



The mortgage industry's utility.

www.mersinc.org



WHO ARE WE?

Today's financial services industry depends on technological innovations to provide its customers with access to information, increased efficiency and reduced processing costs. MERSCORP Holdings, Inc. owns and operates the MERS® System, a national electronic registry system that tracks the changes in servicing rights and beneficial ownership interests in mortgage loans that are registered on the System.

MERSCORP Holdings is the parent company of Mortgage Electronic Registration Systems, Inc. (MERS).

The MERS® System is the only national database that provides free public access to servicer information for registered home mortgages, complementing public land recording systems. Homeowners have free access to investor information for their mortgages, and the MERS® System is also used by local governments around the nation to identify parties responsible for maintaining vacant properties and addressing code violations.

MERS and the MERS® System were created by the mortgage banking industry to streamline the mortgage process by using electronic commerce. Those that benefit from the use of MERS include mortgage originators, servicers, warehouse lenders, wholesale lenders, retail lenders, document custodians, settlement agents, title companies, insurers, investors, county recorders and consumers.

MERS acts as mortgagee in the county land records for the lender and servicer. Future assignments of any loan -- where MERS is the mortgagee -- registered on the MERS® System are not necessary because MERS remains the mortgagee no matter how many times servicing is traded. MERS as original mortgagee (MOM) loans are approved by Fannie Mae, Freddie Mac, Ginnie Mae, the Federal Housing Administration and the U.S. Department of Veterans Affairs, the Delaware State Housing Authority, the California, Massachusetts and Utah Housing Finance Agencies, as well as all of the major Wall Street rating agencies.



BENEFITS WITH MERS AND THE MERS® SYSTEM

- Reduces cost of homeownership.
- Eliminates breaks in the chain of title.
- Hard dollar savings on each loan for homeowners and lenders.
- Identity of servicer and investor available for free to homeowners via phone or Internet.
- Used by lenders to find undisclosed liens.
- Used by governments and code enforcement officers to find companies responsible for maintaining vacant and abandoned properties.
- Simplifies lien releases when a lender goes out of business.
- Increases efficiency in sale of loans and servicing transfers in secondary market.
- Optimizes the Mortgage Identification Number (MIN) assigned to each loan used for tracking.

What is the MERS® System?

The MERS® System is the national electronic database that tracks transfers in mortgage servicing rights and beneficial ownership interests in loans secured by residential real estate recorded in the name of MERS in applicable land records.

MERS as Original Mortgagee (MOM)

Fannie Mae, Freddie Mac, VA, FHA, Ginnie Mae, the Federal Home Loan Bank MPF®, many state housing authorities and all major Wall Street rating agencies have approved language designating “MERS as Original Mortgagee” on the security instruments. Registering loans in the MERS® System eliminates the need for assignments because MERS remains the mortgagee of record no matter how often servicing is sold/transferred between MERS® System Members. Thanks to “MOM,” there is no break in the chain of title.

MOM MAKES IT WORK

MOM saves lenders time and money, and reduces paperwork, by eliminating the need to prepare and record assignments when trading loans. Lenders name Mortgage Electronic Registration Systems, Inc. (“MERS”) as mortgagee and nominee for the lender and its successors and assigns on deeds of trust and mortgages that are recorded in the county land records. Lenders then register the loans on the MERS® System and electronically track changes in servicing and beneficial ownership rights between other MERS® System Members over the life of the loan.

HOW MERS AND THE MERS® SYSTEM

WORK FOR YOU

Step 1: Include the “MERS as original mortgagee” (MOM) language on the mortgage or deed of trust for each loan.

Step 2: Generate a Mortgage Identification Number (MIN). The MIN is a unique, 18-digit number that lenders must generate and affix onto each security instrument before they can register it on the MERS® System. Lenders can generate this number using their in-house systems, such as a loan origination system or doc provider.

Step 3: Register the loan on the MERS® System. After the loan closes, Members register the loan on the MERS® System. The loan can be registered by a MERS® System trading partner, or by the lender using one of our easy-access connections:

- **MERS® OnLine:** Gives lenders the power to perform all MERS® System transactions securely over the Internet.
- **Batch transactions:** Use a computer-to-computer interface that lets lender systems connect with the MERS® System.

MERS® System Membership

MEMBERSHIP TYPES

General Membership: For lenders that typically service loans. There are four tiers of the General membership type based on annual volume of loan originations or servicing (whichever is greater).

Lite Membership: For lenders that originate and sell loans within 120 days of the original note date.

Patron Membership: For vendors and other organizations (e.g., warehouse lenders, investors, trustees, etc.) that work with MERS loans, but do not typically register them.

