



MERS Lite Tool Kit

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INTRODUCTION

Dear New MERS Lite Member:

Congratulations! By joining MERS, your company has made an excellent decision that will streamline your business processes in originating and selling mortgages to other MERS Members. Completing your MERS Lite integration effort means you can eliminate paper assignments and register your loans on the MERS[®] System.

Throughout the integration process, a MERS Business Integration Resource (BIR) will work with you to meet your target date.

The six steps of MERS Lite integration are:

1. MERS System Profile

Your BIR will send you a System Profile to complete and return. The information you provide will be used to set up your company in our training, testing and production environments.

2. Mortgage Identification Number (MIN) Strategy

Each loan is assigned a MIN, which remains with the loan throughout its lifetime. You must create a unique MIN for each loan, and affix the MIN to all documents that name MERS as the mortgagee. You can get MINs from:

- Loan Origination Systems
- Document Vendors
- Investors
- Your own systems programmed with the MIN algorithm
- MERS®1-2-3: an online system that enables Members and non-members to link to a document provider's site to produce MERS documents, generate MINs, and send registration data back to MERS for a MERS member to register.

3. MERS Document Strategy

The MERS as Original Mortgagee (MOM) document incorporates the authorized changes to the standard FHLMC, FNMA, FHA and VA Mortgage or Deed of Trust, to name MERS as the original mortgagee of record, as nominee for the lender and lender's successors and assigns. You must also be able to produce an assignment out of MERS, in case you sell a MOM loan to a non-MERS Investor. And you must have a method (preferably automated) of affixing a MIN to these documents.

4. Registration

Registration can be completed in the following ways:

- a) You can use the MERS[®] OnLine registration transaction
- b) You can use an XML registration request transaction and receive an XML response
- c) Your Loan Origination System may be “MERS[™] Ready” and provide a flat file extract of the registration data. You would send this file via File Transfer Protocol (FTP) to MERS for processing.
- d) Your Investor(s) can register the loans for you.
- e) A trading partner or a MERS-approved technology vendor can register the loans for you.

Your Business Integration Resource (BIR) will discuss these possibilities with you.

5. Trading Partner Readiness:

A MERS[™] Ready Investor will buy MERS loans, so you can originate the loans sold to them on MOM documents.

For your non MERS[™] Ready Investors MERS recommends that you originate loans sold to them on standard (non-MOM) documents. Alternatively, you can originate all your loans on MOM documents, then prepare and record assignments out of MERS. This alternative also requires that you register and deactivate the loan on the MERS[®] System.

We strongly suggest you notify your trading partners soon that you will be MERS[™] Ready. Before you can become MERS[™] Ready, you need to determine if your trading partners have any unique MERS requirements.

6. Signing Authority:

MERS provides its Member-designated officers with the authority to execute documents as an officer of MERS if this becomes necessary (e.g. execute an assignment out of MERS). MERS will email you a link to the request form when your company is assigned a BIR. Once you return the completed form, MERS will provide you with a Corporate Resolution enabling the designated officers to execute documents for MERS as mortgagee.

When you have completed these six steps you will then

Participate in a MERS[®] OnLine Training session

If using an extract from your LOS, you will test transmitting and processing the file with us

Create MERS Procedures and Quality Assurance Standards for your company

1. TRADING PARTNER REQUIREMENTS

Before you start originating MOM loans, you need to know what document and processing requirements your trading partners have for MERS loans. Usually you will have started this process before you enter integration, and may already have received your trading partners' MERS requirements. These requirements must be received and included in your MERS procedures in order to complete the integration process.

We suggest that you notify your trading partners when you establish a target date to begin producing MOM documents.

You should contact:

- *All branch offices, if applicable*
- *Investors*
- *Wholesale Lenders*
- *Warehouse Banks*
- *Brokers or Correspondents*
- *Parent Companies*
- *Technology Partners/Vendors*
(to determine if MERS™ Ready, discuss any special requirements, and anticipated production date for MERS loans)

Advising your trading partners that you have made a business decision to begin using MERS is a very important part of a successful MERS Implementation. You cannot fully realize all the financial and time benefits until your trading partners are **MERS™ Ready** also.

