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In 1997, Fannie Mae established the Retained Attorney Network (RAN) to perform default-related legal services associated with foreclosure, bankruptcy, loss mitigation, eviction, and REO closings and entered into engagement letters with RAN firms. Fannie Mae does not manage individual law firms as they litigate foreclosure proceedings; instead, the servicers of Fannie Mae mortgages are responsible for managing the RAN law firms. In all cases where a servicer refers Fannie Mae foreclosures to a law firm, the servicer is responsible for monitoring all aspects of the performance of the attorney to whom it makes a referral. In December of 2003, a Fannie Mae shareholder began alerting Fannie Mae to foreclosure abuse allegations, and in 2005 Fannie Mae hired an outside law firm to investigate a variety of allegations regarding purported foreclosure processing abuses. In May 2006, the law firm issued a report of investigation in which it found that: Foreclosure attorneys in Florida are routinely filing false pleadings and affidavits --- The practice could be occurring elsewhere. It is axiomatic that the practice is improper and should be stopped. Fannie Mae has not authorized this unlawful conduct. Further, the report observed that Fannie Mae did not take steps to ensure the quality of its foreclosure attorneys' conduct, the legal positions taken in the attorneys' pleadings, or the manner in which the attorneys processed foreclosures on the Enterprise's behalf. These fraudulent and illegal activities highlight that the requisite "fraud upon the court" occurs where "it can be demonstrated, clearly and convincingly, that a party has sentiently set in motion some unconscionable scheme calculated to interfere with the judicial system's ability impartially to adjudicate a matter by improperly influencing the trier of fact or unfairly hampering the presentation of the opposing party's claim or defense." Aoude v. Mobil Oil Corp., 892 F.2d 1115, 1118 (1st Cir. 1989). Here are examples of PROVABLE fraudulent foreclosure acts: Deliberately using defunct lenders, lenders without "standing", non-existent REMIC Trusts for false civil and bankruptcy foreclosure proceedings; Create and conceal malpractice foreclosure delays and engineer billable litigation; Orchestrate sham foreclosure auctions on property never acquired by lenders, but straw buyers'; Commit actionable wrongs (unfair debt collection, fraud, various torts) that create lawsuits; Foreclosures naming fictitious or defunct lenders, illegally recorded property deeds, flipping, blighted communities; Unconscionably create false deficiency judgments against property owners after straw buyers acquire homes for pennies on the dollar, intentionally file false Bankruptcy Court "Motion to Lift" and "Proof of Claim" on behalf of non-existent lenders which conceals the fact of "NON-SECURED" mortgage debt; involved in fraudulent collection of property hazard insurance, as well as mortgage-default insurance, etc.

In August 2010, a widely circulated news article reported that Fannie Mae and Freddie Mac had failed to oversee their networks of law firms that process foreclosures on their behalf. Specifically, the article alleged that some of those firms, including RAN firms, had filed forged documents (e.g., affidavits and mortgage assignments) in judicial foreclosure proceedings. Therefore, many other print and electronic media reports described similar behavior by law firms representing Fannie Mae and Freddie Mac.

Federal and state regulators and law enforcement officials subsequently initiated probes into whether banks and foreclosure law firms improperly seized homes using fraudulent or incomplete paperwork. For example, in August 2010, the Florida Attorney General announced that his office had launched investigations into allegations of unfair and deceptive foreclosure practices involving three Florida law firms. The three law firms were part of Fannie Mae's RAN and included the Law Offices of David J. Stern, P.A. (the Stern Law Firm). Attorney Stern was disbarred for fraud and his organization DJSE, Inc. was shut down for fraud as well. Up until the end Mark Harmon (Founder and President of Harmon Law Offices in Newton Massachusetts) was a member of the Board of Directors of Stern's firm.

