

**Embargoed until 10AM
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**PRESS EVENT TODAY, NOVEMBER 3rd
10:00 AM**

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4230 Galewood Street, Suite 200
Lake Oswego, OR**

**Eleven Oregon counties
file \$50 million lawsuit against
Mortgage Electronic Registration Systems (MERS)
for failure to pay recording fees to counties**

**Counties demand a return of funds and compensation to rectify
property record errors caused by MERS**

(PORTLAND) – A \$50 million dollar lawsuit was filed in Multnomah County Circuit Court today on behalf of 11 Oregon counties against Mortgage Electronic Registration Systems (MERS) for failure to pay recording fees to Counties as required by Oregon law. The Plaintiff counties are: Clackamas, Coos, Crook, Jackson, Josephine, Klamath, Lane, Linn, Marion, Washington, and Yamhill.

MERS was an entity created in the mid-90's for the purpose of generating profits for financial institutions that wanted to rapidly buy and sell residential loans (many of which were high risk) to other financial institutions which then bundled the mortgages into "residential mortgage backed securities" or RMBSs. As the financial collapse of 2007 made clear, mortgage lenders, including MERS, were relatively scrutiny-free because they were able to offload high-risk mortgages, allowing them to be sold over and over again.. This scheme allowed MERS to bypass the County Recorder's office, denying the County filing fees and preventing the Counties from having an accurate record of property ownership in their counties.

Before MERS, each property transaction in Oregon would have required the lender to file the transaction with the county clerk in order to protect the secured interest in the property.

Such County recordings are essential in assuring an accurate record of land ownership, transfers of ownership, and the names of the lending institutions on properties in each County. With the mortgage industry on fire in the 90's, a quick turnaround of these mortgages to financial institutions who wanted to bundle them was the impetus for the creation of MERS. After the creation of MERS, lending institutions improperly listed the beneficiary of the trust deed or mortgage as "MERS". Then, the mortgage could be transferred over and over among MERS member banks and financial institutions without paying filing fees or recording the subsequent transfer with the County.

Regardless of whether Wells Fargo, Bank of America, or JPMorgan Chase owned the mortgage (the entire list of defendants is listed in the legal Complaint), MERS was improperly inserted in the eleven Counties' public records as the mortgage holder. According to attorney Tom D'Amore, D'Amore Law Group, Portland, "By doing this, MERS and the financial institutions who embraced this scheme broke Oregon law. MERS compromised the Counties' transparent and accurate property records system."

Homeowners could no longer rely on the County's records to determine their mortgage holder, and for those in foreclosure or wanting to work out a resolution with their lender, this was dire.

Reporters attending the press conference will be given a copy of the legal complaint filed today. National reporters wishing to talk with Tom D'Amore may call (503) 222-6333.