS® System operations.

For an Option 2 Investor, an involuntary Servicing Rights Transfer is performed by MERSCORP Holdings on behalf of the Investor to report the transfer of servicing from the current Servicer to another Member due to the current Servicer's default or for other reasons.

For an Option 1 Agency Investor, an involuntary Servicing Rights Transfer can be performed directly by an Agency using the TOS Option 1 (Default by Servicer) transaction if the Agency is authorized by MERSCORP Holdings to use the transaction.

Procedure: Involuntary TOS (Option 2 Investor)

- The Option 2 Investor contacts MERSCORP Holdings when it has decided to transfer servicing from one Servicer to another. The Investor identifies the current Servicer, new Servicer, Sale Date, Transfer Date, and the MIN Records involved in the transfer.
- MERSCORP Holdings initiates the TOS transaction based on the Investor’s instructions. If the current Servicer has named a Subservicer, MERSCORP Holdings creates a separate TOS transaction on behalf of the Subservicer.
  - The Investor may ask MERSCORP Holdings to set a temporary Lockout Flag for the Servicer to prevent the Servicer from logging on to MERS® OnLine or performing any transaction on the MERS® System.
  - A broader Lockout may be set for all MIN Records associated with the Servicer that also name the Investor. MERSCORP Holdings notifies all Members impacted by the Lockout via email.
- If any MINs in the Involuntary TOS Batch also exist in other pending TOS Batches, the MINs are deleted from those other Batches. This is reported on the Canceled Transfer of Servicing Rights (SG) Report.
- The Investor confirms the TOS Batch if it has noted on its Member Profile that it wishes to approve servicing transfers.
- The new Servicer also confirms the TOS Batch.
- Reporting and milestones are identical to the TOS transaction.

Procedure: Involuntary TOS (Option 1 Investor)

The TOS Option 1 (Default by Servicer) transaction allows an Agency Investor named on a MIN Record to complete a Servicing Rights Transfer without confirmation from the current or new Servicer.
MERSCORP Holdings grants an Agency Investor access to the TOS Option 1 (Default by Servicer) transaction through the Member Profile. The Member Options page in MERS® OnLine indicates if a Member is authorized to perform this transaction.

- The TOS Option 1 (Default by Servicer) transaction can be initiated in MERS® OnLine, or through the Flat-File Interface.
- An Option 1 TOS Batch cannot be confirmed, rejected, or modified, but it can be cancelled by the initiator if created in error.
- An Option 1 TOS cannot be performed for a MIN Record where:
  - The Servicer and Investor fields are populated with the same Org ID,
  - The MIN is in a pending TOB Option 1 Batch, or
  - The MIN is in a pending TOB Option 2 Batch initiated by the Investor.
- A MIN in an Option 1 TOS Batch is removed from any existing Transfer Batch, and cannot be included in any new TOB Option 2 or TOS Batch initiated by the current Servicer or Subservicer.
- A MIN is automatically deleted from a pending Option 1 TOS Batch if it is included in a new TOB Option 1 Batch.

