



Certified Forensic Loan Auditors

CERTIFIED FORENSIC LOAN AUDITORS, LLC

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PROPERTY SECURITIZATION MEMORANDUM™

Prepared for:

Prepared on behalf of:

Disclosure: You have engaged Certified Forensic Loan Auditors, LLC to examine your real estate documents. This information is not to be construed as legal advice or the practice of law, pursuant to *Business and Professions Code § 6125 et seq*, it is the intent of CFLA, its members, auditors and independent contractors, not to engage in activities that could be considered the practice of law by conduct exhibiting any of the following practices: “...the doing and/or performing of services in a court of justice in any matter depending therein throughout the various stages and in conformity with the adopted rules of procedure. It includes legal advice and counsel and the preparation of legal instruments and contracts by which the legal rights are secured although such matter may or may not be depending in a court.”

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SECTION 1: TRANSACTION DETAILS

BORROWER & CO-BORROWER:

| BORROWER | CO-BORROWER |
|------------------------|------------------------|
| | |
| CURRENT ADDRESS | SUBJECT ADDRESS |
| | |

Transaction Participants

| MORTGAGE BROKER: | MORTGAGE SERVICER: | MORTGAGE NOMINEE/BENEFICIARY: |
|--|---|---|
| Dynamic Capital Mortgage, Inc. 1371 Beacon St, #301 Brookline, MA 02446 | One West | MERS P.O. Box 2026 Flint, MI 48501 |
| ORIGINAL MORTGAGE LENDER/TABLE FUNDER: | MORTGAGE TRUSTEE: | TITLE COMPANY: |
| Indy Mac | Homeland Title & Escrow, LTD 4640 Forbes Blvd, #202 Lanham, MD 20705 | Homeland Title & Escrow, LTD 4640 Forbes Blvd, #202 Lanham, MD 20705 |

Loan Transaction Summary



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FIRST MORTGAGE

| | | | |
|----------------------|-------------------------|----------------------------------|------------------|
| Close Date | October 17, 2006 | Starting Interest Rate: | unknown |
| Loan Amount | \$460,000 | Starting Mortgage Payment | unknown |
| Occupancy: | Owner occupied | Transaction Type: | Refinance |
| Loan Program: | Unknown | Loan Number: | |

MIN:1002141-0608180008-3 Note Date:10/17/2006

MIN Status:Active

Servicer: [OneWest Bank, FSB](#)

Phone:(626) 535-4887

Pasadena, CA

Investor: [Deutsche Bank National Trust Company as Trustee](#)

Phone:(714) 247-6000

SECTION 2: SECURITIZATION



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The Securitization Process

Securitization was the process whereby mortgage loans were turned into securities, or bonds, and sold to Investors by Wall Street and other firms. More specifically, the loans are “sold” into a trust known as a special purpose vehicle (SPV) that holds the loans as collateral on the securities bought by the investors. These “sales” allow the lenders to move the loans off their books, eliminating the need to maintain capital-adequacy reserves against default. The purpose was to provide a large supply of money to lenders for originating loans, and to provide investments to bond holders which were expected to be relatively safe.

The procedure for selling of the loans was to create a situation whereby certain REMIC (real estate mortgage investment conduits, a common securitization vehicle for commercial vehicles) tax laws were observed, and whereby the Issuing Entity and the Lender would be protected from issues regarding either entity going into bankruptcy. The IRS treats residential real estate REMICSs comparably with the ‘reasonably foreseeable default’ standard. For the bankruptcy protection, two “True Sales” of the loans had to occur, when loans were transferred to different entities.

A “True Sale” of the loan would be a circumstance whereby one party owned the Note, and then sold it to another party. An offer would be made, then accepted, with compensation given to the “seller” in return for the Note. The Notes would be transferred, and the Deeds of Trust “assigned to the buyers” of the Note, with an Assignment made every step of the way, and each Note endorsed to the next party.