There may also be other partners (i.e. Warehouse Banks), where you could eliminate the unrecorded assignment. Your BIR will discuss this with you. You might also be able to eliminate brokered loan assignments if you

1. Execute the Broker Agreement or Affiliate Agreement
2. Notify the Broker/Correspondent to close loans on MOM documents with a MIN you provide them
3. Register the loan on the MERS® System.
4. Have your brokers use MERS® 1-2-3.
5. Obtain Investor and Warehouse Lender requirements
6. Complete Broker or Affiliate agreement(s), if needed

2. DOCUMENTS AND SYSTEM

A unique MIN (Mortgage Identification Number) must be created for every loan registered on the MERS® System. The MIN must also be affixed to the Security Instrument, the Assignment (if assigning into or out of MERS), and the Note (if required by your trading partners). The MIN remains with the loan throughout its life. Therefore, you must develop a process for creating and affixing the MIN to your documents.

What is a MIN?

The MIN is a unique universal identification number, permanently assigned to a loan, when registered on the MERS® System. This number is 18 digits and contains the following components:

MIN Design:

- MERS-maintained Organization Identification number (7 digits)
- Locally generated sequential number (10 digits)
- Check digit routine (Mod 10 Weight 2 Algorithm) (1 digit)
- Org ID + Sequence Number + Check Digit = 18 digits
- $(100XXXX + 0123456789 + 1) = \text{MIN}$

Components of MIN Management:**Options for Producing MINs:**

- Your Loan Origination System
- Your Document Preparation Vendor
- Your Investor
- You can program your own MIN generator
- You can generate and reserve a MIN through MERS[®] 1-2-3 when you also prepare MOM documents or assignments through that system.

Affixing MINs to the Documents:

- Manually enter MIN field on Document Preparation System (if not generating MINs here)
- Automated interface from your Origination System (if available)
- MINs generated through MERS[®] 1-2-3 will print on the MOM documents produced.

Database Management

- Send sample MINs to your BIR to ensure they are valid
- Ensure your method of generating MINs does not create duplications

MIN Placement:

- MIN and MERS Servicer Identification System (SIS) number (888 679 6377) are required on the Security Instrument (Mortgage or Deed of Trust)
- Including the MIN on the Promissory Note is recommended
- MIN and SIS are required on the Assignment to MERS

Note: Refer to the MERS Quality Assurance Procedures Manual for complete information on placing the MIN and SIS number on your documents

Upon Funding or Purchasing loan:

- Register loan on the MERS® System naming purchaser at registration, or naming registering Member, but registration must be completed no more than 10 calendar days after the loan is originated.
- Send Security Instrument to be recorded
- The current Servicer listed on the MERS® System is responsible for notifying MERS about any servicing events and for entering the recording information. Some Investors require that the registering Member be responsible for adding the recording information prior to forwarding final documents to the current Servicer.
- If registering Member is named at registration, use transfer transaction(s) to notify MERS no more than 14 calendar days after the loan is purchased.

MERS as Original Mortgagee (MOM) Documents

To take advantage of MERS and eliminate the need for assignments, you must be able to produce and close with MOM documents. The document set(s) are currently available through various vendors. For a list of *MERS™ Ready* document providers, visit our web site at www.mersinc.org on the Directory page.

An example of the MOM Language approved for all security instruments is as follows:

“This Security Instrument is given to Mortgage Electronic Registration Systems, Inc. (MERS), solely as nominee for the Lender, as hereinafter defined, and Lender’s successors and/or assigns, as beneficiary. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of: P. O. Box 2026, Flint, MI 48501-2026, telephone (888) 679-MERS. Company Name (Lender) is organized and existing under the laws of State, and has an address of, Mailing Address, City, State, Zip Code.

Close loans on MOM Docs:

- *Close loans with MOM documents, register each loan*
- *Eliminate ALL assignments (Recorded and Unrecorded)*

Once you have obtained the MOM documents, send a sample to your BIR for review.

Note: All Registrations must occur within 10 calendar days of the Note Date

Note:

The language shown is representative language to be used in security instruments throughout the country, with minor variations in some states. The MIN must also appear on the first page of the document. Most trading partners require the MIN on the Promissory Note as well.

Note:

It is your responsibility to ensure that ALL documents are accurate and contain the appropriate MERS language. This should be part of an ongoing Quality Assurance Process. See the MERS® Quality Assurance Procedures Manual for complete information.

Determine how you will register & transfer loans Registration can be completed in several ways.

- You may be working with trading partners that will register loans for you.
- You can register loans through MERS® OnLine, the browser-based interface to our application.
- Your Loan Origination System may have the capability to extract data into a file that can then be transmitted to us via FTP. The format for this file is available in the MERS Integration Handbook, Volume II, located on our web site www.mersinc.org.

Trading Partner Registrations

- Provide them with the MOM Document with a valid MIN.