**System Actions: Involuntary TOS Transaction**

- If a MIN already exists in a TOB Option 2 Batch, and the new Investor Org ID for the TOB Batch equals the new Servicer Org ID in the TOS Batch, the MIN cannot be rejected from the TOS Batch.
- The transaction is billed to the Investor and leaves the MIN Record active.
- System processing for an Involuntary TOS Batch is otherwise identical to a standard TOS Batch (see System Actions: TOS Transaction).
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Billing Contact</td>
<td>The Accounts Billing contact receives a Member’s monthly invoices from MERSCORP Holdings and responds to billing inquiries.</td>
</tr>
<tr>
<td>Affiliate Org ID</td>
<td>An additional Org ID issued to a Primary Member pursuant to a Primary/Secondary Relationship Agreement. An Affiliate Org ID may be used by a Primary Member to identify a department, line of business, or internal division of such Primary Member. An Affiliate Org ID shall not be used to identify a distinct legal entity.</td>
</tr>
<tr>
<td>Agency ID</td>
<td>A number assigned by a government agency to uniquely identify a Mortgage company. The Agency ID field identifies the organization that sold the loan to the Agency.</td>
</tr>
<tr>
<td>Agency Investor</td>
<td>An agency of the federal government involved in the mortgage industry. The three main agencies are Fannie Mae, Freddie Mac, and Ginnie Mae.</td>
</tr>
<tr>
<td>ANSI Place Code</td>
<td>A seven (7) digit numeric code used by the MERS® System to identify the census-designated place, incorporated place, or county subdivision where a property address is located.</td>
</tr>
<tr>
<td>Assignment</td>
<td>A transfer to another of any property, real or personal, or of any rights or estates in said property.</td>
</tr>
<tr>
<td>Assignment Date</td>
<td>The date that an Assignment to MERS or an Assignment from MERS is executed.</td>
</tr>
<tr>
<td>Assignment from MERS</td>
<td>A legal instrument/document that transfers the interest held by MERS in a Mortgage from MERS to another entity.</td>
</tr>
<tr>
<td>Assignment to MERS</td>
<td>A legal instrument/document that transfers the interest held by an entity in a Mortgage from that entity to MERS.</td>
</tr>
<tr>
<td>Associated Member</td>
<td>A Member that has been granted inquiry-only access to a MIN Record of a registered Mortgage loan by the Servicer or Subservicer.</td>
</tr>
<tr>
<td>Assumption</td>
<td>A MERS® System transaction used to report the acceptance of the obligations of a mortgage under an existing Mortgage.</td>
</tr>
<tr>
<td>Batch Inquiry</td>
<td>A MERS® System transaction used to look up information on MIN Records matching search criteria specified in the Batch Inquiry Request.</td>
</tr>
<tr>
<td>Broker</td>
<td>An LOB that allows a Member to originate eNotes for sale to a Participant that will act as the Delegatee for Transfers for the Broker, registering the eNote on the MERS® eRegistry on behalf of the Broker and then immediately processing a Transfer of Control from the Broker to the Delegatee for Transfers.</td>
</tr>
<tr>
<td>CEMA Loan</td>
<td>A New York loan closed using a Consolidation, Extension, and Modification Agreement (“CEMA”) to combine an existing promissory note(s) with a new promissory note and an existing mortgage(s) with a new mortgage to create a consolidated note and consolidated mortgage evidencing a single loan obligation.</td>
</tr>
<tr>
<td>Charge Off</td>
<td>The action a Member takes on its System of Record to indicate that it expects that the borrower will make no further payments on his/her Mortgage loan.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Check Digit</td>
<td>The final digit of the MIN calculated using the MOD 10 Weight 2 algorithm. The MERS® System uses the check digit during registration to verify that the MIN is valid.</td>
</tr>
<tr>
<td>Co-Borrower</td>
<td>A borrower listed on the Member’s System of Record who is not identified as the Primary Borrower for a loan.</td>
</tr>
<tr>
<td>Collateral Agent</td>
<td>An LOB and Associated Member field on the MERS® System. The LOB is assigned to a Member that holds collateral on behalf of a Lender as security for performance of a borrower’s obligations under a loan agreement.</td>
</tr>
<tr>
<td>Compliance Officer</td>
<td>Optional MERS® System contact who is responsible for regulatory internal requirements for the Member.</td>
</tr>
<tr>
<td>Confirmation</td>
<td>A MERS® System transaction used by an Investor, Servicer, or Subservicer to indicate if it accepts or rejects a pending or overdue TOS, TOB, or TOS/TOB Combo transaction.</td>
</tr>
<tr>
<td>Construction Loan</td>
<td>A loan used to pay for the cost of building or renovating a home.</td>
</tr>
<tr>
<td>Conversion</td>
<td>A MERS® System transaction that converts an iRegistration to a Non-MOM when the Mortgage is assigned to MERS.</td>
</tr>
<tr>
<td>Corporate Resolution Management System (“CRMS”)</td>
<td>A web application (owned and operated by MERSCORP Holdings) used for the certification and appointment of MERS Signing Officers.</td>
</tr>
<tr>
<td>County Recorder</td>
<td>An LOB assigned to a Member that is a local government department in a county, parish, or other jurisdiction that maintains the public records and documents related to the ownership of real estate for that county, parish, or other jurisdiction.</td>
</tr>
<tr>
<td>CRMS Manager (“CM”)</td>
<td>The Member contact responsible for managing and administering the CRMS for the Member.</td>
</tr>
<tr>
<td>Customer Service - Primary</td>
<td>Mandatory MERS® System contact who handles public requests for information about a Member’s loans registered on the MERS® System.</td>
</tr>
<tr>
<td>Customer Service - Secondary</td>
<td>Optional MERS® System contact who acts as the back-up for the Member’s Customer Service - Primary contact.</td>
</tr>
<tr>
<td>Deactivate-Assigned from MERS for Default or Bankruptcy</td>
<td>A MERS® System transaction used to deactivate a MIN Record when an Assignment from MERS or UCC-3 is sent for Recordation due to a loan being in default or due to the borrower filing for bankruptcy protection and the Member intends to file Legal Proceedings.</td>
</tr>
<tr>
<td>Deactivation</td>
<td>The process of making a MIN Record inactive on the MERS® System when MERS no longer holds any interest in the Mortgage, or an iRegistration is no longer being tracked on the MERS® System.</td>
</tr>
<tr>
<td>Deactivation Reversal</td>
<td>A MERS® System transaction that reactivates a MIN Record for the same borrower, property, and lien type if it was deactivated in error or incorrectly.</td>
</tr>
<tr>
<td>Deed-in-Lieu</td>
<td>A legal instrument that conveys all interest in a property from a borrower to a Lender to satisfy a loan in default and thereby avoid foreclosure proceedings.</td>
</tr>
<tr>
<td>Document Custodian</td>
<td>An LOB assigned to a Member that holds and administers documents related to Mortgage loans for an Investor.</td>
</tr>
<tr>
<td>Document Preparation Provider</td>
<td>An LOB assigned to a Member that provides document preparation services.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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</tr>
<tr>
<td><strong>DTD</strong></td>
<td>Acronym for <strong>Document Type Definition</strong>. A file that defines the structure of an XML transaction and describes the data in XML transaction. The MERS® System XML Interface is defined by a set of DTD files.</td>
</tr>
<tr>
<td><strong>eNote</strong></td>
<td>A <strong>Transferable Record</strong> that is registered on the MERS® eRegistry.</td>
</tr>
<tr>
<td><strong>eRegistry Contact</strong></td>
<td><strong>MERS® System</strong> contact who is responsible for responding to MERS® eRegistry questions on behalf of a Member. Required for MERS® eRegistry Participants.</td>
</tr>
<tr>
<td><strong>E-SIGN</strong></td>
<td>Acronym for <strong>Electronic Signatures in Global and National Commerce Act</strong>. A federal statute that establishes the legal validity and enforceability of electronic signatures, contracts, and other records in interstate and foreign commerce transactions, if not superseded by certain state laws otherwise authorizing such activities.</td>
</tr>
<tr>
<td><strong>Executive Sponsor</strong></td>
<td>Mandatory <strong>MERS® System</strong> contact who is a senior executive in the Member organization responsible for its MERS® System operations. The Executive Sponsor is the liaison between a Member and the MERS Entities and should have full authority to act on behalf of the Member in connection with the MERS® System and the Member's dealings with MERSCORP Holdings and MERS.</td>
</tr>
<tr>
<td><strong>FHLB/FRB</strong></td>
<td>An <strong>LOB</strong> and <strong>Associated Member</strong> field on the <strong>MERS® System</strong>. The LOB is assigned to a <strong>Member</strong> that is one of the Federal Home Loan Bank cooperatives.</td>
</tr>
<tr>
<td><strong>FIPS Code</strong></td>
<td>A five (5) digit numeric code issued by the federal government that is used by the <strong>MERS® System</strong> to identify the county where a property address is located.</td>
</tr>
<tr>
<td><strong>Flat-File Interface</strong></td>
<td>The asynchronous System-to-System interface that uses tab-delimited text files to transact with the <strong>MERS® System</strong> over the Internet using SFTP. The Flat-File interface is recommended for transacting with the MERS® System and retrieving the reports generated by the MERS® System. Also known as the Batch Interface.</td>
</tr>
<tr>
<td><strong>Flow Loan Registration</strong></td>
<td>A loan registered on the <strong>MERS® System</strong> within 270 or fewer calendar days of the Note Date.</td>
</tr>
<tr>
<td><strong>Flow Transfer</strong></td>
<td>A <strong>Servicing Rights Transfer</strong> reported to the <strong>MERS® System</strong> where the Transfer Date is 270 or fewer calendar days after the loan’s Note Date.</td>
</tr>
<tr>
<td><strong>Funding Date</strong></td>
<td>The date the borrower becomes obligated for the debt and interest starts to accrue. In some states, this may be different from the date the borrower signs the Note, or the date on which the Note is drawn.</td>
</tr>
<tr>
<td><strong>General Member</strong></td>
<td>A <strong>Member</strong> that services MERS Loans.</td>
</tr>
<tr>
<td><strong>Global Address List (GAL) email</strong></td>
<td>The email address provided by the <strong>Member</strong> for service of process, document and mail images, and other communications from MERSCORP Holdings.</td>
</tr>
<tr>
<td><strong>Governing Documents</strong></td>
<td>The <strong>Membership Application, Rules</strong> and <strong>Procedures</strong> collectively constitute the <strong>Membership Agreement</strong> between the <strong>Member</strong> and the <strong>MERS Entities</strong>.</td>
</tr>
<tr>
<td><strong>Government Housing Agency</strong></td>
<td>An <strong>LOB</strong> and <strong>Associated Member</strong> field on the <strong>MERS® System</strong>. The LOB is assigned to a <strong>Member</strong> that is a state or federal housing agency.</td>
</tr>
<tr>
<td><strong>Help Desk</strong></td>
<td>The point of contact for Members regarding the use of the **MERS®, products and services. Phone: (888) 680-MERS, Email <a href="mailto:helpdesk@mersinc.org">helpdesk@mersinc.org</a>.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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</tr>
<tr>
<td>Integration</td>
<td>The process by which a Member completes procedural changes, training, and system testing of transactions prior to being live in the MERS® System production environment.</td>
</tr>
<tr>
<td>Interim Funder</td>
<td>An LOB on the MERS® System used to identify a Member with an Interim Funding Interest in a loan prior to the sale of the loan to the permanent Investor.</td>
</tr>
<tr>
<td>Interim Funding Interest</td>
<td>The financial interest in a loan that an organization (e.g., warehouse lender, Wall Street firm, and other party that extends interim funding to originators) has prior to the sale of the loan to the permanent Investor.</td>
</tr>
<tr>
<td>Intracompany Transfer</td>
<td>A Servicing Rights Transfer reported to the MERS® System between two Org IDs associated pursuant to a Primary/Secondary Relationship Agreement.</td>
</tr>
<tr>
<td>Investor</td>
<td>The entity that owns or holds the promissory note secured by a Mortgage.</td>
</tr>
<tr>
<td>Investor Loan Number</td>
<td>A unique number assigned by an Agency to a Mortgage loan that the Agency uses to locate its loans on the MERS® System.</td>
</tr>
<tr>
<td>iRegistration</td>
<td>Loan for which MERS is not the Mortgagee and is registered on the MERS® System for tracking purposes only.</td>
</tr>
<tr>
<td>Legal Contact</td>
<td>Mandatory MERS® System contact who is responsible for coordinating communication between the MERSCORP Holdings Law Department and the Member’s legal counsel regarding litigation and other legal issues.</td>
</tr>
<tr>
<td>Legal Proceedings</td>
<td>A Proof of Claim or a Motion for Relief from Stay filed by a creditor during bankruptcy proceedings.</td>
</tr>
<tr>
<td>Lender</td>
<td>The payee on the Note.</td>
</tr>
<tr>
<td>Lien Release</td>
<td>An instrument/document releasing the security interest created by a Mortgage and recorded in the applicable public land records. This includes but is not limited to discharges, satisfactions, and reconveyances.</td>
</tr>
<tr>
<td>Line of Business (“LOB”)</td>
<td>The types of business in which a Member is active on the MERS® System. A Member’s LOBs are assigned by MERSCORP Holdings during Integration, are listed in the Member’s Profile, and control the functionality available to the Member in the MERS® System.</td>
</tr>
<tr>
<td>Lite Member</td>
<td>A Member that closes MOM loans and sells and transfers all MERS Loans along with servicing rights within 120 days of the Note Date.</td>
</tr>
<tr>
<td>Lite-R Member</td>
<td>A Member that closes MOM loans for immediate sale to an Investor that will register the loans on the MERS® System. Lite-R Members do not have the MERS® System access necessary to register loans or perform other loan transactions.</td>
</tr>
<tr>
<td>Lockout</td>
<td>Process whereby, and status with which, a Member’s access to the MERS® System is temporarily denied, including, but not limited to, preventing any new registrations and reporting transfers of ownership or servicing rights (does not block legal transfers of ownership and servicing rights). Lockout does not affect any signing authority granted by MERS to the Member or to third-parties acting on the Member’s behalf. Lockout also does not affect the Member’s access to the CRMS.</td>
</tr>
<tr>
<td>Mail Room Contact</td>
<td>Optional MERS® System contact who is responsible for handling mail received by the MERSCORP Holdings Mail Center for a Member.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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</tr>
<tr>
<td><strong>Master Servicer</strong></td>
<td>An <strong>LOB</strong> and <strong>Associated Member</strong> field on the <strong>MERS® System</strong>. The LOB is assigned to a <strong>Member</strong> that services <strong>Mortgage</strong> loans pooled in a mortgage-backed security.</td>
</tr>
<tr>
<td><strong>Member</strong></td>
<td>A legal entity that has signed and submitted a <strong>Membership Application</strong> to <strong>MERSCORP Holdings</strong>, received an <strong>Org ID</strong>, and been approved for <strong>Integration</strong>, and whose membership has not been terminated or resigned.</td>