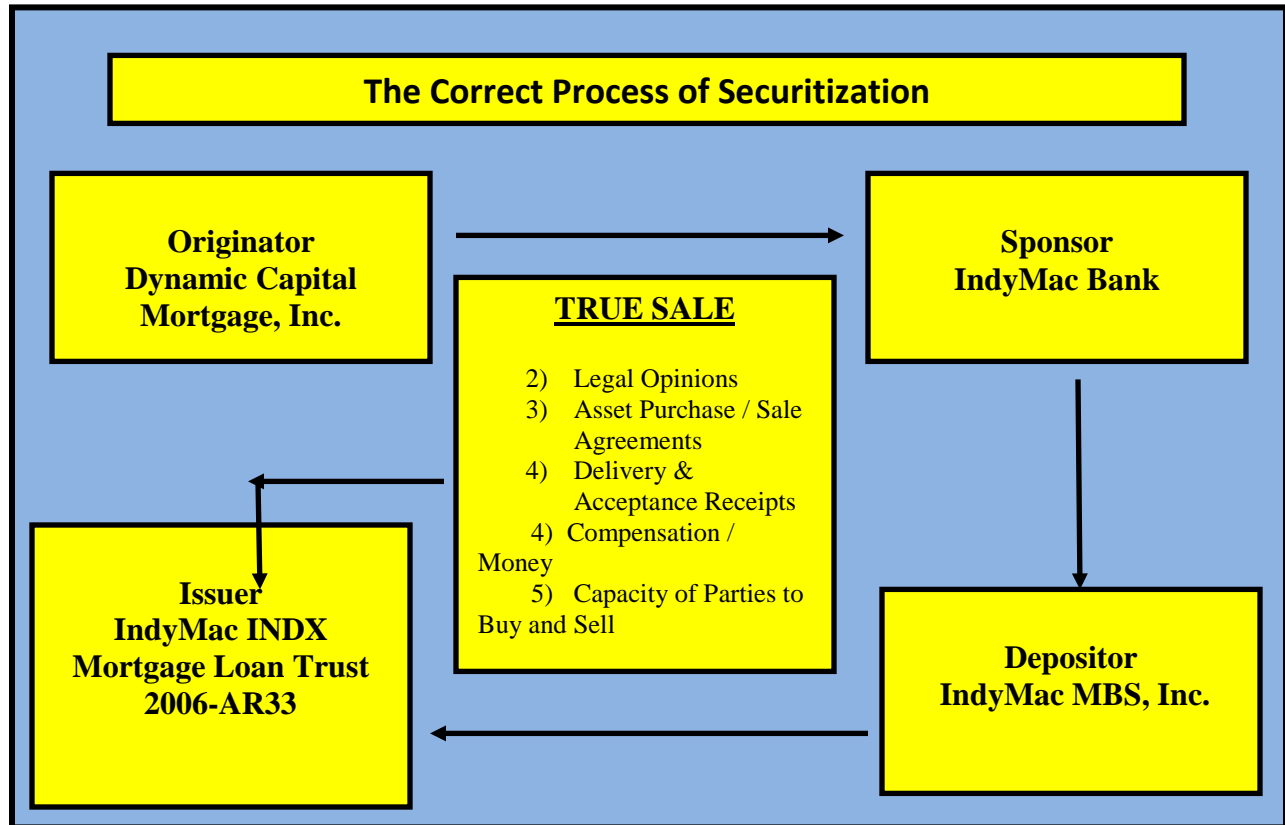
The parties involved:

- The Originator was the lender who funded the loan.
- The Sponsor “collected” or “bought” the loans from different lenders, combined them, and then “sold” the loans to the Depositor.
- The Depositor would “deposit” the loans into the Issuing Entity Trust, and then bonds and certificates would be sold.



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At least in theory, that is how the process would work. The diagram outlines this process.



The Reality

The “reality” of the securitization process was much different than projected.

The money for the loans generally came from the Wall Street firm that was organizing the transaction. The firm provided money in the form of “Warehouse Lines of Credit” for each “lender” to use. The funds for the Warehouse Lines of Credit came mostly from two different sources.