Registrations through MERS® OnLine

- You must complete a MERS® OnLine training session before you are allowed access to this system.

Automated Process

Depending on technical resources available, you may elect to develop an interface between your Loan Origination System and the MERS® System.

Data can be extracted and delivered to MERS through a “Flat File Format” or “EDI X12 Format”. The specifics for these are outlined in the *MERS Integration Handbook Volume II* (available at www.mersinc.org).

Your BIR will review this option with you, and request the appropriate MERS® OnLine training session.

The following table includes the required data fields for registering a loan on MERS:

Field Name	Conditions
1. MIN	YES
2. Lien Position (1 st or subordinate)	YES
3. Note Amount	YES
4. Note Date	YES
5. Original Note Holder	YES (if applicable)
6. Servicer MERS Org ID	YES
7. Investor MERS Org ID	YES
8. Investor Loan Number	YES (If Investor requires)
9. Pool Number	YES (If Investor requires)
10. Agency ID	YES (If Investor requires)
11. Borrower Standing (Original or Current)	YES
12. Type of Borrower (Primary or Co-Borrower)	YES
13. Corporation Flag (If Applicable)	YES
14. Corporation Name (If Corporation Flag is Checked)	YES
15. Borrower First Name	YES
17. Borrower Last Name	YES
18. Social Security Number of Primary Borrower (if not a Corporation)	YES
19. Street Name and Number	YES
20. City	YES
21. State	YES
22. Zip Code (First 5 digits)	YES
23. County Name	YES
24. MOM Flag (defaults to MOM in MERS® OnLine, Non-MOM in batch)	YES

3. RESPONSIBILITIES AND CONTACTS

Submit authorized signers list to MERS Law Department for corporate resolution.

During the integration process you will provide us a list of your officers who are to be granted signing authority, as officers of MERS, under the MERS corporate resolution. MERS will then provide you a Corporate Resolution authorizing those officers to execute documents as an officer of MERS (see below).

CORPORATE RESOLUTION (Members)

Be it Resolved that the attached list of candidates are officers of **XYZ Mortgage**, a Member of Mortgage Electronic Registration Systems, Inc. (MERS), and are hereby appointed as assistant secretaries and vice presidents of MERS, and, as such, are authorized to:

- (1) release the lien of any mortgage loan registered on the MERS System that is shown to be registered to the Member;
- (2) assign the lien of any mortgage loan naming MERS as the mortgagee when the Member is also the current promissory note-holder, or if the mortgage loan is registered on the MERS System, is shown to be registered to the Member;
- (3) execute any and all documents necessary to foreclose upon the property securing any mortgage loan registered on the MERS System that is shown to be registered to the Member, including but not limited to (a) substitution of trustee on Deeds of Trust, (b) Trustee's Deeds upon sale on behalf of MERS, (c) Affidavits of Non-military Status, (d) Affidavits of Judgment, (e) Affidavits of Debt, (f) quitclaim deeds, (g) Affidavits regarding lost promissory notes, and (h) endorsements of promissory notes to VA or HUD on behalf of MERS as a required part of the claims process;
- (4) take any and all actions and execute all documents necessary to protect the interest of the Member, the beneficial owner of such mortgage loan, or MERS in any bankruptcy proceeding regarding a loan registered on the MERS System that is shown to be registered to the Member, including but not limited to: (a) executing Proofs of Claim and Affidavits of Movant under 11 U.S.C. Sec. 501-502, Bankruptcy Rule 3001-3003, and applicable local bankruptcy rules, (b) entering a Notice of Appearance, (c) vote for a trustee of the estate of the debtor, (d) vote for a committee of creditors, (e) attend the meeting of creditors of the debtor, or any adjournment thereof, and vote on behalf of the Member, the beneficial owner of such mortgage loan, or MERS, on any question that may be lawfully submitted before creditors in such a meeting, (f) complete, execute, and return a ballot accepting or rejecting a plan, and (g) execute reaffirmation agreements;
- (5) take any and all actions and execute all documents necessary to refinance, amend or modify any mortgage loan registered on the MERS System that is shown to be registered to the Member.
- (6) endorse checks made payable to Mortgage Electronic Registration Systems, Inc. to the Member that are received by the Member for payment on any mortgage loan registered on the MERS System that is shown to be registered to the Member;
- (7) take any such actions and execute such documents as may be necessary to fulfill the Member's servicing obligations to the beneficial owner of such mortgage loan (including mortgage loans that are removed from the MERS System as a result of the transfer thereof to a non-Member of MERS).

