



## Quality Assurance

### Overview:

By signing the Member Agreement, a MERS Member agrees to abide by the MERS Rules and Procedures, which include the MERS Processing Standards ("Standards"), and to comply with the Terms and Conditions. The current servicer of a MERS loan inherits from the seller or transferor the responsibility for compliance with these Standards. If a specific investor's requirements are more stringent than the MERS requirements, the investor's requirements supercede MERS policy.

A member is expected to integrate the Standards into everyday business practices and to self-audit performance against the Standards by developing a quality assurance (QA) plan designed to meet or exceed these Standards. The plan should include requirements to regularly conduct internal reviews to monitor performance against the plan and to review the plan at least annually for accuracy and effectiveness. The initial quality assurance plan is submitted to MERS within 30 days of the first activity on the MERS® System.

To monitor the effectiveness of members' training, tools and procedures, MERS periodically selects members for a quality assurance review. Selection for review may be random, through referral, or based on trends and/or the member's performance against key compliance standards.

### Document and Recording Standards:

#### MERS as Original Mortgagee (MOM) Security Instruments

- Name Mortgage Electronic Registration Systems, Inc. (MERS) as mortgagee/beneficiary in the security instrument in accordance with investor guidelines
- Ensure that the mortgagee/beneficiary language includes the MERS address (P.O. Box 2026, Flint, Michigan, 48501-2026; except in states that require a physical address: 3300 S.W. 34th Avenue, Suite 101, Ocala, FL 34474, P.O. Box 2026, Flint, Michigan 48501-2026) and SIS telephone number (888-679-6377)
- Ensure that MERS is noted as the mortgagee/beneficiary in the transfer/due on sale clause
- Place the Mortgage Identification Number (MIN) in a visible location on the first page of the security instrument, but not in any space reserved for the jurisdiction's recorder per jurisdictional requirements
- Send the security instrument for recording within seven (7) calendar days of the funding/disbursements date (the date on which borrower interest begins to accrue)

#### Assignments to MERS (Non-MOM)

- Name Mortgage Electronic Registration Systems, Inc. (MERS) as mortgagee/beneficiary on the assignment, and include the MERS address (P.O. Box 2026, Flint, Michigan, 48501-2026; except in states that require a physical address: 3300 S.W. 34th Avenue, Suite 101, Ocala, FL 34474, P.O. Box 2026, Flint, Michigan 48501-2026)
- Place the MIN and the Servicer Identification System (SIS) telephone number (888-679-6377) in a visible location on the first page of the assignment, but not in any space reserved for the jurisdiction's recorder per jurisdictional requirements
- Send the assignment for recording no later than 14 calendar days after the Registration Date on the MERS® System
- Ensure there is a complete chain of title with Mortgage Electronic Registration Systems, Inc. (MERS) recorded as the final mortgagee



**Lien Release/Reconveyance/Discharge (Payoff or Partial Release)**

- For MOM and Non-MOM loans:
  - Prepare the lien release naming Mortgage Electronic Registrations, Inc. (MERS) as mortgagee, signed as MERS by an officer authorized on the MERS Corporate Resolution
  - Place the MIN and the Servicer Identification System (SIS) telephone number (888-679-6377) in a visible location on the first page of the Lien Release, but not in any space reserved for the jurisdiction's recorder per jurisdictional requirements
  - Send the lien release for recording within the state-imposed timeframes for the applicable counties and states, or within 45 calendar days after the effective payoff date, whichever is shorter

**Other Recordable Documents (Assumption, Modification - including CEMA, and Subordination Agreement)**

- For MOM and Non-MOM loans
  - Prepare the document naming Mortgage Electronic Registration Systems, Inc. (MERS) as mortgagee, signed as MERS by an individual authorized on the MERS Corporate Resolution, AND signed by the lender representative signing in the individual's own capacity
  - Place the MIN and the Servicer Identification System (SIS) telephone number (888-679-6377) in a visible location on the first page of the document, but not in any space reserved for the jurisdiction's recorder per jurisdictional requirements
  - Send the document for recording, if required, no later than seven (7) calendar days after the effective date of the agreement