</tr>
<tr>
<td><strong>Member Profile</strong></td>
<td>Specifies a <strong>Member’s</strong> transactional processing options, document handling preferences, configuration settings, billing options, contact information, address, URL, and other relevant information. The information in the Member Profile is required at the time of initial <strong>Integration</strong> with the <strong>MERS® System</strong>.</td>
</tr>
<tr>
<td><strong>Membership Agreement</strong></td>
<td>The <strong>Membership Application</strong>, <strong>Rules</strong>, and <strong>Procedures</strong> collectively constitute the Membership Agreement between the <strong>Member</strong> and the <strong>MERS Entities</strong>. If a Member elects to become a <strong>MERS® eRegistry Participant</strong>, it is also bound by the terms of the <strong>MERS® eRegistry Addendum</strong>.</td>
</tr>
<tr>
<td><strong>Membership Application</strong></td>
<td>The <strong>Governing Document</strong> used to apply for membership in the <strong>MERS® System</strong>.</td>
</tr>
<tr>
<td><strong>MERS</strong></td>
<td>Acronym for <strong>Mortgage Electronic Registration Systems, Inc.</strong>, a Delaware corporation and wholly-owned subsidiary of <strong>MERSCORP Holdings</strong>.</td>
</tr>
<tr>
<td><strong>MERS Corporate Resolution (&quot;Corporate Resolution&quot;)</strong></td>
<td>A resolution of <strong>MERS</strong> granting specifically-identified persons limited authority to take certain actions in the name of MERS.</td>
</tr>
<tr>
<td><strong>MERS Document</strong></td>
<td>Any document that creates or affects an interest held by <strong>MERS</strong> or that makes a representation by or about MERS; this includes, but is not limited to, <strong>Mortgages</strong>, <strong>Lien Releases</strong>, <strong>Assignments to MERS</strong>, <strong>Assignments from MERS</strong>, <strong>Modification Agreements</strong>, substitutions of trustee, subordinations, and legal pleadings.</td>
</tr>
<tr>
<td><strong>MERS Entities</strong></td>
<td>A reference to both <strong>MERSCORP Holdings</strong> and <strong>MERS</strong>.</td>
</tr>
<tr>
<td><strong>MERS Loan</strong></td>
<td>A <strong>Mortgage</strong> loan for which <strong>MERS</strong> is the mortgagor, beneficiary, grantee, nominee of the lender, or other secured party.</td>
</tr>
<tr>
<td><strong>MERS Signing Officer (&quot;Signing Officer&quot;)</strong></td>
<td>An individual appointed by <strong>MERS</strong> through the issuance of a <strong>Corporate Resolution</strong> and granted limited authority to take certain actions in the name of MERS as enumerated in the <strong>Corporate Resolution</strong>.</td>
</tr>
<tr>
<td><strong>MERS Signing Officer Primer (&quot;Primer&quot;)</strong></td>
<td>The required training material for all <strong>Signing Officers</strong>. The Primer is included in the <strong>Procedures</strong> as <strong>Appendix A, Members</strong> are responsible for ensuring that the actions of their Signing Officers comply with the Primer.</td>
</tr>
<tr>
<td><strong>MERS®</strong></td>
<td>The trademark used by <strong>MERSCORP Holdings</strong> in connection with certain products and/or services.</td>
</tr>
<tr>
<td><strong>MERS® eDelivery</strong></td>
<td>A secure method for distributing eMortgage packages from one <strong>MERS® eRegistry Participant</strong> to another, using the existing <strong>MERS® eRegistry</strong> infrastructure and transaction security requirements.</td>
</tr>
<tr>
<td><strong>MERS® eRegistry</strong></td>
<td>The system of record that identifies the Controller of a registered <strong>eNote</strong> and the Location of the authoritative copy of the eNote.</td>
</tr>
<tr>
<td><strong>MERS® eRegistry Participant</strong></td>
<td>A <strong>Member</strong> that has signed and submitted the <strong>MERS® eRegistry Addendum</strong> to <strong>MERSCORP Holdings</strong> and completed its integration to the <strong>MERS® eRegistry</strong>.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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</tr>
<tr>
<td><strong>MERS® Link</strong></td>
<td>A service offered through MERS® OnLine that allows Members to retrieve summary information regarding Mortgage loans registered on the MERS® System, including the loan’s current Servicer and any Property Preservation Company associated with the property.</td>
</tr>
<tr>
<td><strong>MERS® OnLine</strong></td>
<td>The browser-based interface to the MERS® System that Members use to view and update the MIN Records of registered Mortgage loans.</td>
</tr>
<tr>
<td><strong>MERS® ServicerID</strong></td>
<td>An online tool that allows the public to obtain contact information for the current Servicer, and optionally Investor, of a loan registered on the MERS® System upon verification of certain identifying information related to the loan. URL: mers-servicerid.org.</td>
</tr>
<tr>
<td><strong>MERS® System</strong></td>
<td>The national, electronic registry owned and operated by MERSCORP Holdings that tracks changes in Mortgage servicing rights and beneficial ownership interests in loans secured by residential real estate.</td>
</tr>
<tr>
<td><strong>MERS® System Penalty Schedule</strong></td>
<td>The schedule of certain monetary penalties related to (i) violations of the Governing Documents, (ii) errors, delays, or other conduct materially detrimental to the operation of MERSCORP Holdings, MERS, the MERS® System, or other Members, or (iii) improper use of the MERS® System.</td>
</tr>
<tr>
<td><strong>MERS® System Pricing Schedule</strong></td>
<td>The schedule of Pricing for the MERS® System.</td>
</tr>
<tr>
<td><strong>MERS® System Procedures Manual (“Procedures”)</strong></td>
<td>One of the Governing Documents that set out requirements pertaining to MERS® System membership including, but not limited to, use of the MERS® System, the MERS® System Quality Assurance Program, use of the CRMS, and MERS Signing Officers.</td>
</tr>
<tr>
<td><strong>MERS® System Rules of Membership (“Rules”)</strong></td>
<td>One of the Governing Documents that define the legal framework for the relationship between the Member and the MERS Entities.</td>
</tr>
<tr>
<td><strong>MERSCORP Holdings</strong></td>
<td>MERSCORP Holdings, Inc. (formerly known as MERSCORP, Inc.), a Delaware corporation that owns and operates the various MERS® products and services including the MERS® System. MERSCORP Holdings is the parent company and the service provider to MERS.</td>
</tr>
<tr>
<td><strong>Milestone</strong></td>
<td>A significant event that occurs to a MIN Record like a Registration, Transfer, or Reversal. The Milestones page in MERS® OnLine displays Milestone events and is only available to Members named on a MIN Record. Milestones reflect the internal operation of the MERS® System and should not be provided to non-Members. Milestones can be an important resource for Members who need to reconcile the history of a MIN Record.</td>
</tr>
<tr>
<td><strong>MIN</strong></td>
<td>Acronym for Mortgage Identification Number, a unique 18-digit number permanently assigned to a Mortgage loan registered on the MERS® System.</td>
</tr>
<tr>
<td><strong>MIN Record</strong></td>
<td>The data record created on the MERS® System when a Member registers a loan.</td>
</tr>
<tr>
<td><strong>MIN Status</strong></td>
<td>The field reflecting the status of a MIN Record as reported by the Member.</td>
</tr>
<tr>
<td><strong>MIN Update</strong></td>
<td>The process used to update an active MIN Record on the MERS® System. A MIN Update may be submitted through MERS® OnLine or the Flat-File Interface.</td>
</tr>
<tr>
<td><strong>Modification Agreement</strong></td>
<td>An agreement between a Lender and one or more borrowers to change the terms of a Note and/or Mortgage.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
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</tr>
<tr>
<td><strong>MOM</strong></td>
<td>A loan secured by a MERS as Original Mortgagee Security Instrument. The language written into a MOM Security Instrument establishes MERS as the Mortgagee and Nominee for the Lender, its successors and assigns.</td>
</tr>
<tr>
<td><strong>Mortgage</strong></td>
<td>An interest in or a lien against property created by written instrument providing security for the repayment of a debt and/or the performance of a duty. References herein include deed(s) of trust, Mortgages, and security deeds, and any other form of Security Instrument under applicable law.</td>
</tr>
<tr>
<td><strong>Mortgage Insurance Co.</strong></td>
<td>An LOB and Associated Member field on the MERS® System. The LOB is assigned to a Member that issues insurance policies that protect Lenders and Investors against potential loss in the event of borrower default on a Mortgage loan.</td>
</tr>
<tr>
<td><strong>Mortgagee</strong></td>
<td>The party that takes, holds, or receives a pledge of an interest in or lien against property as security for the payment of debt; the pledge is evidenced by a Mortgage and recorded in the applicable public land records. References herein to “Mortgagee” include the named beneficiary or nominee of the lender under a deed of trust in those jurisdictions where deeds of trust are used to secure loans, and any similar status as used in connection with any other form of security instrument under applicable state law.</td>
</tr>
<tr>
<td><strong>My MERS®</strong></td>
<td>A feature that allows a Member to customize the Org IDs that display to its users in the pop-up lists on many of the pages in MERS® OnLine.</td>
</tr>
<tr>
<td><strong>Nominee</strong></td>
<td>A person or entity designated to act for another as representative in a limited sense; the agency relationship specifically expressed in the terms of the Fannie Mae / Freddie Mac Uniform Security Instruments identifying MERS as Original Mortgagee (“MOM”).</td>
</tr>
<tr>
<td><strong>Non-MOM</strong></td>
<td>A loan secured by a Mortgage that names MERS as Mortgagee through an Assignment to MERS.</td>
</tr>
<tr>
<td><strong>Non-Urgent Mail</strong></td>
<td>The following postal or electronic mail received at the MERSCORP Holdings Mail Center with sufficient information to identify the Servicer or Subservicer of a registered loan that is forwarded to the Member within five (5) business days: Bills and Invoices (e.g., homeowners’ association dues, and condo assessments), Notices and Requests, Recordable Documents, Title Policy, etc.</td>
</tr>
<tr>
<td><strong>Note</strong></td>
<td>The paper or electronic evidence of indebtedness in a Mortgage loan.</td>
</tr>
<tr>
<td><strong>Note Date</strong></td>
<td>The date on the Note. In some states, the date the borrower signs the note, or the date the note is drawn, may or may not be the actual date on which interest begins to accrue (see Funding Date).</td>
</tr>
<tr>
<td><strong>Note Holder</strong></td>
<td>The person or entity: (i) who is entitled to enforce the Note under Article 3 of the Uniform Commercial Code, as enacted by the applicable jurisdiction, including the person or entity who controls an electronic Note under the federal Electronic Signatures in Global and National Commerce Act and/or Uniform Electronic Transactions Act, as enacted by the applicable jurisdiction and (ii) who is authorized to enforce the Note by the Note Owner if the Note Holder is not the Note Owner.</td>
</tr>
<tr>
<td><strong>Note Owner</strong></td>
<td>The person or entity with legal title to a Note (or eNote).</td>
</tr>
<tr>
<td><strong>Operational - Primary</strong></td>
<td>Mandatory MERS® System contact who is responsible for overseeing or conducting the day-to-day MERS® System functions for the Member and keeping its Member Information, including contacts, current. This contact</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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</tr>
<tr>
<td>Operational-Secondary Contact</td>
<td>Optional MERS® System contact who acts as the back-up for the Member’s Primary Operational contact.</td>
</tr>
<tr>
<td>Org ID</td>
<td>Acronym for Organization Identification Number, a 7-digit number uniquely identifying a Member or an Affiliate Org ID on the MERS® System.</td>
</tr>
<tr>
<td>Original Borrower</td>
<td>The entity listed as the borrower on the original Note. May be different from the current borrower on a loan if the loan has been assumed.</td>
</tr>
<tr>
<td>Original Note Holder</td>
<td>The loan originator if not a Member. Displayed as Originating Organization.</td>
</tr>
<tr>
<td>Originating Org ID</td>
<td>The Org ID of the Member that originated the loan. This organization’s Org ID and name are displayed as Originating Organization.</td>
</tr>
<tr>
<td>Owner Occupied</td>
<td>A field on the MERS® System indicating if a property is occupied by its owner at origination.</td>
</tr>
<tr>
<td>Paid in Full</td>
<td>A MERS® System transaction used to deactivate a MIN Record when the interest held by MERS in the Mortgage securing a loan has been released by the Recordation of a Lien Release or UCC-3, or when MERS’s interest in a Mortgage is extinguished by a Deed-in-Lien.</td>
</tr>
<tr>
<td>Passive Investor</td>
<td>An Option 2 Investor that does not actively confirm TOB Option 2 Batches on which it is either the current or new Investor because the Member has the Approval of Option 2 Beneficial Transfer option disabled in its Member Profile.</td>
</tr>
<tr>
<td>Patron Member</td>
<td>A Member that is an Investor, Subservicer, Warehouse Lender, or other Associated Member for MERS Loans, or a MERS® eRegistry Participant that does not originate MERS Loans. This membership category also applies to Vendors (including Signing Authority Agreement vendors or law firms) that provide services to other Members.</td>
</tr>
<tr>
<td>Physical Transfer Date</td>
<td>The date that a loan is reported as transferred on the MERS® System by a Member. This date will be the same as the Transfer Date unless the buyer does not confirm the TOS, TOB, or TOS/TOB Combo transaction on time.</td>
</tr>
<tr>
<td>Pool Number</td>
<td>The number assigned to a group of loans by an Agency Investor; required for certain Agency securitizations.</td>
</tr>
<tr>
<td>Post-Closing</td>
<td>MERS® System Registration transaction used to activate a Mortgage loan previously registered as a Pre-Closing when the loan closes.</td>
</tr>
<tr>
<td>Pre-Closing</td>
<td>MERS® System Registration transaction used to initiate a Mortgage loan registration before closing. Once the loan closes, the MIN Record is made active using the Post-Closing transaction.</td>
</tr>
<tr>
<td>Primary Borrower</td>
<td>The person listed as the primary borrower for a loan on the Member’s System of Record. Each additional borrower for a loan on the Member’s System of Record is identified as a Co-Borrower on the MERS® System.</td>
</tr>
<tr>
<td>Primary Member</td>
<td>The Member designated as the Primary Member on a Primary/Secondary Relationship Agreement.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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</tr>
<tr>
<td><strong>Primary/Secondary Relationship Agreement (PSRA)</strong></td>
<td>An agreement establishing a relationship between a <em>Primary Member</em> and a <em>Secondary Member(s)</em> and/or <em>Affiliate Org IDs</em> on the MERS® System and creating certain obligations and benefits based on such relationship.</td>
</tr>
<tr>
<td><strong>Primary Organization</strong></td>
<td>A <em>Member</em> identified in one of the following fields on a MIN Record: • Servicer  • Subservicer  • Investor  • Custodian  • Interim Funder</td>
</tr>
<tr>