Prior to 2013, Fannie Mae maintained a list of approved Foreclosure Firms called the Retained Attorney Network ("RAN"), and Servicers typically were required to select Foreclosure Firms from among the list of RAN firms. To be part of the RAN, Foreclosure Firms signed retention agreements with Fannie Mae, which incorporated all aspects of the Fannie Mae Servicing Guide. In 2013, Fannie Mae terminated the RAN and allowed Servicers greater flexibility in selecting law firms for foreclosure work. But the Foreclosure Firms selected by the Servicers were and still are required to be approved by Fannie Mae. Following the termination of the RAN, any Foreclosure Firm retained by a Servicer to perform work on Fannie Mae-owned mortgage loans must sign a limited retention agreement directly with Fannie Mae, pursuant to which the Foreclosure Firm agrees to maintain familiarity with, and follow as applicable, all aspects of the Servicing Guide. For example, the ASSIGNMENT OF MORTGAGE document (Multistate Mortgage Assignment – Single Family – Fannie Mae Uniform Instrument Form 3742 as presented on the Document Custodian Certification Job Aids – September 2008.

When Foreclosure Firms are retained by Servicers to effectuate mortgage foreclosures for Fannie Mae-owned mortgage loans, the Foreclosure Firms submit bills for both their legal fees and for expenses related to foreclosure-related services, such as service of process and title searches ("foreclosure expenses"), to the Servicers. To the extent the Foreclosure Firms hire third parties to perform any of the foreclosure-related services, the foreclosure expenses billed by those third parties are incorporated into the bills submitted by the Foreclosure Firms to the Servicers. The Servicers pay the bills for illegal fees and foreclosure expenses submitted by the Foreclosure Firms, and then submit claims to Fannie Mae for reimbursement of those costs. See Fannie Mae Servicing Guide, Part VIII 110.03.

The Foreclosure Firm represents to Fannie Mae that the Foreclosure Firm can and will conduct foreclosures and eviction proceedings on Fannie Mae's behalf diligently, expeditiously and properly. Fannie Mae expects the Foreclosure Firm to be responsible for, and the Foreclosure Firm hereby agrees to be responsible for, all acts or omissions of the Foreclosure Firm in prosecuting foreclosures or eviction cases on Fannie Mae's behalf, which act or omission results in an actual loss to Fannie Mae or requires Fannie Mae to expend funds to rectify such act or omission.

Fannie Mae reserves the right upon reasonable notice to examine, from time to time, the Foreclosure Firm's books, records, and case files pertaining to the Foreclosure Firm's

representation of us. Fannie Mae reserves the right to review and audit any law firm invoices, even after payment by the servicer (CCO Mortgage Corporation). Payment of any invoice shall not constitute a waiver of Fannie Mae's right to seek reimbursement for any excess or inappropriate payment disclosed by such billing audit or otherwise.

Consider the elements of file (200906-2337) for deceased New Hampshire veteran "Francis Pierce" that supposedly held the CCO Mortgage Corporation – VA mortgage for $375,000 on the subject property:

A) Harmon Law/NOLAN and others mis-represented the void Delaware corporation labeled "Federal National Mortgage Association, Inc." as the GSE Fannie Mae.

B) The magically created VA loan for $375,000 was the bundled CCO Mortgage table-funded transaction #19085968 for $250,000 and the Countrywide/Bank of America 0579/HELOC #2 transaction for $125,000.

C) The LIMITED POWER OF ATTORNEY document referenced the Federal National Mortgage Association commonly known as Fannie Mae that was founded in 1938 during the Great Depression as part of the "New Deal". Not the "Federal National Mortgage Association" commonly known as "Fannie Mae" that was created by Act of Congress, 12 U.S.C. Section 1717 ("Fannie Mae") as described by the SEC's FORM 8-K which declares that the "Date of Earliest Event Reported" is DECEMBER 19, 2008.

D) The ASSIGNMENT OF MORTGAGE document was void ab initio when, in addition to being void; it was deceptive, it was employed for an illegal purpose (e.g., to prosecute a non-judicial foreclosure WITHOUT the requisite authority to foreclosure. The document was purportedly executed by CCO Mortgage's fictitious "Gregory Lee-Vice President" and notarized by "Kari L. Ciska" while she was employed by the Citizens Financial Group, Inc. in Cranston RI. CISKA indicated that "Gregory Lee-Vice President" personally appeared before her and she knew him to be "Gregory Lee".