**Foreclosure (Only applicable when foreclosing in another entity's name; i.e. Servicer, Investor or Insurer)**

- For MOM and Non-MOM loans in "Foreclosure Pending, Assigned to Servicer" status:
  - Prepare an assignment from Mortgage Electronic Registration Systems, Inc. (MERS) to the other entity, signed as MERS by an officer authorized on the MERS Corporate Resolution
  - Place the MIN and the Servicer Identification System (SIS) telephone number (888-679-6377) in a visible location on the first page of the assignment, but not in any space reserved for the jurisdiction's recorder per jurisdictional requirements
  - Send the assignment for recording within 14 calendar days of the Deactivation Date on the MERS® System

**Transfer to Non-MERS Member (non-MERS Servicer or non-MERS Investor requiring assignment)**

- For MOM and Non-MOM loans deactivated due to "Transfer to Non-MERS Member":
  - Prepare an assignment from Mortgage Electronic Registration Systems, Inc. (MERS) to the other entity, signed as MERS by an officer authorized on the MERS Corporate Resolution
  - Place the MIN and the Servicer Identification System (SIS) telephone number (888-679-6377) in a visible location on the first page of the assignment, but not in any space reserved for the jurisdiction's recorder per jurisdictional requirements
  - Send the assignment for recording within 14 calendar days of the Deactivation Date on the MERS® System



**Transaction Standards:**

**Registration**

**MERS as Original Mortgagee (MOM) Security Instruments**

- For originations (member originating the loan), register a MOM loan on the MERS® System, within ten (10) calendar days of the funding date. Funding date is defined as the date on which interest begins to accrue (loan closing date)
- For purchases (member purchasing the loan), ensure that a MOM loan is registered on the MERS® System within ten (10) calendar days of the purchase date, if not previously registered by the originator

**Assignments to MERS (Non-MOM)**

- Register the loan being assigned to MERS on the MERS® System within 14 calendar days of the effective transfer date (the date defined in the Purchase and Sale Agreement, on which the buyer begins servicing the loans on its servicing system) or assignment date
- Update the Assignment Sent Date field on the MERS® System within five (5) calendar days of sending the assignment for recording

**Transfer of Servicing and/or Beneficial Rights**

- Seller initiates all Transfer of Servicing and/or Beneficial Rights transactions no later than 14 calendar days after the effective transfer date (the date defined in the Purchase and Sale Agreement, on which the buyer begins servicing the loans on its servicing system)

**Assumption**

- Input updated borrower information, within seven (7) calendar days of the assumption date or the effective date of the change on the company's servicing system, when either a new borrower legally assumes responsibility for the outstanding mortgage debt, or a new borrower is added to the existing loan obligation

**Modification**

- Enter all modification agreement descriptive information, which includes Modification Note Amount and Modification Note Date, within seven (7) calendar days of the modification date or the effective date of the change on the company's servicing system
- Enter all modification agreement recording information, which includes Recording Date, Instrument or Document Number, Book or Liber, Page or Folio, and Recording Type (Recording or Re-Recording), within six (6) months of the modification date or the effective date of the change on the company's servicing system

**Deactivation**

**Payoff (including Third Party Foreclosure Sales, Deeds in Lieu, Short Sales and Charge offs)**

- Change the MIN status to "Paid In Full" and enter the "Effective Payoff or Liquidation Date" on the MERS® System, within seven (7) calendar days of the payoff or deactivation date on the company's servicing system



### **Foreclosure**

- Change the foreclosure status to “Foreclosure Pending, Retained on MERS (Option 2),” within seven (7) calendar days of first legal action, when applicable. Use Pending Option 2 if the action will be commenced in the name of MERS with no recorded assignment removing the MIN from MERS name in the land records.
- For MOM and Non-MOM loans, change the foreclosure status to “Foreclosure Pending, Assigned to Servicer (Option 1),” and enter the assignee name and address within seven (7) calendar days of first legal action. Use Pending Option 1 if the action will be commenced in the name of someone other than MERS and an assignment from MERS will be recorded in the land records.
- For iRegistration loans, change the foreclosure status to “Foreclosure Pending, Assigned to Servicer (Option 1),” within seven (7) calendar days of first legal action.
- Change the MIN status to “Foreclosure Complete” or “Foreclosure Reinstated” within seven (7) calendar days of the date of this action