<td><strong>Property Preservation Company</strong></td>
<td>An LOB and Associated Member field on the MERS® System. The LOB is assigned to a Member that maintains and manages vacant properties on behalf of other Members.</td>
</tr>
<tr>
<td><strong>Property Preservation Contact</strong></td>
<td>Optional MERS® System contact responsible for handling property preservation for a Member. Appears on the Member Summary and MIN Summary pages in MERS® OnLine and MERS® Link.</td>
</tr>
<tr>
<td><strong>Purchase and Sale Agreement</strong></td>
<td>A contractual agreement between two (2) Members that sets forth the terms and conditions associated with the sale of the servicing rights and/or beneficial ownership interests in one or more Mortgage loans.</td>
</tr>
<tr>
<td><strong>Quality Assurance Officer</strong></td>
<td>Mandatory MERS® System contact responsible for the Member’s MERS® System Quality Assurance Program.</td>
</tr>
<tr>
<td><strong>Quick Reference Guide</strong></td>
<td>A short guide on completing a specific action or task on the MERS® System.</td>
</tr>
<tr>
<td><strong>Recordation</strong></td>
<td>The act of promptly sending an executed MERS Document for recording in the applicable public land records, or for a UCC financing statement, filing with the applicable state agency.</td>
</tr>
<tr>
<td><strong>Registrar</strong></td>
<td>A third-party to whom a Member has contracted certain business activities such that the Registrar is the initiator of the business activity that gives rise to a transaction on the MERS® System on behalf of the Member.</td>
</tr>
<tr>
<td><strong>Registration</strong></td>
<td>A MERS® System transaction used to enter the required information on the MERS® System to report that a loan exists that is secured by a Mortgage with MERS as Mortgages or to report an iRegistration. The result of a successful Registration is a MIN Record for the loan.</td>
</tr>
<tr>
<td><strong>Registration Date</strong></td>
<td>The date that a loan was registered on the MERS® System, and the associated MIN Record was created. The Registration Date is determined by the MERS® System at Registration and is displayed as “Reg Date” in MERS® OnLine.</td>
</tr>
<tr>
<td><strong>Registration Reversal</strong></td>
<td>A MERS® System transaction used to reverse a loan Registration.</td>
</tr>
<tr>
<td><strong>Resignation</strong></td>
<td>The process by which a MERS® System membership is withdrawn pursuant to Rule 1 of the Rules.</td>
</tr>
<tr>
<td><strong>Resignation Requirements</strong></td>
<td>The tasks that a Member must fulfill to resign its membership from the MERS® System as defined by the Rules and Procedures along with any other any other reasonable conditions that MERSCORP Holdings may set for the Deactivation of a Member’s MIN Records on the MERS® System.</td>
</tr>
<tr>
<td><strong>Resigned Member</strong></td>
<td>A Member whose membership has been withdrawn from the MERS® System pursuant to Rule 1 of the Rules.</td>
</tr>
<tr>
<td><strong>Resigning Member</strong></td>
<td>A Member that has begun, but not completed, Resignation. A Resigning Member may still appear as a Primary Organization or Associated Member on MIN Records.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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</tr>
<tr>
<td><strong>SAA Relationship</strong></td>
<td>Analogous to an Org ID in the CRMS. It represents the relationship among MERSCORP Holdings, MERS, a Member, and the Member’s SAA Vendor or law firm. The Member’s CM manages the SAA Relationship in the CRMS.</td>
</tr>
<tr>
<td><strong>Sale Date (servicing rights)</strong></td>
<td>In a servicing transfer, the date stipulated in the Purchase and Sale Agreement upon which the contractual servicing rights are transferred to the new Servicer.</td>
</tr>
<tr>
<td><strong>Seasoned Intracompany Transfer Fee</strong></td>
<td>The fee charged to a Member for an Intracompany Transfer that occurs more than 270 calendar days after the Note Date.</td>
</tr>
<tr>
<td><strong>Seasoned Loan Registration</strong></td>
<td>A loan registered on the MERS® System more than 270 calendar days after the Note Date.</td>
</tr>
<tr>
<td><strong>Seasoned Transfer</strong></td>
<td>A Servicing Rights Transfer reported to the MERS® System where the Transfer Date is more than 270 calendar days after the loan’s Note Date, and the transfer does not qualify as an Intracompany Transfer.</td>
</tr>
<tr>
<td><strong>Secondary Member</strong></td>
<td>The Member designated as the Secondary Member on a Primary/Secondary Relationship Agreement.</td>
</tr>
<tr>
<td><strong>Security Instrument (SI)</strong></td>
<td>A legal instrument/document creating an interest in or lien against property as collateral to protect or secure against non-payment of a debt; a mortgage, deed of trust, security deed, or any such other instrument. See Mortgage.</td>
</tr>
<tr>
<td><strong>Sequence Number</strong></td>
<td>The ten (10) digit number that uniquely identifies a MIN. The Sequence Number comprises digits 8 through 17 in the MIN.</td>
</tr>
<tr>
<td><strong>Servicer</strong></td>
<td>The entity that owns the Servicing Rights of a Mortgage loan. If the Investor is the owner of the Mortgage Servicing Rights, but another entity performs the primary servicing obligations for the loan, the entity that performs the primary servicing obligations for the loan is the Servicer for the purposes of this definition.</td>
</tr>
<tr>
<td><strong>Servicer Identification System (“SIS”)</strong></td>
<td>Phone-based system that allows the public to obtain contact information for the current Servicer of a loan registered on the MERS® System upon verification of certain identifying information related to the loan (888-679-MERS (6377)).</td>
</tr>
<tr>
<td><strong>Servicing Member</strong></td>
<td>The Servicer of a loan. If there is both a Servicer and Subservicer for a loan, both the Servicer and Subservicer are the Servicing Member.</td>
</tr>
<tr>
<td><strong>Servicing Rights</strong></td>
<td>The contractual ownership rights of the current Servicer for servicing loans.</td>
</tr>
<tr>
<td><strong>Servicing Rights Transfer</strong></td>
<td>The transfer of the Servicing Rights in a loan. Members are required to report these transfers on the MERS® System using a TOS or TOS/TOB Combo transaction.</td>
</tr>
<tr>
<td><strong>SFTP</strong></td>
<td>Acronym for Secured File Transfer Protocol. Members connect to the MERS® System environment using SFTP to submit transactions via the Flat File Interface, retrieve reports, and/or provide files during a Data Review.</td>
</tr>
<tr>
<td><strong>Signing Authority Agreement (“SAA”)</strong></td>
<td>An agreement among MERSCORP Holdings, MERS, a Member, and the Member’s SAA Vendor or law firm, entered into for the purpose of granting MERS signing authority to the vendor or law firm so that it may sign documents in the name of MERS relating to loans registered on the MERS® System to the Member. The Member’s vendor or law firm must have its own MERS® System membership.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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<td>---------------------------------------------</td>
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</tr>
<tr>
<td>Subservicer</td>
<td>The entity that the Servicer of a loan has contracted with to perform certain servicing functions for the loan.</td>
</tr>
<tr>
<td>System Administrator - Primary</td>
<td>Mandatory MERS® System contact responsible for setting up a unique User ID for each employee of the Member that needs access to MERS® OnLine or the Member website and maintaining User IDs and Roles. The Help Desk refers to the system to which the Member is connected.</td>
</tr>
<tr>
<td>System Administrator - Secondary</td>
<td>Optional MERS® System contact who acts as the back-up for the Member's Primary System Administrator.</td>
</tr>
<tr>
<td>System of Record</td>
<td>The authoritative data source that a Member uses to store the data for its loans. Two (2) common examples of a System of Record in the Mortgage industry are a Loan Origination System (“LOS”) and Loan Servicing System (“LSS”).</td>
</tr>
<tr>
<td>System-to-System</td>
<td>A method of transmitting data directly from a Member’s or Vendor’s system to the MERS® System. The Batch and XML interfaces are supported.</td>
</tr>
<tr>
<td>Technical Contact</td>
<td>MERS® System contact responsible for ensuring that the Member’s internal system(s) is compatible with the MERS® System. Required for Members with a System-to-System interface.</td>
</tr>
<tr>
<td>Termination of Membership</td>
<td>The process, as set out in Rule 7 of the Rules, by which MERSCORP Holdings terminates a Member’s MERS® System membership.</td>
</tr>
<tr>
<td>Title Company</td>
<td>An LOB assigned to a Member that performs title research and title curative services.</td>
</tr>
<tr>
<td>TOB</td>
<td>A MERS® System transaction used to report the transfer of beneficial rights in a registered loan (see TOB Option 1 and TOB Option 2).</td>
</tr>
<tr>
<td>TOB Option 1</td>
<td>A MERS® System transaction used by Agency Investors to report that the beneficial rights in a registered loan have been transferred to them.</td>
</tr>
<tr>
<td>TOB Option 1 Batch</td>
<td>The name of a Transfer Batch created when a TOB Option 1 transaction is created on the MERS® System.</td>
</tr>
<tr>
<td>TOB Option 2</td>
<td>A MERS® System transaction used to report the transfer of the beneficial rights in a registered loan to a non-Agency Investor.</td>
</tr>
<tr>
<td>TOB Option 2 Batch</td>
<td>The name of a Transfer Batch created when a TOB Option 2 transaction is created on the MERS® System.</td>
</tr>
<tr>
<td>TOS</td>
<td>A MERS® System transaction used to report the transfer of Servicing Rights in a registered loan. See Servicing Rights Transfer.</td>
</tr>
<tr>
<td>TOS Batch</td>
<td>The name of a Transfer Batch created when a TOS transaction is created on the MERS® System.</td>
</tr>
<tr>
<td>TOS Option 1 (Default by Servicer)</td>
<td>A MERS® System transaction used by an Option 1 Investor to report a transfer of servicing to a new Servicer due to a default of the current Servicer.</td>
</tr>
<tr>
<td>TOS/TOB Combo</td>
<td>A MERS® System transaction used to report the transfer of beneficial rights and servicing rights from one Option 2 Investor to another.</td>
</tr>
<tr>
<td>TOS/TOB Combo Batch</td>
<td>The name of a Transfer Batch created when a TOS/TOB Combo transaction is created on the MERS® System.</td>
</tr>
<tr>
<td>Transaction Default Settings</td>
<td>The MERS® OnLine feature that allows a Member to define default values for its Primary Organizations and options on the Registration, Create TOS, and Create TOS/TOB pages.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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</tr>
<tr>
<td>Transfer Batch</td>
<td>A group of one or more MINs included in a TOS, TOB, or TOS/TOB Combo transaction, uniquely identified by the Batch Number assigned by the MERS® System when the Transfer Batch is created.</td>
</tr>
<tr>
<td>Transfer Creation Date</td>
<td>The date on which a Member creates a Transfer Batch on the MERS® System.</td>
</tr>
<tr>
<td>Transfer Date (beneficial rights)</td>
<td>The date on which the beneficial ownership of a loan transfers to the new Investor. In most cases, this is concurrent with the new Investor funding date.</td>
</tr>
<tr>
<td>Transfer Date (servicing rights)</td>
<td>Per the terms of the applicable Purchase and Sale Agreement, the date on which the responsibility for servicing a loan transfers to the new Servicer.</td>
</tr>
<tr>
<td>Transfer Expiration Date</td>
<td>The date on which a Transfer Batch expires on the MERS® System if any of the MINs in the Batch are not accepted or rejected by all parties to the transaction. The Transfer Expiration Date is 31 calendar days after the Transfer Date or the Transfer Creation Date, whichever is later.</td>
</tr>
<tr>
<td>Transfer to Non-MERS Status</td>
<td>A MERS® System transaction used to deactivate a MIN Record as specified in Requirements: Transfer to Non-MERS Status.</td>
</tr>
<tr>
<td>Transferable Record</td>
<td>An Electronic Record under E-SIGN and UETA that (1) would be a note under the Uniform Commercial Code if the Electronic Record were in writing; (2) the issuer of the Electronic Record expressly has agreed is a Transferable Record; and (3) for purposes of E-SIGN, relates to a loan secured by real property. A Transferable Record is also referred to as an eNote.</td>
</tr>
<tr>
<td>Trust</td>
<td>A collection of mortgage loans, held by a Trustee, which are &quot;pooled&quot; together and sold in a rated mortgage-backed securities transaction.</td>
</tr>
<tr>
<td>UCC</td>
<td>Acronym for Uniform Commercial Code.</td>
</tr>
<tr>
<td>UCC-1 Financing Statement</td>
<td>A legal form that establishes a Lender’s interest in or lien against shares in a co-operative housing corporation (“co-op”) providing security for the repayment of the debt incurred by a borrower to purchase the shares.</td>
</tr>
<tr>
<td>UCC-3 Financing Statement Amendment</td>
<td>A legal form that tracks changes to a UCC-1 Financing Statement like the termination, continuation, and transfer of the Financing Statement.</td>
</tr>
<tr>
<td>UETA</td>
<td>Uniform Electronic Transaction Act. A uniform form of statute that various states have enacted to establish the legal validity and enforceability of electronic signatures, contracts, and other records within the enforcing state.</td>
</tr>
<tr>
<td>Urgent Mail</td>
<td>The following postal or electronic mail received at the MERSCORP Holdings mail center with sufficient information to identify the Servicer or Subservicer of loan that is forwarded to the Member within two (2) business days:</td>
</tr>
<tr>
<td></td>
<td>• Adversary Complaints                                                                 • City/County Code Violations</td>
</tr>
<tr>
<td></td>
<td>• Foreclosure Documents                                                                 • Funds</td>
</tr>
<tr>
<td></td>
<td>• Government Correspondence                                                                 • Lawsuits</td>
</tr>
<tr>
<td></td>
<td>• Discharge of Mortgage Requests                                                                 • Subpoenas</td>
</tr>
<tr>
<td>Vendor</td>
<td>A Member that performs various transactions on the MERS® System on behalf of another Member pursuant to a contractual agreement.</td>
</tr>
<tr>
<td>Vendor/Service Provider</td>
<td>An LOB assigned to a Member that performs transactions on the MERS® System on behalf of other Members.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Warehouse/Gestation</td>
<td>An <strong>LOB</strong> and <strong>Associated Member</strong> field on the <strong>MERS® System</strong>. The LOB is used to identify a <strong>Member</strong> with an <strong>Interim Funding Interest</strong> in a loan prior to the sale of the loan to the permanent <strong>Investor</strong>.</td>
</tr>
<tr>
<td>Lender</td>
<td></td>
</tr>
<tr>
<td>XML Inquiry</td>
<td>A <strong>MERS® System</strong> transaction used to look up information on <strong>MIN Records</strong> matching the search criteria specified in the XML Inquiry Request.</td>
</tr>
<tr>
<td>XML Interface</td>
<td>The synchronous <strong>System-to-System</strong> interface that uses XML Requests and Responses to transact with the <strong>MERS® System</strong>. The XML Requests and Responses are defined by the MERS® System <strong>DTDs</strong>.</td>
</tr>
</tbody>
</table>
Appendix A: MERS Signing Officer Primer