E) The Harmon Law/NOLAN FORECLOSURE DEED document falsely implies that the "Federal National Mortgage Association, an association duly established under the laws of the State of Delaware and having a usual place of business at P.O. Box 650043, Dallas, TX 75265-0043 (actually the void Delaware corporation labeled "Federal National Mortgage Association, Inc." selling the subject property to The Bank of New York Mellon f/k/a The Bank of New York, As Trustee for CWHEQ Revolving Home Equity Loan Trust, Series 2007-C, a corporation (actually the non-existent "REMIC Trust") for $238,000. This document was an "Incomplete Instrument" and a "Legal Nullity".

F) The Harmon Law/NOLAN AFFIDAVIT REQUIRED BY N.H.R.S.A. document displayed six "make oath and say" statements but no "have personal knowledge of" statements. If the facts stated in the affidavit are untrue and outside the personal knowledge of the affiant, then the affidavit will become legally insufficient.

G) The FHFA-OIG provided this data: 1) Last paid monthly installment paid by the homeowner was in April 2008 (the CCO Mortgage NOTICE OF DEFAULT claims the last paid monthly installment paid by the homeowner was in October 2008, 2) The CCO #19085968 transaction was in an unidentified Fannie Mae MBS Trust, 3) The subject property was sold by public auction on October 2, 2009, and 4) The FHFA couldn't provide copies of the "foreclosure-related" expenses submitted by the Servicer (CCO Mortgage Corporation) associated with the subject property because of law enforcement protocols.

H) The PURCHASE AND SALES AGREEMENT was a New Hampshire Association of REALTORS Standard Form that displayed

I) The REAL ESTATE PURCHASE ADDENDUM, fabricated by Bank of America's "REO Broker" Robert KELLEY, on Page 1 reads in part: "This Real Estate Purchase Addendum ("Addendum") is to be made part of, and incorporated into, the Real Estate Purchase Contract dated April 20, 2010 between ("Seller" and the term "Seller" shall also include BAC Home Loans Servicing, LP, a subsidiary of Bank of America, N.A.) and Eric Schroeder and Suzanne Heiser ("Buyer") for the property improvements located at the following address 1047 BANFIELD RD., PORTSMOUTH NH 03801 ("Property"). Buyer and Seller may each be referred to herein as a "Party" and collectively as the "Parties". The Contract and this Addendum together constitute the Agreement". So on April 22, 2010 the "Sellers" are "Bank of America Home Loans" in Simi Valley CA and "BAC Home Loans Servicing, LP" in Plano TX which conflicts with the void Harmon Law/NOLAN's FORECLOSURE DEED dated October 7, 2009.

J) Bank of America falsely claims that they paid all the "foreclosure-related" expenses, when actually they didn't spend a dime.

K) Bank of America used their invalid "Licensing Agreement" to present the names Bank of New York Mellon (as SELLER on the fraudulent HUD-1 Settlement Statement), Bank of New York Mellon f/k/a The Bank of New York, As Trustee for CWHEQ Revolving Home Equity Loan Trust, Series 2007-C of 1 Wall Street, New York, NY 10005, a corporation AND Citibank, N.A. named as plaintiffs in this fraud when those parties had no right, title or beneficial interest in the subject property. Since that is an agreement to violate the law, the authorization is a legal nullity. Both banks entered the fraud not as banks or even trustees; but as participants in a civil conspiracy. This demonstrates the MO of the national banks – collecting royalties for use of their names posing as trustees of non-existent trust accounts with non-existing unpaid loan receivable accounts.

L) To insulate itself from the scrutiny that would reveal the egregious fraud the Bank of America brought in a banking conspirator (The Bank of New York Mellon) to assist it with perpetuating its elaborate frauds on borrowers. The Bank of New York Mellon also has been heavily fined for fraudulent practices and is actively participating in defrauding

the public and the courts by participating in the fraudulent transfers of so-called loans that do not belong to Bank of America. They make it appear that such a loan was sold by Bank of America to The Bank of New York Mellon, As Trustee for the fictitious CWHEQ Series 2007-C Trust, then Bank of New York Mellon completes a foreclosure on a borrower who has been completely victimized by the process. In every situation, the borrower is kept in the dark as to the true owner of his so-called "mortgage loan", which is certainly not Bank of New York Mellon. In fact, Bank of New York Mellon and Bank of America use the same Simi Valley California address as the now defunct Countrywide.

