

## **MERS REGISTRATION AND TRANSFER – TOOLS AND TIPS**

### **REGISTRATION**

Register a loan closed on a Security Instrument name Mortgage Electronic Systems Inc. (“MERS”) as the original mortgagee (“MOM”) no later than 7 calendar days after the Note Date (or funding date as applicable for refinance loans or in escrow states).

For loans assigned to MERS (“Non-MOM”), register the loan no later than 7 calendar days after the date listed on the Assignment

#### **PRE-CLOSING LOANS**

- Pre-Closing Registration is the process of entering loan information into the MERS System for loans that **NOT YET CLOSED**. The MERS system reflects a Pre-Closing as **NOT ACTIVE status**. Pre-Closing Loans may not be updated, transferred or deactivated. When the loan closed, it may be then registered as Active by using the POST CLOSING Registration. (Note if a Pre-Closing Registration does not closed, then a Registration Reversal on the MIN must be completed).
- If a loan is left in Pre-closing and was purchased by Cornerstone and never transferred and now a major investor (FNMA, GNMA or Freddie) are trying to swept it in MERS to add themselves in MERS as the Investor – they will NOT be able to find the MIN – it’s really hard after the fact to get them to go back and re-sweep the loan in MERS – Ask that you please do not leave the loans in Pre-closing.

#### **POST-CLOSING REGISTRATION**

- Post-Closing Registration is the process that is used to register a loan as ACTIVE after it has been registered as Pre-Closing. The Post-closing registration MUST be performed NOT LATER than seven (7) calendar days after the NOTE date for a MOM (MERS as Original Mortgagee) loan.
- For NON-MOM loan, which is one assigned to MERS, the Post-closing registration MUST be performed NO LATER than seven (7) calendar days after the date that is listed on the Assignment.

#### **ORIGINATING ORG ID**

- MUST always be sure to enter your ORG ID as the Originator this can be found in the Loan Screen in MERS. The field to enter your ORG ID is called Originating ORG ID. Please DO NOT enter your ORG ID, your Bank’s name or Cornerstone’s name under the field listed as Original Note Holder – that field should remain blank.

#### **NOTE AMOUNTS**

- When entering a NOTE amount in MERS – please do NOT the 2 zero’s at the end of the Note Amount– for example:
  - If the note amount is 525000
  - If you add the 2 zero’s at the end to reflect as 52500000 it will list the NOTE amount to be 52,500,000 on the MIN Summary page

#### **MIN NUMBER**

- Make Certain that the MIN # that is being registered in MERS is ALSO the MIN Number that is listed on the Deed of Trust – Both MUST Match

#### **COUNTY**

- Please always make sure the County is entered in MERS – Use the county that is listed in the legal description of the property

## **NOTE DATE**

The NOTE date entered in MERS MUST always be the NOTE date that is listed on the Actual NOTE that is signed by the borrower(s). The Note Date should NOT reflect the MERS registration date, the funding date or the transfer date.

## **NON-PURCHASING BORROWERS**

A Non-Purchasing Borrowers should NEVER be listed in MERS as Co-Borrower's. Yes they may be listed on the title, but they ARE NOT listed on the 1003 as a Purchasing Borrower– they do NOT get listed as Co-Borrower's in MERS.

## **DEED OF TRUST**

A Deed of Trust MUST only be recorded once. If a Deed of Trust is re-recorded because of errors that were discovered there will be issues – the County will now has two recordings which contain different recording numbers and dates.

- Loan paid off – which recording information is used on the lien release
- Loan goes into Foreclosure/Bankruptcy – what recording information is used and provided to the Attorneys and Courts

MERS states that there can be problems in the long run and requires ONLY one recording. However if there are errors discovered on the Deed of Trust – there is an options that can be done:

### **It's a MOM Loan but MERS Verbiage was left off** – DON'T RE-RECORD the Deed of Trust

- You MUST complete an Assignment of Mortgage (blank sample attached) see that it is signed and notarized and your office MUST forward to the County for recording – the County will attach this to the Deed of Trust. Once you have received the recorded copy back your office then is required to forward a Recorded Assignment of Mortgage to our office.
  - Please note – It is supposed to be a MOM Loan and even though your office did an Assignment of Mortgage to add MERS verbiage - this loan is NO LONGER considered to be a MOM because the MERS Verbiage was left off the initial Deed of Trust – our system and MERS should reflect as a NON-MOM Loan. If you re-record – our system and MERS will still reflect it as a NON-MOM

### **MIN Number was left off or MIN # is Incorrect** - DON'T RE-RECORD the Deed of Trust

- Please always confirm that MIN number is listed on the Deed of Trust and is correct before submitting the Documents to the County for Recording.
- There is a Mortgagee Affidavit Designating Mortgage Identification number (MIN) that can be utilized to Correct/Change the MIN # but after speaking with MERS – in order to utilize this form your office had to have provided MERS with a Corporate Resolution and someone in your office has been approved by MERS as an Authorized Officer of MERS to sign this form (which is something that your office can pursue) – but if NOT I was told there is no work around - sorry. AGAIN - Suggest to make certain a MIN # is listed and is Correct before sending the Deed of Trust to the County for recording.

## **LOAN TRANSFERS**

When Cornerstone has purchased a loan a transfer via TOS/TOB (Both Servicing & Investor Rights) MUST be initiated/transferred within 5 (five) calendar dates from the date of purchase to Cornerstone Home Lending, Inc. ORG ID # 1001770.

- If a transfer consisting ONLY of TOS/Servicing rights is received – the batch will be rejected and your office will be required to cancel the batch on your end and process a re-transfer to Cornerstone ORG ID # consisting of both a TOS/TOB.
- The ONLY time a TOS (Servicing Rights) is done is if FNMA, GNMA, or Freddie have swept the loan and placed themselves as the investor in MERS - if the loan is transferred to Cornerstone within 5 calendar days of purchase then you will NOT need to utilize this option.

- If a transfer consisting of both TOS/TOB is received and it's discovered that the loan has NOT YET funded, the batch will be rejected and your office will be required to cancel the batch on your end and process a re-transfer to Cornerstone ORG ID #.