### **Transfer to Non-MERS Member**

- For MOM and Non-MOM loans deactivated due to “Transfer to Non-MERS Member,” change the MIN status and enter the assignee name and address within seven (7) calendar days of the Deactivation Date on the company’s servicing system
- For iRegistration loans deactivated due to “Transfer to Non-MERS Member,” change the MIN status within seven (7) calendar days of the Deactivation Date on the company’s servicing system

### **MIN Information Update**

#### **MOM Loans**

- Enter all security instrument and recording information, which includes MOM Flag, Mortgagee/Beneficiary, Security Instrument Type, Trustee, Recording Date, Instrument or Document Number, Book or Liber, Page or Folio, and Recording Type (Recording or Re-Recording) for the MOM Security Instrument within thirty (30) days of the Registration Date

#### **Non-MOM Loans**

- Enter all description and recording information for both the Security Instrument and the Assignment, which includes MOM Flag, Mortgagee/Beneficiary, Security Instrument Type, Trustee, Recording Date, Instrument or Document Number, Book or Liber, Page or Folio, Recording Type (Recording or Re-Recording) and the Assignee and Assignor Names, within six (6) months of the Registration Date

### **Quality Review Flag (MOM and Non-MOM Loans)**

- Perform a quality control check to verify the integrity and completeness of the data entered on the MERS® System in accordance with your **MERS QA Plan (See Data Integrity Standards in the following section for the items required for certification)**
- **Set the Quality Review (QR) Flag to “Y” on the MERS® System within twelve (12) months of the Registration Date, warranting that the data on the System is accurate and that MERS is properly grounded in the jurisdictional land records**

### **Member Information Update**

- **Ensure that all Member Information, including member name, address(es), phone and fax numbers, URL and contact information (names, phone and fax numbers and email addresses) is current and accurate**



**Data Integrity Standards (All Loans):**

- **Borrower/Co-Borrower Names** – Must match the name(s) as listed on the security instrument or, if the loan has been assumed, the current borrower name(s) on the company's servicing system
- **Social Security Number/Tax Identification Number** – Must match the number used for IRS 1098 reporting on the company's servicing system for the primary borrower. Co-borrower SSN is not a required field, but highly recommended, if available.
- **Property Address** – Must match the property address on the security instrument unless the address has been changed by governmental decree. This includes, street number, name, designator, city, state and zip code and if applicable, directional, unit type and unit number.
- **Legal Description/County Name** – Must match the jurisdiction listed in the legal description made part of the security instrument. Any county unknown warnings placed on loans for missing or erroneous property counties must be corrected prior to setting the Quality Review Flag to a "Y," which is required within twelve months of the Registration Date.
- **Note Date** – Must match the date specified in the Original Note
- **Funding Date** – Must match the date on which interest begins to accrue (loan closing date or disbursement date), if different from the Note Date
- **Note Amount** - Must match the amount specified in the Original Note
- **Lien Type** – Must match the lien position designated on the company's servicing or loan origination system and if specified, on the security instrument
- **Investor** – Must match the investor identified on the company's servicing system
- **Servicer and Subservicer (if applicable)** – Must match the servicer and subservicer designated on the company's servicing system
- **Investor Loan Number** – If required by the investor, must match the number designated on the company's servicing system
- **Investor Pool Number** - If required by the investor, must match the number designated on the company's servicing system. For MINs in rated securities, must contain the securitization serial number.
- **Agency ID** - If required by the investor, must match the number designated on the company's servicing system
- **FHA/VA Case Number** - If required by the investor, must match the number designated on the company's servicing system and, if specified, on the security instrument
- **MOM Flag** – Set to MOM if MERS is original mortgagee/beneficiary on security instrument and loan has not been assigned, Non-MOM if loan is assigned to MERS, iRegistration if MERS is not the mortgagee
- **Security Instrument Data** - Must match the information on the Security Instrument, which includes Mortgagee/Beneficiary, Security Instrument Type, Trustee