M) The fraud is characterized by each land record that does not include a warranty of title to the lien and authority to enforce. This is highlighted by the premise that no transfer of a lien is legally valid or even recognizable unless there is a concurrent transfer of the underlying debt. The proof of the fraud is the fact that you will NEVER receive documents that prove the existence, status, and ownership of the debt. Transfer (not "assignment") of the note is only evidence of the transfer of the underlying alleged debt, and there is no underlying debt. If there is no loan receivable account on a ledger, there is no debt for that creditor.

N) A set of confidential federal audits accused the nation's five largest mortgage companies of defrauding taxpayers in their handling of foreclosures on homes purchased with government-backed loans. HUD's Inspector General examined Bank of America, JPMorgan Chase, Wells Fargo, Citigroup and Ally Financial and conducted the five separate investigations. The audits accuse the five major lenders of violating the False Claims Act, a Civil War-era law crafted as a weapon against firms that swindle the government. The audits conclude that the bank's effectively cheated taxpayers by presenting the Federal Housing Finance Agency (the self-appointed conservator of Fannie and Freddie) with false claims. It is apparent that foreclosure mills often worked with the banks to perpetrate this type of fraud through Fannie and Freddie's "Retained Attorney Network" (RAN) member attorneys.

The law firm must notify Fannie Mae (via e-mail to non-routine litigation@Fanniemae.com) of any non-routine litigation. "Non-routine" litigation generally consists of an action that, regardless of whether Fannie Mae is a party to the proceeding; seeks monetary damages against Fannie Mae, its officers, directors, or employees, challenges the validity, priority, or enforceability of a Fannie Mae loan or seeks to impair Fannie Mae's interest in an REO and the handling of which is not otherwise addressed in the Servicing Guide, or presents an issue that may pose a significant legal or reputational risk to Fannie Mae. A contested foreclosure action in which the borrower alleges a case specific procedural or technical defect in the foreclosure is not non-routine litigation and need not be reported to Fannie Mae. Similarly, a contested foreclosure action in which the borrower alleges a case-specific payment application claim is not non-routine litigation and need not be reported to Fannie Mae. In contrast, a contested foreclosure or bankruptcy action in which a borrower challenges the servicer's ability to conduct a foreclosure or seek relief from stay based on a legal argument, which if upheld, could have broader application to other Fannie Mae mortgage loans is non-routine litigation because

of the potential for negative legal precedent which could have an impact beyond the immediate case. Here are case specific examples of non-routine matters that must be reported to Fannie Mae:

1) Actions that challenge the validity, priority, or enforceability of a Fannie Mae mortgage loan or seek to impair Fannie Mae's interest in an REO;

2) An action seeking to avoid a lien based on a failure to comply with a law or regulation;

3) An attempt by a junior lienholder to assert priority over Fannie Mae's lien or extinguish Fannie Mae's interests;

4) A quiet title action seeking to declare Fannie Mae's lien void (the upcoming Quiet Title action will demonstrate that the Fannie Mae MBS Trusts are fictitious).

5) Actions that present an issue that may pose significant legal or reputational risk to Fannie Mae;

6) Any issue involving Fannie Mae's conservatorship, its conservator (FHFA), Fannie Mae's status as a federal instrumentality, or an interpretation of Fannie Mae's charter;
7) A challenge to the standing of the servicer to conduct foreclosures which, if successful, could create negative legal precedent with an impact beyond the immediate case;

8) Challenges to the methods by which MERS does business or its ability to act as nominee under a mortgage. NOTE: The MERS MEMBERSHIP INFORMATION document reveals the Index to Securitization and Investors. It highlights the fact that the allegation that MERS is authorized or even a nominal beneficiary is false.