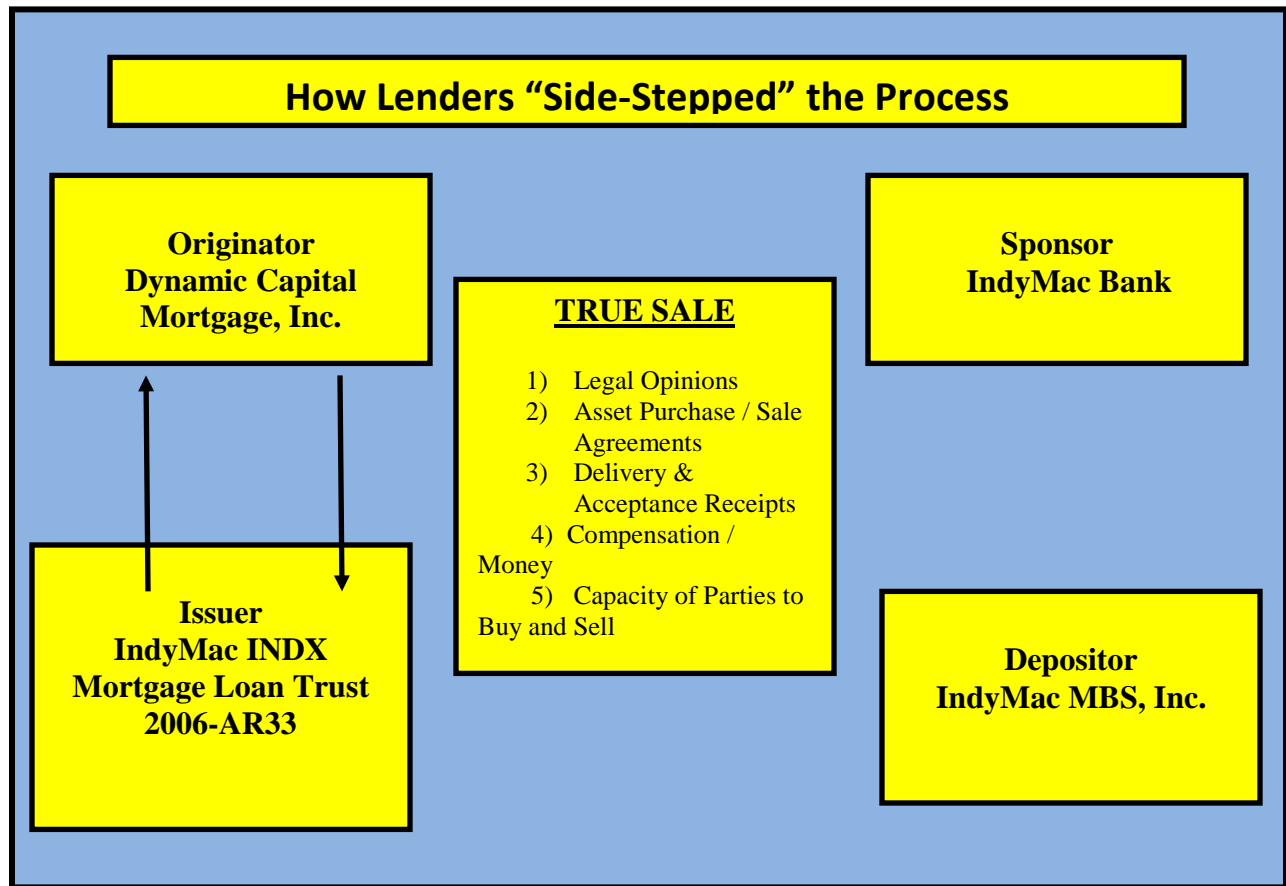
- The Wall Street Firm, if large enough, could provide the money from its own accounts initially, but this was a practice not commonly used.
- The Wall Street firm “pre-sold” the Trust, selling the idea to other firms who put up the money and who then would be involved in different parts of the transaction such as typically selling the certificates and bonds to private Investors.



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- The lenders were provided the money in Warehouse Lines of Credit.

The lender was tasked with finding borrowers for the money. Lending standards were “tossed out the window” because each Trust had a certain time frame in which the money could be lent to borrowers, allowing the Trust to sell the Certificates and Bonds. As a result, almost anyone above 18 years old could “qualify” for some type of loan. Even if the person was without employment or income, there was a loan for him.



It now becomes readily apparent that the entire lawful process of Securitization was entirely subverted.



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The Issues

Here are significant issues which concern the process:

- When the loan was sold to each entity, there were no Assignments of the Deed of Trust to any entity at the time of the sale. Therefore, “True Sales” could not occur despite there being required a perfected “Chain of Title” by most Pooling and Servicing Agreements (PSAs), though the Agreements try to make “allowances” for MERS loans. The Sponsor and the Depositor were “created” having no assets. Therefore, they were unable to “buy” or “sell” the loans for “True Sales” to occur.
- PSAs are contracts between the SPV and the loan servicers who process the payments and generally manage the loans. The servicers are contractually obligated to act in the interests of the investors.
- The selling of the loans from the lender to the Wall Street entity did not in fact occur. The Wall Street entity who created the Warehouse Line of Credit was in fact the “True Lender”.
- The Originator of the loan simply funded from the “Warehouse Line” and simply acted as a “Table Funder”.
- Again, no “True Sales” ever occurred, and as a result, there are questions as to the legality of the Trusts.
- No Assignments of Beneficiary or Endorsements of the Note to all entities in the transaction ever occurred, reinforcing the argument of no “True Sales” ever occurring. The endorsements are a requirement of the Pooling and Servicing Agreement.
- An Assignment of Beneficiary from the original lender only occurs upon default, and almost always after the Notice of Default is filed, which would mean that the Notice of Default may have defects in it.
- Now, Assignments of Beneficiary are being made to the Servicer and not the Trust, which would pose new issues for foreclosure because the Trust is not receiving the Deed despite the Trust’s being the “beneficial interest” in the Note.
- The addition of MERS to the equation, as “Nominee for the Beneficiary” to try to get around the requirement of assigning Deeds of Trust, further “muddies the waters” of the transaction. Many courts are ruling that MERS has no ability to foreclose or make assignments, with Chase and EMC in 2007 and Washington Mutual in 2008 ceasing use of MERS in foreclosures. Most recently, as of May 1, 2010, MERS cannot be named as a plaintiff in any foreclosure action on a mortgage loan owned or securitized by Fannie Mae.