MEMBERSHIP FEES

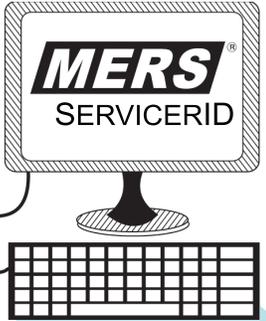
MERS® System fees consist of an annual membership fee, certain types of transaction fees, and other charges, as applicable. Membership fees vary according to a company’s size, annual production, or transaction and servicing volumes. Initial membership fees are billed following the approval of a membership application, and annual renewals are billed based on the anniversary date of membership.

How MERS Works

At closing, borrower signs a mortgage and promissory note. MERS is appointed "mortgagee as nominee" for the lender and its successors and assigns in the mortgage.

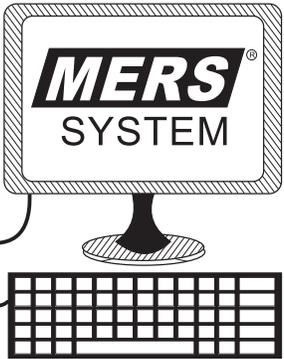


Lender records the mortgage in the county land record in MERS' name.



Borrower looks up servicer and investor info at mers-servicerid.org.

Lender registers loan information on the MERS® System.



345	+3.45%	3014
9487	-23.78%	
646	-34.6%	3820
INVESTOR		
127	-1.1%	22
108	3%	907
290	+12.6%	213
546	+41.01%	165



Lender sells the note; the MERS® System is updated for investor changes.

*Lender sells servicing; the MERS® System is updated for servicer changes.



*No breaks in chain of title when transactions occur because the lien remains in MERS' name.

*If a loan's servicing is sold to an organization that is not a MERS® System Member, the mortgage loan must be assigned out of MERS' name.



WHAT IS THE MERS® SYSTEM MEMBERSHIP PROCESS?

- 1. Apply for membership.** Visit our website, www.mersinc.org, to access the membership application. You may also call us at (800) 646-6377 and ask to speak with your regional director.
- 2. Designate an internal project manager within your company.** After submitting your application, assign the task of integrating the MERS® System into your company to a specific person. This person would typically be an operations, closing, shipping or funding manager who has received full support of senior management.
- 3. Contact Investors.** Notify your Investors of your intention to become a MERS® System Member. If they are also MERS® System Members, confirm their requirements. If not, inquire if they will accept assignments from MERS. Obtain new delivery instructions (if any) for the first time you deliver MOM loans to them.
- 4. Contact your loan origination system (LOS) provider.** Find out what MERS® System functionality is built into your LOS. Is MIN generation available? Can your system perform batch file registrations?
- 5. Contact your document provider** and ask if they can provide MOM language security instruments.
- 6. Contact your warehouse lenders** and see if they have signed an electronic tracking agreement (ETA) with MERS. If not, find out if they have any specific requirements.

MERSCORP Holdings, Inc. Support

Regional Sales Directors: Available nationwide for on-site sales and visits for MERS® System Members and their clients.

Website (www.mersinc.org): MERSCORP Holdings' official website with information on the company, MERS and the MERS® products and services.

Business Integration Managers: Assist MERS® System Members in integrating the MERS® System and MERS® eRegistry in their business and technical environments.

Help Desk: Answers systems, procedural and technical questions for active MERS® System Members.

User Conference: Annual conference for new and experienced MERS® System Members and MERS® eRegistry users that provides educational information on legal, regulatory and system enhancement topics.

Call us today to talk about resources, education and information to help you get started!

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MERS® System FAQs

Q. What is MERSCORP Holdings, Inc.?

A. MERSCORP Holdings, Inc. is a privately-held corporation that owns and manages the MERS® System and all other MERS® products. It is a member-based organization consisting of thousands of lenders, servicers, subservicers, investors and government institutions.

Q. What is MERS?

A. Mortgage Electronic Registration Systems, Inc. (MERS) is a wholly-owned subsidiary of MERSCORP Holdings, and its sole purpose is to serve as mortgagee in the land records for loans registered on the MERS® System. MERS is the nominee for the lender and subsequent buyers (“beneficial owners”) of a mortgage loan and serves as a common agent for the mortgage industry.

Q. What is the MERS® System?

A. The MERS® System is a national electronic database that tracks changes in mortgage servicing rights and beneficial ownership interests in loans secured by residential real estate. Over two-thirds of all newly originated residential loans in the United States are registered on the MERS® System.

Q. Do the nationally recognized rating agencies permit the use of MERS as Mortgagee?

A. Yes. All of the major rating agencies (Standard and Poor’s, Moody’s and Fitch) permit the use of MERS as mortgagee for mortgage loans included in mortgage-backed securities transactions without any additional credit support.