**Data Integrity Standards (MOM and Non-MOM Loans):**

- **Security Instrument Recording Data** - Must match the information on the Security Instrument, which includes Recording Date, Instrument or Document Number, Book or Liber, Page or Folio, Recording Type (Recording or Re-Recording)
- **Assignment Data** – Must match the information on the paper Assignment, which includes Recording Date, Instrument or Document Number, Book or Liber, Page or Folio, Recording Type (Recording or Re-Recording) and the Assignee and Assignor Names
- **Modification Data** - Must match the information contained in the Modification Agreement, which includes Recording Date, Instrument or Document Number, Book or Liber, Page or Folio, Recording Type (Recording or Re-Recording), Modification Amount and Modification Date

**Reports:**

- MINs for the Same Primary Borrower, Property, and Lien Daily Report (RH) – Lists MINs registered or updated in the previous on-line or batch processing cycle for which current primary borrower SSN, property, and first lien information match another active MIN.
- MINs for the Same Primary Borrower, Property, and Lien Monthly Report (RI) – Lists active MINs that have the same current primary borrower SSN, property, and first lien information. This is a cumulative report and is produced on the last business day of the month. MINs continue to appear on this report until borrower, property, SSN or lien information is updated.
- Registration Assignments Not Sent (QA) – Lists registered non-MOM loans that do not have valid registration assignment sent dates or recording information within 14 days of the registration date.
- Registration Assignments Without Recording Information (QB) – Lists registered non-MOM loans that have assignment sent dates, but do not have corresponding assignment recording information within 30 days after the assignment sent date.
- Deactivation Assignments Not Sent (QC) – Lists deactivated loans that do not have a deactivation assignment sent date or assignment recording information within 30 days of the deactivation date (Transfers to non-MERS member).
- Deactivation Assignments Without Recording Information Monthly Report (QD) – Lists deactivated loans that have a deactivation assignment sent date, but do not have corresponding assignment recording information within 30 days after the assignment sent date (Transfer to non-MERS Member).
- Security Instruments Without Recording Information (QF) – Lists MINs for which the MERS as Original Mortgagee (MOM) indicator is set to “Y” and for which the security instrument recording information has not been populated within 30 calendar days of the note date.
- Lien Release Not Sent (QJ) – Lists MINs with no Lien Release Sent Date within 14 calendar days of the deactivation/paid-in-full date
- County Unknown Monthly Warning Report (QM) – Lists all MINs that have the jurisdiction description “County Unknown”
- Lite Member Aged MINs (QV) – Lists MINs over 90 days old with Lite Member as Servicer
- Registered loans with QA Flag = N Report (RC) - Lists all MINs that have been registered 12 or more months ago and have the QA Flag set to “N”. On Request report that is ordered via email to the MERS Help Desk (not automatically produced).



**MERS OnLine Guides:**

For MERS® OnLine Processing assistance, see the individual Quick Reference Guides on the MERS corporate website ([www.mersinc.org](http://www.mersinc.org)):

- 1) [Registration Quick Reference Guide](#)
- 2) [Transfer of Beneficial Rights, Option 2 \(TOB2\) Quick Reference Guide](#)
- 3) [Transfer of Servicing Rights \(TOS\) Quick Reference Guide](#)
- 4) [MIN Information Quick Reference Guide](#) (includes QR Flag and recording data updates as well as general MIN Information updates)
- 5) [Modification Agreements Quick Reference Guide](#)
- 6) [Assumption Quick Reference Guide](#)
- 7) [Payoff Quick Reference Guide](#)
- 8) [Foreclosure Quick Reference Guide](#)
- 9) [Transfer to non-MERS Member Quick Reference Guide](#)