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Securitization Participants

| True Lender: | Sponsor & Seller: | Depositor: |
|---|---|--|
| Indy Mac Bank | Indy Mac Bank | IndyMac MBS, Inc. |
| Issuing Entity: | Trustee: | Master Servicer – Securities Administrator: |
| IndyMac INDX Mortgage Loan Trust 2006-AR33 | Deutsche Bank National Trust Company | Indy Mac Bank |
| Foreclosure Trustee: | Custodian | Servicer: |
| Bierman, Geesing & Ward | Indy Mac Bank | Indy Mac Bank (One West) |

Summary:

Examiners reviewed the process of Securitization. They note:

- The originating lender, Dynamic Capital Mortgage, was a broker and most likely underwrote the loan pursuant to IndyMac’s underwriting guidelines.
- Before its failure, IndyMac Bank was seventh largest mortgage originator in the United States. The failure of IndyMac Bank on July 11, 2008, was the fourth largest bank failure in United States history and the second largest failure of a regulated thrift.
- IndyMac Bank was founded as Countrywide Mortgage Investment in 1985 by David S. Loeb and Angelo Mozilo as a means of collateralizing Countrywide Financial loans too big to be sold to Freddie Mac and Fannie Mae. Fannie Mae began offering REMICs in the late 1980s to institutional investors.
- On July 11, 2008, citing liquidity concerns, IndyMac Bank was placed into conservatorship by the FDIC. In March 2009, the FDIC held an auction for IndyMac Bank, with IndyMac ultimately being sold to OneWest.



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Tracking the Deed and the Note

| Deed | Date | Note | Date |
|------|-----------|-----------------------|-----------|
| MERS | 17-Oct-06 | Dynamic Capital Mtg | 17-Oct-06 |
| | | IndyMac Bank | 17-Oct-06 |
| | | IndyMac MBS, Inc. | 17-Oct-06 |
| | | INDX Series 2006-AR33 | 17-Oct-06 |

The Deed and the Note have taken two distinctly different paths.

- The beneficiary and mortgagee under the Deed of Trust is MERS.
- The Note has traveled a different path. Based on the available documents and research it appears that the Note was sold to IndyMac Bank and then securitized on the secondary market.
- Whether or not this has occurred is ascertainable upon inspection of the original Note for a complete Chain of Endorsements.

PSA

<http://www.secinfo.com/drtj.v71a.d.htm>

FWP

[http://www.secinfo.com/\\$/SEC/Documents.asp?CIK=1378454&Party=CS&Type=FWP&Label=Free+Writing+Prospectus+%2D%2D+Rule+163%2F433](http://www.secinfo.com/$/SEC/Documents.asp?CIK=1378454&Party=CS&Type=FWP&Label=Free+Writing+Prospectus+%2D%2D+Rule+163%2F433)

Notice of Suspension of Duty to File Reports

[http://www.secinfo.com/\\$/SEC/Documents.asp?CIK=1378454&Party=BFO&Type=15-15D&Label=Notice+of+Suspension+of+Duty+to+File+Reports+%2D%2D+Form+15](http://www.secinfo.com/$/SEC/Documents.asp?CIK=1378454&Party=BFO&Type=15-15D&Label=Notice+of+Suspension+of+Duty+to+File+Reports+%2D%2D+Form+15)



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8K

<http://www.secinfo.com/drtj.v71a.htm>

Cut-Off Date - November 1, 2006

Closing Date - November 29, 2006

Servicing Issues

Once a loan has been funded, servicing of the loan is the key element from that point. Servicing refers to the collection of the Monthly Payments for each mortgage, and as earlier noted, the general management of the loans. The servicers are contractually obligated to act in the interests of the investors via the Pooling and Servicing Agreement (PSA).