Mortgage Electronic Registration Systems, Inc.

Signing Officer Primer

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INTRODUCTION

This Mortgage Electronic Registration Systems, Inc. Signing Officer Primer (“Primer”) is the required training material for all Mortgage Electronic Registration Systems, Inc. (“MERS”) Signing Officers. It contains information from the MERS® System Rules of Membership (the “Rules”) and the MERS® System Procedures Manual (the “Procedures”). It also instructs MERS Signing Officers on the scope of their authority to act for MERS and the proper use of that authority.

In accordance with Rule 3, MERS Signing Officers are officers of a MERS® System Member (“Member”) who have been appointed by MERS through the issuance of a MERS Corporate Resolution as its officers. MERS Signing Officers have limited authority to act in the name of MERS. Members submit requests for the appointment of MERS Signing Officers via a web-based application known as the Corporate Resolution Management System (“CRMS”). The training of MERS Signing Officers, which is referred to as certification and is explained herein, is also facilitated through the CRMS.

MERS SIGNING OFFICER ELIGIBILITY, CERTIFICATION AND APPOINTMENT

To be eligible for appointment as a MERS Signing Officer, an individual must (1) be an officer of the Member requesting that a MERS Corporate Resolution be issued to it (i.e. the Rule 3 Officer requirement) and (2) complete certification. An individual only becomes a MERS Signing Officer after he/she has been appointed as such by MERS.

The Rule 3 Officer Requirement

Rule 3 of the Rules provides that only officers of a Member are eligible for appointment as MERS Signing Officers. Employees or agents of a Member, who are not its officers, are not eligible. If a MERS Signing Officer ceases to be an officer of the Member then he/she may no longer serve as a MERS Signing Officer. An individual who has been granted a power of attorney by a Member, but is not an officer of the Member, does not satisfy the Rule 3 officer requirement.

The Exception to the Rule 3 Officer Requirement

If a Member’s structure is such that it does not have any officers, then upon approval by MERSCORP Holdings, Inc. (“MERSCORP”), which is granted via the CRMS, the Member may request that MERS appoint as MERS Signing Officers employees of the Member who hold

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1 This section deals only with MERS Signing Officers appointed by MERS Corporate Resolutions issued directly to Members; it does not deal with MERS Signing Officers who are appointed by MERS Corporate Resolutions issued to vendors or law firms pursuant to Signing Authority Agreements. For information concerning those MERS Signing Officers, please see the section of this Primer titled Third Party Vendors and Law Firms.
positions equivalent to that of officers. These officer-equivalents must still complete certification prior to appointment by MERS and are required to recertify annually to maintain their authority.

The Rule 3 exception is not available to Members that have too few officers to meet their MERS signing needs. Those Members may want to consider requesting a Signing Authority Agreement.

**Certification**

Prior to their appointment by MERS, all MERS Signing Officers are required to complete a certification process in the CRMS. Certification consists of reading the Primer and then passing an examination (the “Certification Exam”). To maintain their authority as officers of MERS, MERS Signing Officers must recertify annually during the month of October.

The Certification Exam is a ten (10) question exam, consisting of true/false, yes/no and multiple choice questions, that tests on the contents of the Primer. One must correctly answer eight (8) out of ten (10) questions to pass the Certification Exam. If an individual fails the Certification Exam on three (3) consecutive attempts then he/she becomes permanently ineligible to serve as a MERS Signing Officer.

Passing the Certification Exam alone does not authorize an individual to act in the name of MERS. The individual only becomes authorized once he/she has been appointed by MERS.

**Appointment**

Appointment refers to the issuance by MERS of a MERS Corporate Resolution granting limited authority to an individual(s) to act in the name of MERS as its officer(s). Appointment may only occur if an individual has first been certified and is an officer, or officer-equivalent under the Rule 3 exception, of the Member to which the MERS Corporate Resolution is being issued. Members request MERS Signing Officers; MERS appoints MERS Signing Officers. Only after an individual has been appointed as a MERS Signing Officer may he/she begin to act in the name of MERS.

An individual’s appointment as a MERS Signing Officer is conditioned upon him/her remaining certified in the CRMS. If a MERS Signing Officer’s certification expires then his/her authority as a MERS Signing Officer is revoked. To reestablish an individual’s MERS signing authority after expiration, he/she has to recertify and be reappointed by MERS through the issuance of a new MERS Corporate Resolution; recertification alone is insufficient.

Each MERS Corporate Resolution issued to a Member supersedes, or replaces, any MERS Corporate Resolution previously issued to it. Thus, an individual’s authority as a MERS Signing Officer is conditioned upon remaining certified in the CRMS. If a MERS Signing Officer’s certification expires then his/her authority is revoked. To reestablish an individual’s MERS signing authority after expiration, he/she has to recertify and be reappointed by MERS through the issuance of a new MERS Corporate Resolution; recertification alone is insufficient.

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2 For more information regarding Rule 3 exceptions and the CRMS, please see the section of the Procedures titled Corporate Resolution Management System.
Officer may be revoked upon issuance of a new MERS Corporate Resolution that does not appoint that individual. To explain this by example:

MERS issues a MERS Corporate Resolution to Member ABC on January 1, 2018. Alex and Ryan are named on the attached list as MERS Signing Officers. On March 1, 2018, MERS issues Member ABC a new MERS Corporate Resolution. This time, the list of MERS Signing Officers only names Alex. This means that upon issuance of the March 1, 2018 MERS Corporate Resolution, Ryan’s authority as a MERS Signing Officer was revoked.

REQUIRED MERS SIGNING OFFICER INFORMATION IN CRMS

Via the CRMS, Members are required to provide the following information for each of their MERS Signing Officers: Name, Email Address, and Job Title.

