



THE MERS EXPERIENCE: *A Member's Perspective from Angst to Zen*

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Topics



- Introduction
 - Structure
 - Relationships
 - Due Diligence, Mergers and Acquisitions
 - Mail
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What is MERS?



- MERS is an industry utility created by mortgage bankers to promote electronic commerce and eliminate paper-based processes
 - An electronic registry for tracking servicing rights and beneficial ownership interests in mortgage loans
 - MERS is the mortgagee in a nominee capacity for the beneficial owner of a mortgage loan in the land records
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What is MERS?



- MERS is not a system of legal record nor a replacement for the public land records. Mortgages must be recorded in the county land records
 - MERS eliminates the need to prepare and record paper assignments when selling loans between MERS® Ready trading partners
 - When servicing transfers from one MERS member to another, MERS remains the constant mortgage lien holder in the county land records
 - Interests are not transferred on the MERS® System, only tracked
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Structure of a MERS Operation



- Tasks that are centralized
 - Tasks that are de-centralized
 - Structure of our MERS operations teams
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- Centralized
 - » MERS processes and transactions completed in one area
 - Decentralized
 - » MERS processes and transactions completed by different areas
 - » Controls in place to ensure all areas are completing required transactions
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Structure



- Centralized
 - » MERS processes and reconciliation process
 - Decentralized
 - » MERS processes
 - Structure of MERS Administration
 - » Central MERS Administrator e-mail address
 - » MERS Manager
 - » MERS Trainer/ Methods & Procedures Analyst
 - » MERS Administrator
 - » Support Associates
 - Structure of MERS Decentralized
 - » Trailing Docs
 - » Correspondent Audit
 - » Investor Relations
 - » Mortgage Loan Servicing
 - » Loss Mitigation
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- There is no one right way on how you manage your MERS processes.
 - All of the essential transactions to support our MERS process come from various departments in Originations and Servicing.
 - We have one central team that balances all of our transactions to confirm our compliance.
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- Cross-Training and communication are key
 - Company-wide MERS awareness training
 - » Operations
 - » Sales force
 - » Post closing units
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- Keeping your staff in tune with the MERS process
 - » Initial training at the time of integration
 - » Retraining (Hands ON)
 - » On Site training
 - » Web Seminars
 - » Quick Reference Guides
 - » Procedure Manuals
 - » Bulletins
 - » Emails from Help Desk
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Maintaining MERS Documentation



- Company website
 - Shared drive for MERS administration
 - Shared mailbox + MERS administrator
 - Weekly communication memo
 - Internal process for MERS changes
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Maintaining MERS Documentation



- Members should perform annual inventory of:
 - » MERS internal QA plan
 - » Member's MERS procedures
 - » MERS manuals, procedures, handbooks, quick reference guides
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Trading Partners and Associated Members



- Relationships with Trading Partners and Associated Members
 - Open Communication
 - Updated Contact Information
 - Scheduled Reminder Notices
 - Free Education/ Training
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- With MERS
 - » Maintain compliance with all MERS processing standards
 - Internal Procedures
 - Quality Assurance Plan
 - » Company Profile Information
 - Company Information Change Form*
 - Contacts

*<http://www.mersinc.org/MersProducts/forms.aspx?mpid=1>

Due Diligence



- Request MERS data tracked on Seller's systems and electronic version of MERS Portfolio Analysis for loans being purchased
 - Compare MINs and Mom-Flags for inconsistencies between Seller's systems and electronic MERS Portfolio Analysis
 - Compare received recorded documents on Seller's system to QC Flag on MERS Portfolio Analysis
 - Request Seller for other fields needed for Releases or Satisfactions of Mortgages which may not be tracked on MERS: Vesting, Legal Description and/or Original Lender
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Due Diligence



- Verify that loans in Deed of Trust States are reflecting Deeds of Trusts not Mortgages under the Security Instrument Type in the MERS Portfolio Analysis
 - Map your internal Investor Organization Identification Numbers to MERS Beneficial Interest Organization Identification Numbers
 - Check MERS Portfolio Analysis for any Security Instrument Types as “None”
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Due Diligence



- Determine how and when the TOS/TOB transactions are going to be generated and accepted
 - Contact EDS in advance of large numbers of transfers and confirmations
 - Use MERS® iSearch to capture data to populate your servicing system with recording data for future releases and for extensive balancing
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Mergers & Acquisitions



- Collapsing a member's Org ID
 - » All MINs must be moved to the appropriate servicer/investor
 - » Notify MERS
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Service of Process



- MERS receives service of process regarding many different issues because MERS appears in the land records as the mortgage lien holder
 - There is one central point of contact within your organization that will receive the mail
 - Processing transfers and life of lien events in the MERS® System is crucial for the accurate and timely forwarding of the mail
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- Establish general department e-mailbox
 - Forward emails systemically by standardized subjects
 - Track physical mail received from MERS on database for contact to which mail was forwarded
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- Daily Maintenance
 - Cross check against all company systems
 - Documentation forwarded to appropriate parties
 - Corrections made within MERS Administration or Post Closing
 - Communication to all impacted departments
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Mail



- Centralized email box – all go to legal, and other (non-legal related) are forwarded on manually
 - Centralized location for all physical mail
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In Conclusion



- Accurate information on the MERS® System is imperative
 - An established structure for handling the MERS process ensures success
 - Trading partners should have defined expectations
 - How MERS affects other internal processes and procedures must be considered
 - Timely receipt and distribution of mail received from MERS minimizes risk
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Now it's your turn...