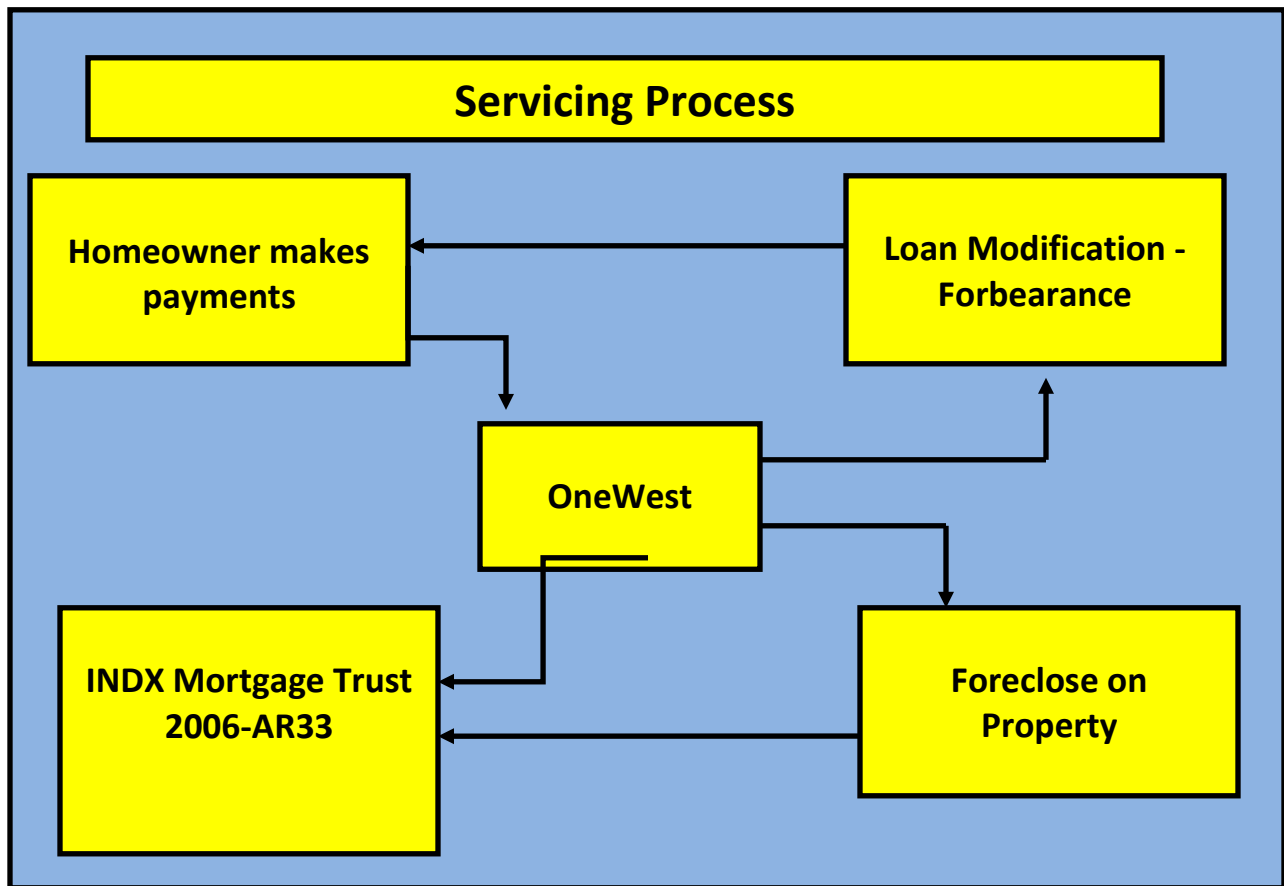
Every PSA names a Master Servicer and other Servicers. They are the entities tasked with the collection of payments. Responsibilities include:

- Collect the monthly payments on each loan.
- Keep accurate payment history records.
- Track payments and segregate the different Trusts for which the servicer collects.
- Make monthly payments to the Trusts.
- Engage in Collection Efforts for loans not being repaid.
- Attempt to resolve Collection Issues via loan modifications, forbearance, or other workout agreement tactics.
- Authorize Short Sales or Deed in Lieu of Foreclosure.
- Initiate Foreclosure Proceedings.



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The Servicing Flow Chart appears as this:



The Servicer has significant duties related to loan management. It would appear that there would be significant reason to engage in loan modifications or principal reductions to ensure loan repayment over foreclosures. But the Servicer has no incentive to engage in such actions. There are several reasons for this, the most important among which are:

- The Servicer has no beneficial interest in the Note, so there is no urgent demand for anything but foreclosure.