I, William C. Hultman, being the Corporate Secretary of Mortgage Electronic Registration Systems, Inc., hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Board of Directors of said corporation effective as of the **6th** day of **July, 1999**, which is in full force and effect on this date and does not conflict with the Certificate of Incorporation or By-Laws of said corporation.

Secretary

CORPORATE RESOLUTION (MERS)

Be it Resolved that the Daniel R. McLaughlin and William C. Hultman are officers of **Mortgage Electronic Registration Systems, Inc.** and are hereby appointed as an authorized signing officer of XYZ Mortgage, ("Member"), and, as such, are authorized to do the following acts if the Member will not or cannot perform such actions.

- (1) release the lien of any mortgage loan registered on the MERS System that is shown to be registered to the Member;
- (2) assign the lien of any mortgage loan naming MERS as the mortgagee when the Member is also the current promissory note-holder, or if the mortgage loan is registered on the MERS System, is shown to be registered to the Member;
- (3) execute any and all documents necessary to foreclose upon the property securing any mortgage loan registered on the MERS System that is shown to be registered to the Member, including but not limited to (a) substitution of trustee on Deeds of Trust, (b) Trustee's Deeds upon sale on behalf of MERS, (c) Affidavits of Non-military Status, (d) Affidavits of Judgment, (e) Affidavits of Debt, (f) quitclaim deeds, (g) Affidavits regarding lost promissory notes, and (h) endorsements of promissory notes to VA or HUD on behalf of MERS as a required part of the claims process;
- (4) take any and all actions and execute all documents necessary to protect the interest of the Member, the beneficial owner of such mortgage loan, or MERS in any bankruptcy proceeding regarding a loan registered on the MERS System that is shown to be registered to the Member, including but not limited to: (a) executing Proofs of Claim and Affidavits of Movant under 11 U.S.C. Sec. 501-502, Bankruptcy Rule 3001-3003, and applicable local bankruptcy rules, (b) entering a Notice of Appearance, (c) vote for a trustee of the estate of the debtor, (d) vote for a committee of creditors, (e) attend the meeting of creditors of the debtor, or any adjournment thereof, and vote on behalf of the Member, the beneficial owner of such mortgage loan, or MERS, on any question that may be lawfully submitted before creditors in such a meeting, (f) complete, execute, and return a ballot accepting or rejecting a plan, and (g) execute reaffirmation agreements;
- (5) take any and all actions and execute all documents necessary to refinance, amend or modify any mortgage loan registered on the MERS System that is shown to be registered to the Member.
- (6) take any such actions and execute such documents as may be necessary to fulfill the Member's servicing obligations to the beneficial owner of such mortgage loan (including mortgage loans that are removed from the MERS System as a result of the transfer thereof to a non-Member of MERS).

I, _____, being the _____ of _____, hereby certify that the foregoing is a true copy of a Resolution of said corporation effective as of the _____ day of _____, which is in full force and effect on this date and does not conflict with the Certificate of Incorporation or By-Laws of said corporation.

(Signature)

(Title)

(Corporate seal) _____
(Date)

Identify who will monitor and review reports

Identify a MERS System Administrator

Identify a MERS Operational contact

Identify a Technical Contact *if applicable*

4. SETUP

Identify Number of password expiration days

Determine if Relationships are needed

Determine whether to receive MERS Mail via regular or overnight mail

Members should instruct the county recorders and other organizations to direct Recorded documents, payments, tax bills, etc. to the appropriate parties.

Overnight Billing Info. *(if applicable)*

Overnight Carrier

Overnight Acct #

Billing Reference

Special Instructions for carrier

Overnight Mail Street Address

Set up MERS Email address



MERS® LITE SYSTEM PROFILE

For MERS Use Only:

Please return this profile to:
 E-mail:
 Or fax it to: 703-478-0183

Please Type:

1.	ORGANIZATION NAME				
2.	ORG ID (7 DIGITS)				
3.	PERSON COMPLETING THIS PROFILE	PHONE		E-MAIL	
4.	MERS SYSTEM ADMINISTRATOR:	PHONE		E-MAIL	
5.	TECHNICAL CONTACT	PHONE		E-MAIL	
6.	NUMBER OF PASSWORD EXPIRATION DAYS FOR MERS® ONLINE BROWSER APPLICATION (365 DAYS MAXIMUM)				

