

URGENT – MERS RULING COULD CAUSE SERIOUS PROBLEMS FOR LENDERS DURING FORECLOSURE

We first reported to you in 2007 of the landmark ruling in Cleveland where Deutsche Bank was unable to foreclose on homes because they were unable to prove with documentation that they had an interest in the properties. Then again In January of 2008 we brought your attention to the story of MERS and how it was the target of class action lawsuit in Minnesota reported by the housingwire blog on the housingwire website. As we suspected it seems that quite a few states have adopted this same opinion. Not only is this news extremely urgent for those that utilize the MERS system, it may cause serious interruptions in the way that you currently process your loans.

Since 2006 there have been lawsuits and accusations of the inability to prove ownership and interests in properties because of a flawed system using MERS. The most recent case in the Supreme Court of the State of Kansas as reported by *Ellen Brown, a Writer For [OpEdNews](#)* stated this:

“A landmark ruling in a recent Kansas Supreme Court case may have given millions of distressed homeowners the legal wedge they need to avoid foreclosure.” You can view the case online at www.kscourts.org.

Ellen also wrote, “the Kansas Supreme Court held that a nominee company called MERS has no right or standing to bring an action for foreclosure. MERS is an acronym for Mortgage Electronic Registration Systems, a private company that registers mortgages electronically and tracks changes in ownership. The significance of the holding is that if MERS has no standing to foreclose, then *nobody* has standing to foreclose – on [60 million mortgages](#). That is the number of American mortgages currently reported to be held by MERS. Over half of all new U.S. residential mortgage loans are registered with MERS and recorded in its name. Holdings of the Kansas Supreme Court are not binding on the rest of the country, but they are dicta of which other courts take note; and the reasoning behind the decision is sound.”

Other reports of this story can be found by clicking on the links provided below:

www.dsnews.com

www.indianalawblog.com

And another recent case involving MERS from May 2009 in Indiana can be found by clicking on the link below:

<http://www.ai.org/judiciary/opinions/pdf/05210901ebb.pdf>



15511 State Highway 13
Branson West, MO 65737
(800) 999-6120 or (417) 447-2931 Direct
www.richmondmonroe.com
sales@richmondmonroe.com