

Letter of Objection to Trustee in Non-Judicial Sale States

The Trustee has an obligation of fair dealing with both the borrower and the lender. All too often the Trustee's loyalties follow the money, for it is the Lender that pays the bills. A Notice of Non-Judicial sale is very much like a Motion for Summary Judgment in Judicial Foreclosure States. It is designed to take the case off the docket and get the sale over with as little trouble as possible --- where the facts are not in dispute, the borrower is in default, the lender has followed all the necessary procedures, and the Lender is in fact collecting on a debt that is owed. The Lender, by having the property sold is recovering part or all of the debt owed to the lender.

In the Mortgage Meltdown context however, everything is turned on its head for mortgages originated between 2001-2008. The Lender has already been paid, doesn't own the note and is attempting to score a windfall by getting the property in addition to the money it received from the REAL source of the financing. And the Lender has received an undisclosed fee of around 2.5% of the total "loan." The mortgage broker, the appraiser and other participants were also overpaid by as much as seven or eight times their normal fees to keep their mouths shut. The borrower's reliance on the good faith of these people was misplaced.

Thus when a property owner receives a notice of delinquency, notice of default or notice of sale, the borrower should write a letter that says something along these lines (subject to checking the verbiage with local counsel):

Dear Trustee:

I am in receipt of (fill in the notice you have received) dated (fill in the date). I hereby object to the Notice and request that you send a copy of this letter to your insurance carrier and all other interested parties as described herein for the following reasons:

1. There is no delinquency or default. The Lender has been paid in full plus a fee for standing in for an undisclosed third party lender that was not properly registered or regulated as a financial institution or lender at the time the transaction took place.
2. The Lender has failed to state the name or address of the holder in due course, John Does 1-1000, being the holders of certificates of asset backed securities, which are backed by the security instrument (mortgage) on the subject residential property.
3. The Lender does not own, possess or control the note or the mortgage, which has been satisfied in full. Demand is herewith made for satisfaction of mortgage to be filed in the appropriate county records.
4. Your authority as Trustee has also been transferred to the Trustee of the pooled mortgages and/or notes on various properties, real and personal, that were included in an asset pool that was eventually securitized and sold to investors, who along with others in the chain of securitization acquired rights and obligations to the note, mortgage, and stream of revenue eventually due to the investor.
5. Because of the known presence of necessary and indispensable parties to any dispute that the true holders in due course might have against me, only a judicial

proceeding in which all parties are included will provide a fair determination of the rights, obligation and title to the property, mortgage and note.

6. The "loan closing" was in fact a scheme to trick me into issuing a negotiable instrument that was pre-sold to investors as an unregulated security. The parties and their fees were not revealed nor was the true APR disclosed, as it was inflated considerably by the intentional overstatement of the appraisal on the property.
7. The title agent, which might well be the same as the Trustee also has insurance for errors and omissions and the title insurance company that issued the policy will have total liability for this fraudulent transaction to the extent it had knowledge through its agents of the fraudulent scheme.

The totality of the transaction violates numerous state and federal laws including usury, Truth in Lending, deceptive business practices, and administrative standards for the practice of professions.

Therefore, please confirm the filing and recording of the satisfaction of mortgage, send the original note back to me (or tell me where it is), and confirm the retraction of the attempt to collect a debt which is incorrectly stated, improperly computed, improperly obtained, and fraudulently produced and transmitted.

Sincerely,