Name

Members are required to provide the first name, middle name, and last name of each of their MERS Signing Officers. A middle initial may be provided in lieu of a full middle name. The CRMS allows a Member to indicate that an individual does not have a middle name. The way that a MERS Signing Officer’s name is input into the CRMS is how his/her name will appear on a MERS Corporate Resolution.

If a Member wishes to provide only a first initial for one of its MERS Signing Officers, it may do so, but only if it provides a full middle name. For example, the name A. Brian Smith would be permitted. A.B. Smith would not.

Email Address

For each MERS Signing Officer, Members are required to provide an email address that was issued to the MERS Signing Officer by the Member for the purpose of business correspondence. Personal email addresses are not permitted. Further, the email address provided must be one that is unique to the MERS Signing Officer, meaning it cannot be an email address that he/she shares with another individual or group.

Job Title

In the Job Title field in the CRMS, Members are required to provide the title held by the MERS Signing Officer as an officer of the Member. This is not intended to be the title the MERS Signing Officer holds as an officer of MERS, unless that happens to be the same title he/she holds as an officer of the Member.
THE MERS® BUSINESS MODEL

As officers of MERS, MERS Signing Officers should understand some fundamental concepts about MERS, its roles, and its relationship to MERSCORP, the MERS® System, and Members.

MERS

MERS was incorporated in 1999 in the state of Delaware. Its corporate office is located at 1818 Library Street, Suite 410, Reston, Virginia 20190. MERS is a wholly-owned subsidiary of MERSCORP. MERS serves as the mortgagee of record for mortgage loans³ that Members are required to register on the MERS® System. As mortgagee, MERS also serves as a nominee (i.e. a limited form of agency) for the corresponding promissory note owner/lender (“Lender”) and that Lender’s successors and assigns.

MERS is not a servicer of mortgage loans. MERS is not a debt collector. MERS does not lend money to borrowers. MERS is not entitled to payment on or to retain payment received of any funds owing in relation to mortgage loans where MERS serves as a mortgagee and nominee. MERS is not an investor, lender, beneficial owner, note owner, or trustee.

MERSCORP

MERSCORP is the parent company of MERS. MERSCORP, like MERS, was incorporated in the state of Delaware and maintains a corporate office at 1818 Library Street, Suite 410, Reston, Virginia 20190. MERSCORP owns and operates the MERS® System, MERS® eRegistry, and all other MERS® products. MERS Signing Officers are not officers of MERSCORP.

Members and the Governing Documents

Members include lenders, servicers, sub-servicers, vendors, brokers, investors, law firms, title companies, and government entities. Each Member is bound by the terms of its membership agreement with MERSCORP and MERS, which consists of the Rules, the Procedures, and the Membership Application (collectively, the “Governing Documents”). The Primer is included in the membership agreement as an appendix to the Procedures.

The MERS® System

The MERS® System is a national electronic database that tracks changes in mortgage servicing rights and beneficial ownership interests in residential mortgage loans. The MERS® System is not

³ Depending on the type of security instrument used to secure a mortgage loan, the role of MERS may be referred to differently. On a mortgage, MERS is properly referred to as the mortgagee. On a deed of trust, with limited exception, MERS is properly referred to as the beneficiary. On a security deed, MERS is properly referred to as the grantee. For simplicity, the terms mortgage and mortgagee are used throughout this Primer.
a replacement for the public land records, it is not a system of record, and no interests are actually created or transferred on the MERS® System.

Each mortgage loan registered on the MERS® System is assigned a unique eighteen (18) digit number, which is called a Mortgage Identification Number ("MIN"). The MIN, which is required by the Procedures to appear on various recorded documents, such as MERS assignments and lien releases, enables one to identify a recorded mortgage to a mortgage loan registered on the MERS® System. The Procedures and Rule 2 of the Rules set out the requirements governing the registration of mortgage loans and various transactions on the MERS® System.

**Further Explanation of the Roles of MERS**

As mortgagee of record, MERS holds mortgage liens. When MERS serves as mortgagee of record, it does so as a nominee of the corresponding Lender and that Lender’s successors and assigns. It is through this nominee relationship with the current Lender that any separation or splitting of the mortgage from the note is prevented. In other words, if the Lender is succeeded in interest by another party (e.g. through a merger or acquisition) or if the Lender transfers the note to another party (e.g. the note is sold and negotiated) then MERS will continue to act as mortgagee on behalf of (i.e. as a nominee of) that new Lender, which is a successor or assign of the previous Lender. It is only when MERS actually assigns the mortgage (i.e. a MERS Signing Officer executes an assignment of mortgage) that MERS no longer holds any interest in the mortgage and the lien is transferred.

**Recordation versus Registration**

Recordation is the process of recording documents (e.g. mortgages, deed of trusts, security deeds, assignments, etc.) in the public land records. Recording is done to perfect a security interest and to establish priority ahead of other secured creditors. Through recording, third parties (e.g. taxing authorities, lenders, condo associations, etc.) are put on notice of the existence of a mortgage lien on a particular property.

Registration is the process of registering mortgage loans on the MERS® System. The purpose of registration is to track changes in servicing rights and beneficial ownership interests in mortgage loans.

**Members versus Affiliate Org IDs**

To fully understand how MERS grants signing authority to MERS Signing Officers, it is important to understand the difference between a Member and an Affiliate Org ID. A Member is a legal entity (e.g. corporation, limited liability company, partnership) that has entered into a membership agreement with MERSCORP and MERS and otherwise meets the definition of a Member set out in the Rules and Procedures. By contrast, an Affiliate Org ID is an additional Org ID utilized by a Member for the purpose of managing its loans in the MERS® System. Affiliate Org IDs may be created through the execution of a Primary / Secondary Relationship Agreement.
MERS Corporate Resolutions are only issued to Members. They are not separately issued to each of a Member’s Affiliate Org IDs. The MERS Corporate Resolution authorizes MERS Signing Officers to take actions in the name of MERS for loans registered in the MERS® System to the Member and its Affiliate Org ID(s).

To illustrate the difference between a Member and an Affiliate Org ID and how it pertains to the authority of MERS Signing Officers, here is an example:

ABC Mortgage is a corporation and, therefore, a legal entity. It is a Member and its Org ID is 1. ABC Mortgage was issued a MERS Corporate Resolution, which appointed several of its officers as MERS Signing Officers. ABC Mortgage is primarily a servicer of mortgage loans, but it also has a warehouse lending line of business. The warehouse line is not a separate legal entity. ABC Mortgage uses Org ID 2, its Affiliate Org ID, to manage its warehouse line in the MERS® System. The MERS Signing Officers appointed by the MERS Corporate Resolution issued to ABC Mortgage are authorized to act for MERS for loans registered in the MERS® System to either Org ID 1 or Org ID 2.

**HOW MERS BECOMES A MORTGAGEE**

**MOM (“MERS as Original Mortgagee”) Loans versus Non-MOM Loans**

MERS becomes a mortgagee in one (1) of two (2) ways. MOM loans are mortgage loans for which MERS is the original mortgagee. MERS becomes the mortgagee on a MOM loan by being named as such in the recorded mortgage. Non-MOM loans, on the other hand, are mortgage loans for which MERS is not the original mortgagee. MERS becomes the mortgagee on a non-MOM loan through a recorded assignment of the mortgage to MERS.

**The MERS Provisions of the MOM Security Instrument**

There are three (3) sections of the MOM security instrument that specifically pertain to MERS. Those sections, which are explained below, are the Definitions Section, the Granting Clause, and the Disclosure Section. The language of those sections may vary slightly from one jurisdiction to another, but their substance and effect remains largely the same.

**Definitions Section**

The Definitions Section of the MOM security instrument identifies the various parties to the mortgage loan and explains their respective roles.

Sample Definitions Section from a MOM mortgage:

“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 mortgagee under this Security Instrument. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026.
Sample Definitions Section from a MOM deed of trust:

“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 is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

**Granting Clause**

The Granting Clause of a MOM mortgage is the section in which the borrower expressly conveys the property to MERS as the mortgagee.

Sample Granting Clause from a MOM mortgage:

*Borrower does hereby mortgage, grant and convey to MERS (solely as nominee for Lender and Lender’s successors and assigns) and to the successors and assigns of MERS, the following described property...*

The Granting Clause of a MOM deed of trust is slightly different from the Granting Clause appearing in a MOM mortgage. This is because in a MOM deed of trust, the borrower is granting the property to a trustee, not to MERS. The Granting Clause in a MOM deed of trust reiterates MERS’s role as the beneficiary.

Sample Granting Clause from a MOM deed of trust:

*The beneficiary of this Security Instrument is MERS (solely as nominee for Lender and Lender’s successors and assigns) and the successors and assigns of MERS...Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property...*

**Disclosure Section**

In the Disclosure Section of the MOM security instrument the borrower acknowledges the interests held by MERS and MERS’s authority to exercise rights given to a mortgagee, including discharging the mortgage and foreclosing. This section is typically the same regardless of whether the security instrument is a mortgage or a deed of trust.

Sample Disclosure Section from the MOM security instrument:

*Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender’s successors and assigns) has the right: to exercise any or all of those interests, including but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.*
THE AUTHORITY OF MERS SIGNING OFFICERS

A MERS Corporate Resolution grants MERS Signing Officers limited authority to act in the name of MERS. They may only sign certain types of documents for MERS and when they act as officers of MERS they must do so in a manner that complies with the Rules, the Procedures, the Primer, the MERS Corporate Resolution that is the source of their authority, and any and all applicable laws, rules, and regulations. Via the CRMS, a MERS Signing Officer can access any current MERS Corporate Resolution authorizing him/her to act for MERS.

MERS Signing Authority is tied to Registration on the MERS® System

The authority granted by MERS to MERS Signing Officers is tied primarily to the registration of loans on the MERS® System. With limited exception, MERS Signing Officers may only act for MERS in relation to loans registered to the Member with which they are associated (i.e. the Member whose MERS Corporate Resolution they appear on) or the Member’s Affiliate Org ID(s).

Lien Releases

MERS Signing Officers are authorized to sign documents in the name of MERS that are necessary to release the lien of a mortgage loan registered to the Member on whose MERS Corporate Resolution they appear or its Affiliate Org ID(s). This includes, but is not limited to, signing lien releases, satisfactions, discharges, partial releases and cancellations.

Assignments

MERS Signing Officers are authorized to sign a MERS assignment of mortgage of a mortgage loan registered to the Member on whose MERS Corporate Resolution they appear or its Affiliate Org ID(s). In the alternative, if the mortgage loan is not registered to the Member or its Affiliate Org ID then the Member’s MERS Signing Officer is authorized to sign a MERS assignment of mortgage if the Member is the current promissory note holder.

MERS assignments should not contain any language purporting that MERS is assigning the note (e.g. “MERS assigns the mortgage, together with the note/indebtedness” would be prohibited language). Before signing a MERS assignment, a MERS Signing Officer should confirm that it contains no note transfer language.