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- When payments are missed, the Servicer must “advance” the payments from the Trust with its own funds. This could mean six months or more than a year of “advances”. Often, the only way to recoup these funds is through foreclosure, since many PSAs do not allow for recoupment in any other manner. (The Servicer stops making these advances only when it is determined that the money is “not recoverable”.)
- Servicers are paid on the total dollar amount of the “Servicing Portfolio” for the Trust. Authorizing a principal reduction would reduce the total dollar amount of the Portfolio, so the Servicer would receive less monthly income as a result. Further, a percentage payment on the unpaid principal balance of the pool is the single largest source of income for Servicers.
- Under the rules promulgated by the credit rating agencies and bond insurers, Servicers are delayed in recovering the advances when they do a modification, but not when they foreclose. Stalling foreclosures means that the “Servicing Portfolio” increases monthly, resulting in increased Servicing Fees.
- Performing large numbers of loan modifications would cost Servicers upfront monies in fixed overhead costs, including staffing and physical infrastructure, plus out-of-pocket expenses such as property valuation and financing costs.
- The post-hoc reimbursement for individual loan modifications offered by Making Home affordable and other programs has not been sufficient to induce servicers to alter their existing business model. The Quarterly Report to Congress issued by the Office of Inspector General for the Troubled Asset Relief Program, under HAMP and its related programs, Treasury signed agreements, called Servicer Participation agreements (SPAs) with 145 Servicers as of October 3, 2010. Of the \$29.9 billion obligated to these Servicers under their SPAs, \$483.3 million was spent as of that date on completing permanent modifications of first liens.
- More telling, of the combined amount of incentive payments, approximately \$268.0 million went to pay Servicer incentives, \$164.9 million went to pay investor incentives, and \$52.0 million went to pay borrower incentives.
- Servicers collect additional fees from late payments, foreclosure actions, and numerous “junk fees” that they add to the homeowner’s account.
- Some PSAs do not allow for modification unless the Servicer “buys back” the loan from the Investor at the balance due, which a Servicer would not do since the loan is in default and the home is worth less than the loan. To buy back the loan would result in a loss for the Servicer.
- Primary Mortgage Insurance on a loan means no losses occur in the event of foreclosure.
- Credit Default Swaps would pay not just losses, but above and beyond losses. Using these forms of insurance, for instance, a \$2 premium can be paid to insure \$100 in debt.

These the reasons most attributable to why the Servicers are not engaging in loan modifications



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despite their being quite able to offer modifications in many instances. (This reasoning also applies to Fannie Mae and Freddie Mac loans.)

SECTION 3: FORECLOSURE

Chain of Title and Chain of Note

Recorded Events on the Loan Including Foreclosure Issues and Securitization

| Recorded Chain of Deed Possession | | Chain of Note Possession | |
|-----------------------------------|--|--------------------------|-------------------------------|
| Date | Beneficiary | Date | Note Holder |
| Oct 17, 06 | Deed of Trust Dynamic Capital Mtg/MERS | Oct 17, 06 | Dynamic Capital Mtg |
| | | Oct 17, 06 | IndyMac Bank |
| | | Oct 17, 06 | INDY Mortgage Trust 2006-AR33 |

Foreclosure Summary



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The following covers deficiencies in the foreclosure process.

Deed of Trust

- The original Deed of Trust was executed on October 17, 2006. The Beneficiary is MERS and Lender is Dynamic Capital Mortgage, Inc. The Trustee is Homeland Title & Escrow, LTD. As earlier stated, PSAs typically contain many different representations with respect to the underlying mortgages and the administration of the mortgage pool. Common examples include representations that the mortgage instruments are duly executed and fully enforceable.

Note and Deed Separated

- As noted previously this loan was securitized by IndyMac Bank. As a result, the Note and the Deed have been separated. Therefore, there is no ability to foreclose on the property until the Note and Deed of Trust are re-united.
- The Note that should have been filed with the Order to Docket was not provided for review. As earlier stated, PSAs typically contain many different representations with respect to the underlying mortgages and the administration of the mortgage pool. Common examples include representations that there are no material defaults in the mortgage Note, and that the Note must reflect a complete chain of all intervening endorsements as noted below. If the Note does not contain the required endorsements, a question arises as to the subject loan's being part of the pool.

ARTICLE TWO

CONVEYANCE OF MORTGAGE LOANS; REPRESENTATIONS AND WARRANTIES

Section 2.01 Conveyance of Mortgage Loans.

(c) In connection with the transfer and assignment of each Mortgage Loan, the Depositor has delivered (or, in the case of the Delay Delivery Mortgage Loans, will deliver to the Trustee within the time periods specified in the definition of Delay Delivery Mortgage Loans), for the benefit of the Certificateholders the following documents or instruments with respect to each Mortgage Loan so assigned:



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(i) The original Mortgage Note, endorsed by manual or facsimile signature in blank in the following form: "*Pay to the order of* _____ *without recourse,*" with all intervening endorsements showing a complete chain of endorsement from the originator to the Person endorsing the Mortgage Note (each endorsement being sufficient to transfer all interest of the party so endorsing, as noteholder or assignee thereof, in that Mortgage Note) or a lost note affidavit for any Lost Mortgage Note from the Seller stating that the original Mortgage Note was lost or destroyed, together with a copy of the Mortgage Note.