Q. Can MERS operate in all 50 states?

A. Yes. MERS can operate in all 50 states either as a mortgagee, beneficiary, or nominee of the beneficiary.

Q. If I don’t sell servicing, why should I become a MERS® System Member?

A. Because predicting the future in the mortgage industry is risky, registering mortgage loans you service on the MERS® System gives you the flexibility to react quickly to future market changes. Designating MERS as the mortgagee also reduces paperwork by eliminating the need to prepare and record assignments if and when you decide to sell servicing to other MERS® System Members.

Q. How can I become a MERS® System Member?

A. It’s easy! Call (800) 646-6377 today and ask for the Customer Group, or go to the Sales Contacts page on www.mersinc.org to contact your regional director directly.

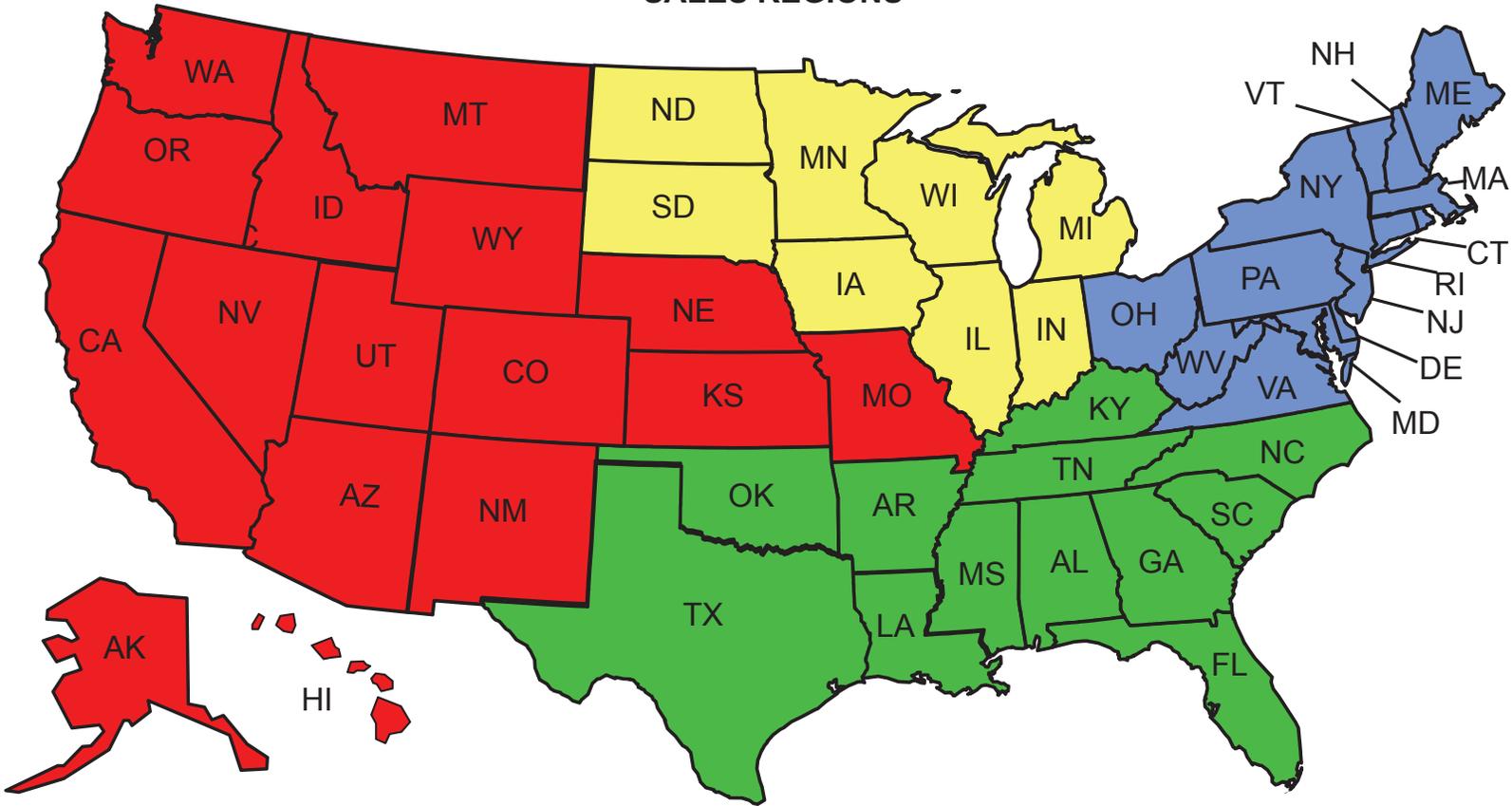
Q. Are there any benefits to title companies?

A. For loans registered on the MERS® System, title companies have a single, electronic source for identifying the current servicer of a loan to obtain payoff quotes and verify that payoff funds have been received, simplifying the entire titlework process.



The mortgage industry’s utility.

MERSICORP HOLDINGS CUSTOMER DIVISION SALES REGIONS



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