MERS assignments should not reference any effective date that is different from the date the MERS assignment was signed by a MERS Signing Officer. MERS assigns its interest in a mortgage on the date that a MERS Signing Officer executes an assignment of that mortgage.
Substitutions of Trustee

MERS Signing Officers are authorized to sign a MERS substitution of trustee that relates to a mortgage loan registered to the Member on whose MERS Corporate Resolution they appear or its Affiliate Org ID(s). MERS should never be appointed as the substituted trustee, even if that appointment is only for the brief, limited purpose of reconveying the property to the trustor (e.g. “the undersigned MERS hereby appoints itself as trustee and reconveys…” would be prohibited language).

Foreclosures and Bankruptcies

Rule 8 of the Rules governs foreclosures and bankruptcies. Prior to initiating foreclosure proceedings (judicial or non-judicial), or filing a Proof of Claim or Motion for Relief from Stay in a bankruptcy, Members are required to have a MERS Signing Officer execute a MERS assignment of mortgage to the Lender, the servicer, or the Lender’s designee.

Servicing and Indemnification Obligations

Rule 13 of the Rules governs the indemnification obligations that exist among MERS, MERSCORP and Members. The MERS Corporate Resolution authorizes MERS Signing Officers to act in the name of MERS as may be necessary to fulfill the Member’s servicing obligations to the Lender or as may be necessary to fulfill the Member’s indemnification obligations under the Rules. This authority includes, but is not limited to, verifying litigation documents, such as pleadings or discovery responses, for MERS when MERS has been named as a party to a lawsuit or has been subpoenaed as a non-party. MERS Signing Officers are also authorized to sign settlement agreements in the name of MERS, provided the settlement, in substance and process, complies with the Rules. Finally, as officers of MERS, MERS Signing Officers may be asked to appear for MERS as a witness or deponent; the MERSCORP Law Department should be made aware of this before it occurs.

The Officer Titles of MERS Signing Officers

MERS Signing Officers are appointed by MERS with three (3) titles: Assistant Secretary, Assistant Vice President, and Vice President. These titles can be found in the MERS Corporate Resolution that is the source of a MERS Signing Officer’s authority. When signing for MERS, a MERS Signing Officer may sign with any one (1) of these three (3) titles, provided use of that title complies with applicable law. No other title is permitted for use by a MERS Signing Officer when he/she signs as an officer of MERS.

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4 For more information on settlement of claims made against MERS, please see Rule 13, Section 2.
The term MERS Signing Officer is not a title; it is a generic term used to refer to the officers of Members who have been appointed as officers of MERS. MERS Signing Officers are not permitted to sign using the title MERS Signing Officer.

**Limitations on the Authority of MERS Signing Officers and Disciplinary Actions**

Rule 7 of the Rules governs violations of the Rules and Procedures and the applicable disciplinary action process. MERS Signing Officers are required to act in accordance with the Rules, the Procedures, the Primer, and the MERS Corporate Resolution that is the source of their authority. Furthermore, MERS Signing Officers are required to abide by any and all applicable laws, rules, and regulations.

MERS may revoke the authority of a MERS Signing Officer who has acted outside the scope of his/her authority from MERS, or who has acted contrary to applicable laws, rules, or regulations. In addition, that individual may be made temporarily or permanently ineligible from serving as a MERS Signing Officer. A Member may be subject to monetary penalties and other sanctions, as set out in Rule 7, if its MERS Signing Officer acts in violation of the Rules, Procedures, the Primer, the MERS Corporate Resolution that is the source of his/her authority, or any applicable laws, rules, or regulations.

**No Further Delegation of Authority**

MERS Signing Officers are prohibited from delegating their authority to act for MERS to other individuals or entities. This prohibition includes, but is not limited to, a MERS Signing Officer purporting to appoint an officer of MERS through the issuance of a corporate resolution and the appointment of an agent for MERS through a power of attorney.

**Corrective Acts by MERS**

MERS Signing Officers are not authorized to ratify, affirm, or disavow the acts of MERS. For example:

- After MERS has assigned its interest in a mortgage to one company, and that interest has not been assigned back to MERS, a MERS Signing Officer is not authorized to execute a subsequent MERS assignment to purport to change or “correct” the assignee to be a different company.

- If someone who is not a MERS Signing Officer purports to act in MERS’s name (e.g. signing a lien release or assignment) then upon discovery of the act by a Member, that Member must notify MERSCORP Holdings consistent with its self-reporting obligations under Rule 7 and shall refrain from taking any further actions to attempt to ratify, affirm, or disavow the act.

In jurisdictions where there is a legal basis for the reinstatement of a released lien through the recording of a rescission document, Members must obtain express permission from MERSCORP before a MERS Signing Officer may be authorized to sign such document.
In the situation of a MERS Loan for which a lien release was signed and recorded by a party other than MERS who did not have any recognized legal rights for doing so, a MERS Signing Officer’s authority to sign a MERS lien release would not be affected by this prohibition because the initial lien release was not an act by MERS, resulting in the lien remaining outstanding until such action is taken by MERS.

**Indemnification by MERS**

MERS Signing Officers are prohibited from signing agreements for MERS to indemnify Members or third-parties. The only exception to this prohibition is for instances where indemnity is required by law, such as in a jurisdiction requiring the signer of a lien release to indemnify the county recorder.

**THIRD PARTY VENDORS AND LAW FIRMS**

**Signing Authority Agreements (each an “SAA”)**

An SAA is a contract signed by MERS, MERSCORP, a Member, and that Member’s vendor or law firm (“Vendor”). The Vendor in an SAA, like the Member, is required to have its own MERS® System membership. Additionally, the Member and Vendor must have a pre-established contractual agreement whereby the Vendor performs services for the Member.

Once MERS, MERSCORP, a Member, and its Vendor have all signed an SAA, MERS may issue a MERS Corporate Resolution to the Vendor, appointing certain employees of the Vendor as MERS Signing Officers. Those MERS Signing Officers are granted limited authority to act in the name of MERS in relation to loans registered to the Member on the MERS® System. No action may be taken in the name of MERS until after a MERS Corporate Resolution has been issued.

**Eligibility Requirements of MERS Signing Officers Associated with an SAA**

If the Vendor is an organization other than a law firm, such as a title company or document preparation vendor, then only officers of the Vendor are eligible for appointment as MERS Signing Officers. If the Vendor is a law firm then only licensed attorneys in good standing with a state bar who are employed by the Vendor are eligible for appointment as MERS Signing Officers.

Like all other MERS Signing Officers, MERS Signing Officers associated with an SAA are required to complete certification and be appointed by MERS. They must also recertify annually to maintain their authority as officers of MERS.

**The Scope of Authority Granted to MERS Signing Officers Associated with an SAA**

The scope of authority granted to MERS Signing Officers associated with an SAA is more limited than that which is granted to MERS Signing Officers who are appointed by a MERS Corporate Resolution issued directly to a Member. At the request of a Member that is a party to a fully-
executed SAA, MERS may grant the authority to sign one or several of the following types of documents to the MERS Signing Officers: (1) assignments, (2) lien releases, (3) Consolidation, Extension, and Modification Agreements (“CEMAs”), or (4) modifications. MERS Signing Officers associated with an SAA may only sign documents that relate to loans registered to the Member or its Affiliate Org ID(s) on the MERS® System.

**Termination of an SAA**

Upon the termination of an SAA, any MERS Corporate Resolution issued pursuant to that SAA is also revoked, which revokes the authority of any MERS Signing Officers appointed thereby. An SAA may be terminated at the request of the Member, the Vendor, MERS or MERSCORP. Because an SAA is predicated upon an existing contract between the Member and the Vendor, if the Member and the Vendor terminate their own contract then the SAA they have with MERS and MERSCORP is also terminated. Finally, an SAA is terminated if either the Member or the Vendor ceases to be a MERS® System Member.

**ADDITIONAL REQUIREMENTS FOR MERS DOCUMENTS**

**Proper References to MERS**

Wherever MERS may be referenced (e.g. recorded document, legal pleading), its full legal name must be used: Mortgage Electronic Registration Systems, Inc. The acronym MERS may only be used after being defined (e.g. Mortgage Electronic Registration Systems, Inc. (“MERS”)). Subject to state-specific requirements and depending on the type of security instrument, MERS must be referred to in documents as mortgagee, beneficiary, or grantee. When referring to MERS as a nominee, the language “its successors and assigns” must appear after the Lender for which MERS is identified as nominee (e.g. Mortgage Electronic Registration Systems, Inc., as mortgagee, as nominee for XYZ Bank, its successors and assigns). Once MERS is referred to in a document as mortgagee, beneficiary, or grantee, it is fine if subsequent references in that document only refer to MERS’s role as nominee.5

**The Printed Name of the MERS Signing Officer on a MERS Document**

The first name and last name of a MERS Signing Officer, as it appears in print on a document (e.g. assignment or lien release), must exactly match the first name and last name of that MERS Signing Officer on the MERS Corporate Resolution that is the source of his/her authority. If the MERS Signing Officer’s middle name/initial also appears on the document then it too must match exactly to the middle name/initial that appears for him/her on the MERS Corporate Resolution.

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5 Depending on the state, requirements regarding references to MERS’s role may vary. Please see the MERS Documents section of the Procedures for more information.
If only the MERS Signing Officer’s first initial appears on the MERS Corporate Resolution that is the source of his/her authority then his/her first initial, middle name, and last name are all required to appear in print on a document that he/she is signing for MERS. It is not permissible to only print the first initial and last name on the document.

The name requirement explained above does not impact the MERS Signing Officer’s actual signature, just the printed name for him/her on the document being signed. A MERS Signing Officer may sign a document however he/she would ordinarily sign his/her name.

To illustrate the printed name requirement, here are several examples:

- Name on MERS Corporate Resolution: John James Smith
  Acceptable name printed on document: John Smith or John James Smith

- Name on MERS Corporate Resolution: John J. Smith
  Acceptable name printed on document: John Smith or John J. Smith

- Name on MERS Corporate Resolution: J. James Smith
  Acceptable name printed on document: J. James Smith

**Notarization of MERS Documents**

Members should consult their counsel to determine the applicable laws, rules, and regulations concerning notarization of documents. Any documents signed by a MERS Signing Officer must adhere to those laws, rules, and regulations.

**Use of the MERS Corporate Seal**

MERS and MERSCORP do not require that a MERS Corporate Seal be affixed to all documents signed by MERS Signing Officers. However, if applicable laws, rules, or regulations require that a seal be affixed to a document, and a MERS Signing Officer is signing that document as an officer of MERS, then the MERS Corporate Seal should be affixed because it is MERS that is acting through its officer.
Appendix B: Tracking iRegistration Loans on the MERS® System

An iRegistration is a loan for which MERS holds no interest in the Mortgage. iRegistrations may be optionally registered on the MERS® System for tracking purposes only.