Notice of Intent to Foreclose

- A Notice of Intent to Foreclosure dated March 6, 2010, was available for review. The secured party was noted as Deutsche Bank National Trust Company, as Trustee of the IndyMac INDX Mortgage Trust 2006-AR33, Mortgage Pass-Through Certificates, Series 2006-AR33 under the Pooling and Servicing Agreement dated November 1, 2006. Examiners point out that Trusts (SPVs) are complex financial entities which in turn boast sub-financial entities backed by specialized insurance companies that together create the legal backdrop through which securitization can occur.

Order to Docket

- An Order to Docket was filed on September 28, 2010, by Substitute Trustees Bierman, Geesing and Ward in the Circuit Court for Charles County, Case No. 08C10002862. As earlier indicated, this Order to Docket was not provided in entirety to Examiners.

Substitution of Trustee



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- A Deed of Appointment of Substitute Trustee dated September 3, 2010, executed by Suchan Murray as authorized signatory for OneWest Bank appointed Howard N. Bierman, Jacob Geesing and Carrie M. Ward as Substitute Trustees.
- Covenant 24 of the Deed of Trust governs the substitution of trustees allowing only for the Lender, to make such a substitution:

24. Substitute Trustee. Lender, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the city or county in which this Security Instrument is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Applicable Law.

- OneWest Bank is not the Lender but the Servicer, and therefore, pursuant to the Deed of Trust, OneWest Bank has no authority to appoint a substitute trustee.

Maryland New Rule 14-207.1

Rule 14-207.1 (b) (2) If the court has reason to believe that an affidavit filed in the action may be invalid because the affiant has not read or personally signed the affidavit, because the affiant does not have a sufficient basis to attest to the accuracy of the facts stated in the affidavit, or, if applicable, because the affiant did not appear before the notary as stated, the court may order the party to who cause why the affidavit should not be dismissed or other relief granted.

- Judge Alan M. Wilner, Chair of the Standing Committee on Rules of Practice and Procedure, stated in his October 15, 2010, memo to the Committee “the use of bogus affidavits to support actions to foreclose liens on property, apart from prejudice to the homeowners, constitutes an assault on the integrity of the judicial process itself. “
- Attorney Carrie Ward supposedly signed the Deed of Appointment of Substitute Trustee and the Affidavit of Mailing of Notice to Occupant(s); however, Examiners observe that Ms. Ward’s signature on these documents is not consistent with her signature as it appears on other documents filed by her firm. It should be noted that Bierman, Geesing and Ward were implicated in the “signature scandal” as reported by Steve Lash in the Maryland Daily Record on October 19, 2010. As the complete Order to Docket in the subject case was not provided for Examiners’ review, there may be other documents contained within that docket involving questionable signatures.



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- Suchan Murray executed the Deed of Appointment of Substitute Trustee for OneWest Bank, FSB as attorney-in-fact. Based on Examiners research, Suchan Murray works under Erica Johnson-Seck, a 'VP of Foreclosure Management' at OneWest Bank. Johnson-Seck was deposed on July 9, 2009, in a Circuit Court Case in Palm Beach County, Florida, and stated on page 14 of that deposition:

Q. Is it true you don't read each document before you sign it?

A. That's true.

- Based on Mr. Suchan's boss's testimony, it is a reasonable deduction that Mr. Suchan did not read the Deed of Appointment of Substitute Trustee calling into question the validity of the document. If the Court finds the document to be invalid then arguably the Substitute Trustees, Bierman, Geesing & Ward, have no authority to foreclosure on the subject property.
- Examiners reviewed several documents purportedly signed by Suchan Murray including a document dated August 10, 2009, wherein Mr. Murray signed as 'VP of MERS'. Examiners observe an inconsistency in the signatures of Suchan Murray, calling into question whether or not Mr. Murray actually signed each of these documents--including the Deed of Appointment of Substitute Trustee in the subject case.
- Brian Burnett executed the Affidavit of Default and Mailing of Notice of Intent to Foreclosure as 'Assistant Vice President on behalf of OneWest Bank, FSB as Attorney-in-Fact'. Examiners reviewed a document executed by Jules Vogel on June 10, 2009, 'Corporate Secretary of OneWest Bank, FSB' and containing schedules reflecting authority of individuals to act on behalf of OneWest Bank under delegation by the Board of Directors of the Bank. Mr. Burnett's name does not appear on the list of those having signatory authority for OneWest Bank.
- Examiners reviewed several documents purportedly signed by Brian Burnett including documents dated April 14, 2010, and July 9, 2010, wherein Mr. Burnett signed as 'VP of MERS'. In reviewing these various documents, Examiners observe an inconsistency in the signatures of Brian Burnett, calling into question whether or not Mr. Burnett actually signed each of these documents--including the Affidavit of Default and mailing of Notice of Intent to Foreclosure in the subject case.