7.	<p>RELATIONSHIPS (IF APPLICABLE): IF A REGISTRAR OR A PREFERRED SERVICE PROVIDER WILL BE PERFORMING ANY TRANSACTIONS USING YOUR ORG ID, THEY MUST BE GIVEN THE "CHANGE MEMBER" SECURITY FUNCTION.</p> <p>IF A SERVICE PROVIDER OR OTHER THIRD PARTY (I.E., FIDELITY INFORMATION SERVICES, INC., FISERV, ETC.) WILL BE SUBMITTING TRANSACTIONS YOU HAVE GENERATED, "CHANGE MEMBER" ACCESS IS NOT NECESSARY.</p>			
<p>PLEASE INDICATE MEMBER(S) THAT IS/ARE AUTHORIZED TO PERFORM A PROCESS OR SUBMIT TRANSACTIONS ON BEHALF OF YOUR ORGANIZATION:</p>				
	RELATIONSHIP TYPE (LINE OF BUSINESS)	ORG ID	COMPANY NAME	CHANGE MEMBER
				<input type="checkbox"/> YES
				<input type="checkbox"/> YES
				<input type="checkbox"/> YES
				<input type="checkbox"/> YES
				<input type="checkbox"/> YES
				<input type="checkbox"/> YES
				<input type="checkbox"/> YES

Continue next page

8.	<p>MERS MAIL: RECORDED DOCUMENTS, PAYMENTS, TAXBILLS, ETC., SHOULD NOT BE DIRECTED TO MERS. MEMBERS SHOULD INSTRUCT THE COUNTY RECORDERS AND OTHER ORGANIZATIONS TO DIRECT THESE DOCUMENTS TO THE APPROPRIATE PARTIES. IF RECORDED DOCUMENTS ARE INADVERTENTLY RECEIVED BY MERS, AN IMAGED COPY OF THE DOCUMENT WILL BE E-MAILED AND THE ORIGINAL WILL BE FORWARDED TO THE MEMBER VIA REGULAR MAIL UNLESS THE MEMBER DESIGNATES OTHERWISE BELOW. MERS AS MORTGAGEE OF RECORD SHOULD ONLY RECEIVE DOCUMENTS PERTAINING TO SERVICE OF PROCESS (I.E. NOTICE OF LEGAL PROCEEDINGS, LAWSUITS, ETC.) ALL NON-RECORDABLE DOCUMENTS WILL NOT BE FORWARDED UNLESS THE MEMBER REQUESTS OTHERWISE.</p>					
OVERNIGHT MAIL (AT MEMBER'S EXPENSE):						
<input type="checkbox"/> WE PREFER TO RECEIVE OVERNIGHT MAIL FROM MERS:		OVERNIGHT CARRIER:				
		OVERNIGHT ACCOUNT NUMBER:				
		BILLING REFERENCE:				
		SPECIAL INSTRUCTIONS FOR CARRIER				
		OVERNIGHT MAIL STREET ADDRESS:				
		CITY:		STATE:		ZIP
		PHONE:				
<p>E-MAIL: EACH MEMBER MUST INTERNALLY SET UP AN E-MAIL ADDRESS IN ORDER TO RECEIVE IMAGED DOCUMENTS, SYSTEM UPDATES, ETC. FROM MERS. MEMBERS ARE RESPONSIBLE FOR ENSURING THAT E-MAIL IS RETRIEVED AND FORWARDED TO THE APPROPRIATE PARTY DAILY. CONTACT YOUR IT DEPARTMENT FOR SETUP AND AUTOMATION OF THIS PROCESS.</p>						
E-MAIL ADDRESS:						
<p>Please provide above the address you have chosen to receive proprietary e-mail from MERS. MERS prefers the first 20 characters of your e-mail address to be your ORG ID plus your company name.</p> <p>Example: 1234567acme@acme.com</p>						

5. TRAINING

Set up User IDs in training environment

Participate in MERS® OnLine training session

6. INTERNAL PROCEDURES

Generating MINS

Selecting MERS as Original Mortgagee (MOM) security instruments for loans being sold to MERS Ready investors

Registering the loans on the MERS System within 10 calendar days of the Note Date

Transferring the loans on the MERS System upon purchase by the investor

Meeting Investor and Warehouse Lender requirements

Reviewing Reports and correcting errors

7. QUALITY ASSURANCE PROCEDURES

8. CONCLUSION

Once you have completed these steps you will be MERS™ Ready!

**You are on your way
to eliminating paper
assignments forever.**



**1818 Library Street
Suite 300
Reston, Virginia 20190**

**Corporate Office
(800) 646-MERS (6377)**

**MERS HelpDesk
(888) 680-MERS (6377)**

**MERS SIS (Servicer Identification System)
(888) 679-MERS (6377)**