Tracking iRegistrations on the MERS® System allows Members to:

- Verify information during the loan origination process,
- Leverage information about the property offered as security for a loan during the pre-funding and post-funding phases of the loan origination process, and
- Track vacant properties to provide Property Preservation Contact information to code enforcement officials.

An iRegistration remains active so long as the Member intends to track it on the MERS® System, and the Servicer and Investor remain Members.

An iRegistration loan may be registered on the MERS® System using MERS® OnLine, the Flat File, or XML interfaces.

Requirements: iRegistration Loans

In addition to the Registration requirements that apply to all loans registered on the MERS® System (see Requirements: All Registered Loans), the following requirements apply to the maintenance of active iRegistration loans:

- The Servicing Member must ensure that the data in the MIN Record is maintained such that it matches the data on the Member’s System of Record.
- If the contractual servicing rights or beneficial ownership interests of the loan are transferred to another Member, the transfer must be reported to the MERS® System.
- If the contractual servicing rights or beneficial ownership interests of the loan are transferred to a non-Member, or the Servicer or Investor cease being Members, the MIN Record must be deactivated on the MERS® System.
- When the tracking of an iRegistration is complete, the MIN Record must be deactivated on the MERS® System.
- Members must self-audit their iRegistration loans for compliance with the following document requirements:
  - In order for a loan to be registered as an iRegistration loan, MERS must not be named as the current Mortgagee or assignee.
  - If MERS was Mortgagee at any time, an Assignment from MERS or UCC-3 must have been prepared and executed in accordance with the applicable document requirements (see MERS Documents) and sent for Recordation before the loan was registered as an iRegistration.
Procedures: iRegistration Loans

In addition to registering MERS® Loans, the Registration transaction is also used to enter the required information on the MERS® System to register an iRegistration loan, convert an existing iRegistration MIN Record to a Non-MOM, and register an REO property.

In this section, the registration procedures applicable to an iRegistration are organized into the following categories:

- **Procedure: iRegistration Loan Registration**: This procedure applies to all iRegistration loan registrations unless another procedure in this section addresses a scenario particular to a specific registration.
- **Procedure: iRegistration to Non-MOM Conversion**: This procedure applies to all iRegistration MIN Records that are converted to a Non-MOM using the Conversion transaction.
- **Procedure: iRegistration for REO Property**: This procedure applies to all REO property registrations.
- **Procedure: Completing a Pre-Closing iRegistration**: This procedure applies to all iRegistrations that were initially registered using the Pre-Closing transaction.
- **Procedure: iRegistration after Reversal**: This procedure applies to all MIN Records with a status of Registration Reversal for which the loan is being re-registered using the same MIN and MERS is not the Mortgagee.
- **Procedure: iRegistration after Deactivation**: This procedure applies to all deactivated MIN Records for which the loan is being re-registered using the same MIN.

**Procedure: iRegistration Loan Registration**

For step-by-step instructions on registering a Mortgage loan as an iRegistration using MERS® OnLine, see the iRegistration QRG.

1. The registering Member enters the MIN assigned to the loan on the Register a MIN page.
2. The registering Member completes the fields on the Registration Details page, adhering to the following instructions as applicable:
   - Set the value of the MOM indicator to “iRegistration”. This step is optional for a Pre-Closing.
   - System-required loan information must be provided at Registration. The Originating Organization is optional for iRegistration loans.
   - If the loan is being registered before it has closed, select the Yes Pre-Closing button.
   - Identify other Members with an interest in a loan as needed. This step is optional for a Pre-Closing.
Enter loan information exactly as it appears on the Member’s System of Record as specified in Requirements: MERS® System Data Integrity except as follows:

- Co-Borrower information is optional for an iRegistration.
- None of the fields in the Miscellaneous section are required for an iRegistration. Enter “1111” in these fields to bypass them during registration.

3. The registering Member submits the Registration.

Refer to System Actions: Loan Registration for details on the system actions that occur after a loan is registered on the MERS® System.

**Procedure: iRegistration to Non-MOM Conversion**

When the Mortgage of an active iRegistration is assigned to MERS, it must be converted to a Non-MOM using the Conversion transaction (see iRegistration Conversion QRG).

1. Once the Mortgage has been assigned to MERS, the Servicer or Subservicer enters the loan’s MIN on the Register a MIN page.

2. If the MIN is associated with an active iRegistration MIN Record, the Conversion page displays the existing loan information with the MOM indicator field set to “Non-MOM”.

3. The Servicer or Subservicer verifies all loan information and updates it as needed to ensure that it matches the Member’s System of Record and as specified in Requirements: MERS® System Data Integrity.

4. The Servicer or Subservicer submits the Conversion.

Refer to System Actions: Loan Registration for details on the system actions that occur after an iRegistration is converted to a Non-MOM on the MERS® System.

**Procedure: iRegistration for REO Property**

Because there is no Note or borrower currently associated with an REO property, the standard process for registering these loans on the MERS® System is slightly modified as detailed in this section.

1. The registering Member enters the MIN assigned to the REO property on the Register a MIN page.

2. The registering Member completes the fields on the Registration Details page, entering the information exactly as it appears on the Member’s System of Record and as specified in Requirements: MERS® System Data Integrity except as noted below:

<table>
<thead>
<tr>
<th>MERS® System Field</th>
<th>Enter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lien type</td>
<td>‘1st Lien’</td>
</tr>
<tr>
<td>Note Date</td>
<td>The current date</td>
</tr>
</tbody>
</table>
### Procedure: Completing a Pre-Closing iRegistration

If a loan was registered on the MERS® System prior to closing using the Pre-Closing Registration transaction as an iRegistration, the Registration is completed using the Post-Closing Registration transaction once the loan has closed (see Procedure: Completing a Pre-Closing Registration).

### Procedure: iRegistration after Reversal

A loan with a MIN Status of Registration Reversal can be re-registered as an iRegistration. During the re-registration process, the loan information can be updated including the Servicer and Investor Org IDs (see Procedure: Re-registration after Reversal).

### Procedure: iRegistration after Deactivation

If a loan is correctly deactivated on the MERS® System for any reason other than Foreclosure Complete or Paid in Full and subsequently needs to be re-registered and MERS is not the Mortgagee, it is re-registered as in iRegistration using the same MIN (see Procedure: Re-registration after Deactivation).

### iRegistration Transfer Transactions

iRegistration loan transfers are reported to the MERS® System in the same manner as MERS Loans and are subject to the same requirements. For details, see Transfers.
iRegistration Loan Deactivation

The primary Deactivation transactions on the MERS® System for iRegistration loans are:

- **Transfer to Non-MERS Status**: Must be used to deactivate a Flow iRegistration MIN Record that will no longer be tracked (see Transfer to Non-MERS Status QRG).
- **Registration Reversal**: Must be used to deactivate a Seasoned iRegistration MIN Record that will no longer be tracked on the MERS® System if the Transfer to Non-MERS Status transaction is not used to deactivate the MIN Record (see Reversals QRG).
- **Paid in Full**: Must be used to deactivate a iRegistration MIN Record when the Mortgage is released by the Recordation of a Lien Release or UCC-3 or extinguished by a Deed-in-Lieu (see Paid in Full QRG).
- **Foreclosure Complete**: Must be used when a Member opts to track iRegistration foreclosure activity on the MERS® System and the foreclosure process is complete (see Tracking iRegistration Foreclosure Activity).

**Tracking iRegistration Foreclosure Activity**

*Members* may, but are not required to, report foreclosure activity for iRegistration loans on the MERS® System.

- If a Member opts to track iRegistration foreclosures on the MERS® System, the following foreclosure requirements apply:
  - The **Foreclosure Pending (Option 3)**, iRegistration option must be used to report the pending foreclosure no later than seven (7) calendar days after the event or action occurs in the Member's System of Record that represents the decision to initiate foreclosure.
  - The **Reinstated or Modified (Option 3)**, iRegistration option must be used to report that the foreclosure has been averted and the loan has reinstated.
  - The **Foreclosure Complete** option must be used to deactivate the loan on the MERS® System if foreclosure is completed.
  - The **Foreclosure Status Reset** option must be used to return a MIN Record to an Active status if the Foreclosure Pending Option 3 status was entered in error no later than seven (7) calendar days after the error is identified (see Reversals QRG).
- If a Member opts not to track iRegistration foreclosure activity on the MERS® System, the MIN Record must be deactivated using the Transfer to Non-MERS Status or Registration Reversal deactivation.

**iRegistration Data Reconciliation Requirements**

The MERS® System fields in the table below must be reconciled for iRegistration loans. The following values are used in the Required or Conditionally Required column:
- **Required**: Must be present on all iRegistration **MIN Records**.
- **Conditionally Required**: Must be present on all iRegistration MIN Records if the field applies to the loan, borrower, or property, and the data is present on the **Member’s System of Record** (see **Conditionally-Required Field Criteria** for details).

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
<th>Required or Conditionally Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>MIN_NBR</td>
<td>MIN</td>
<td>Required</td>
</tr>
<tr>
<td>MIN_STAT</td>
<td>MIN Status Indicator</td>
<td>Required</td>
</tr>
<tr>
<td>LIEN_TYPE</td>
<td>Lien Type</td>
<td>Required</td>
</tr>
<tr>
<td>NOTE_AMT</td>
<td>Note Amount</td>
<td>Required</td>
</tr>
<tr>
<td>NOTE_DT</td>
<td>Note Date</td>
<td>Required</td>
</tr>
<tr>
<td>SERVR_ORG_ID</td>
<td>Servicer Org ID</td>
<td>Required</td>
</tr>
<tr>
<td>SUB_SERVR_ORG_ID</td>
<td>Subservicer Org ID</td>
<td>Conditionally Required</td>
</tr>
<tr>
<td>INVST_ORG_ID</td>
<td>Investor Org ID</td>
<td>Required</td>
</tr>
<tr>
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<td>Property Preservation Company 1 Org ID</td>
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<tr>
<td>BORR_CORP_NM</td>
<td>Borrower Corporate Name</td>
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<tr>
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<td>Borrower Middle Name</td>
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<tr>
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<td>Borrower Last Name</td>
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<tr>
<td>BORR_SSN</td>
<td>Social Security Number</td>
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<td>PROP_STRT</td>
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<tr>
<td>PROP_CITY</td>
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<td>Property State</td>
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</tr>
<tr>
<td>PROP ZIP</td>
<td>Property Zip</td>
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<tr>
<td>PROP_DESCR_VAL</td>
<td>Property County/FIPS Code/ANSI Code</td>
<td>Required</td>
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Note: The **PROP_DESCR_VAL** field contains only one of the following: the county name where the property is located, or the corresponding **FIPS Code**, or **ANSI Place Code**.