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SECTION 4: DEFECTS AND DEFICIENCIES

Loan Process

- There were no significant loan documents for review.

Loan Modification

- Any modification attempt would be subject to the Pooling and Servicing Agreement.
From the PSA:

Section 3.06 Collection of Mortgage Loan Payments; Certificate Account; Distribution Account.

(a) In accordance with and to the extent of the Servicing Standard, the Servicer shall make reasonable efforts in accordance with the customary and usual standards of practice of prudent mortgage servicers to collect all payments called for under the Mortgage Loans to the extent the procedures are consistent with this Agreement and any related Required Insurance Policy. Consistent with the foregoing, the Servicer may in its discretion (i) waive any late payment charge or, subject to Section 3.20, any Prepayment Charge in connection with the prepayment of a Mortgage Loan and (ii) extend the due dates for payments due on a Delinquent Mortgage Loan for a period not greater than 125 days. In connection with a seriously delinquent or defaulted Mortgage loan, the Servicer may, consistent with the Servicing Standard, waive, modify or vary any term of that Mortgage Loan (including modifications that change the Mortgage Rate, forgive the payment of principal or interest or extend the final maturity date of that Mortgage Loan), accept payment from the related Mortgagor of an amount less than the Stated Principal Balance in final satisfaction of that Mortgage Loan, or consent to the postponement of strict compliance with any such term or otherwise grant indulgence to any Mortgagor if in the Servicer's determination such waiver, modification, postponement or indulgence is not materially adverse to the interests of the Certificateholders (taking into account any estimated loss that might result absent such action) and is expected to minimize the loss on such Mortgage Loan; provided, however, the Servicer shall not initiate new lending to such Mortgagor through the Trust and



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cannot, except as provided in the immediately succeeding sentence, extend the maturity of any Mortgage Loan past the date on which the final payment is due on the latest maturing Mortgage Loan as of the Cut-off Date. With respect to no more than 5% of the Mortgage Loans (measured by aggregate Cut-off Date Principal Balance of the Mortgage Loans), the Servicer may extend the maturity of a Mortgage Loan past the date on which the final payment is due on the latest maturing Mortgage Loan as of the Cut-off Date, but in no event more than one year past such date. In the event of any such arrangement, the Servicer shall make Advances on the related Mortgage Loan in accordance with Section 4.01 during the scheduled period in accordance with the amortization schedule of the Mortgage Loan without modification thereof because of the arrangements. The Servicer shall not be required to institute or join in litigation with respect to collection of any payment (whether under a Mortgage, Mortgage Note, or otherwise or against any public or governmental authority with respect to a taking or condemnation) if it reasonably believes that enforcing the provision of the Mortgage or other instrument pursuant to which the payment is required is prohibited by applicable law. The Servicer shall not have the discretion to sell any Delinquent or defaulted Mortgage Loan.

- The Servicer has latitude to conduct loan modifications as long as the tax status of the REMIC is not affected. It should be noted that OneWest Bank is a HAMP participant as well.

Securitization

- This loan is Securitized. See Section 2: Securitization for a full explanation.
- There is no complete Chain of Title for the Deed.
- There was no Note for review showing a complete Chain of Endorsements from the originating lender to IndyMac Bank to IndyMac MBS to the Trust. It is likely that the actual Note does not have the full Chain of Endorsements as required by the PSA.

Foreclosure Process



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- The Deed and the Note are separated from each other as the result of the Securitization of the loan.
- It should be noted that Examiners, in researching hundreds of securitized mortgages in foreclosure proceedings, have yet to find one Note that has been produced that complies with the requirement of the Pooling and Servicing Agreement (PSA) that all intervening endorsements must be reflected on the Note. A Note endorsed in blank does not comply with those requirements.
- The signatures on the Affidavits contained in the Order to Docket are suspect and Examiners as testifying experts recognize potential fraudulent activity, which in this case would warrant review pursuant to Maryland Rule 14-207.1 and amendments to Rules 1-311 and 14-207. Further, recovery for a claim of fraud or intentional misrepresentation under Maryland law may warrant review pursuant to *Nails v. S&R, Inc.*, 334 Md. 398, 415 (1994). Federally, of course, Title VIII (Corporate and Criminal Fraud Accountability) of Sarbanes-Oxley Act Section 802 pertains to 'Criminal Penalties for Altering Documents'.

Elizabeth Jacobson
Certified Forensic Loan Auditor

ELIZABETH JACOBSON, CFLA



Certified Forensic Loan Auditors

Douglas Rian, M.A.
Certified Forensic Loan Auditor

DOUGLAS RIAN, M.A., CFLA

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