

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
Case No. 1:20-Cv-20543-Cannon**

**UNITED STATES OF AMERICA,
Ex Rel. BRUCE JACOBS,
Plaintiff,**

v.

**JPMORGAN CHASE BANK, N.A.
Defendant.**

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CORRECTED FIRST AMENDED COMPLAINT¹

Relator Bruce Jacobs, on behalf of the United States of America, brings this action under 31 U.S.C. §§ 3729-3732 (the federal “False Claims Act” or “FCA”) to recover all damages, penalties, and other remedies pursuant to the False Claims Act on behalf of the United States and himself, and states the following:

INTRODUCTION

1. JPMorgan Chase, N.A., a servicer of Fannie Mae and Freddie Mac mortgage-backed securities, submitted claims to the United States for servicing fees, foreclosure costs, property preservation costs, asset recovery costs, expenses, and miscellaneous expenses for services rendered under its servicing contract totaling hundreds of millions of dollars. This scheme was nationwide in scope and execution. The claims were false and fraudulent because JPMC knowingly and willfully failed to disclose its noncompliance with Fannie and Freddie guidelines and falsely certified compliance with the guidelines. **JPMC was not in compliance with the guidelines and its servicing contract because it did not have, and consequently fraudulently created, mortgage note endorsements that were submitted in foreclosure proceedings.**

¹ This correction makes several typographical and grammatical alterations noticed after the filing of DE56. No substantive changes are involved.

JURISDICTION AND VENUE

2. Jurisdiction of this Court arises under the FCA, 31 U.S.C. § 3732(a), the federal question statute, 28 U.S.C. § 1331, and under 28 U.S.C. §§ 1345 and 1355.

3. Venue is proper in this District pursuant to the FCA, 31 U.S.C. § 3732(a), which provides that “[a]ny action under section 3730 may be brought in any judicial district in which the defendant or, in the case of multiple defendants, any one defendant can be found, resides, transacts business, or in which any act proscribed by section 3729 occurred.” Each of the Defendants named herein transacted business within this District. Venue is also proper under 28 U.S.C. § 1391.

PARTIES

4. Bruce Jacobs (“Relator” or “Mr. Jacobs”) is a citizen of Florida, residing in Miami-Dade County, Florida. Mr. Jacobs is an attorney who practices law in foreclosure defense and consumer protection in South Florida courts and advises in other states. He began his legal career as a Miami prosecutor and thereafter represented financial institutions in foreclosures until he started his own law firm in 2006. Mr. Jacobs himself is also a consumer who faced a foreclosure against his personal home that involved a forged endorsement.

5. Defendant, JPMorgan Chase, N.A. (“JPMC”) is an American multinational investment bank and financial services holding company headquartered in New York City. JPMorgan Chase is ranked by S&P Global as the largest bank in the United States and the sixth largest bank in the world by total assets, with total assets of over \$2.7 trillion. It is authorized to do business and does business in the Southern District of Florida. It is also a party to the 2011 Consent Judgment with the Office of the Comptroller of the Currency (the “OCC Consent Judgment”) and the 2012 \$25 Billion National Mortgage Settlement (the “NMS”).

6. The nationwide false claims occurred after JPMC entered into the NMS and the OCC Consent Judgment and were never released or affected by the NMS, the OCC Consent Judgment, or any other settlement of any kind involving JPMC.

GENERAL ALLEGATIONS

7. Federal National Mortgage Association (“Fannie Mae”) and Federal

Home Loan Mortgage Corporation (“Freddie Mac”) (collectively “Fannie and Freddie”) are government-sponsored enterprises (“GSEs”). See Federal National Mortgage Association Charter Act, 12 U.S.C. §§ 1716–1723; Federal Home Loan Mortgage Corporation Act, 12 U.S.C. §§ 1451–1459.

8. As government sponsored enterprises, Fannie and Freddie are recipients of federal funds within the meaning of the FCA. As such, the submission of false claims to Fannie and Freddie is actionable under the FCA. See *Bacewicz v. Molecular Neuroimaging, LLC*, 3:17-CV-85-MPS, 2019 WL 4600227, at *7 (D. Conn. Sept. 23, 2019) (noting that claims submitted to Fannie Mae and Freddie Mac, which received substantial government bailout funds, are “claims” within the meaning of the FCA, even though they are independent for-profit companies).

I. FANNIE AND FREDDIE HAVE STRICT BINDING GUIDELINES FOR SELLING AND SERVICING THEIR MORTGAGE LOANS.

9. Fannie and Freddie purchase mortgages in the secondary market and securitize them. Fannie and Freddie guarantee the timely payment of principal and interest on their mortgage-backed securities (“MBS”), the effect of which is to relieve lenders of default risk and free up lenders' capital to make additional loans. *Mortgage Servicing*, 28 Yale J. on Reg. 1, 66-67 (2011).

10. Because Fannie and Freddie bear the credit risk on the mortgages in their MBS pools, they have a strong interest in ensuring servicing quality, and, by serving as their own trustees, they can oversee servicers. Fannie and Freddie have lengthy and detailed guidelines that dictate the requirements for selling and servicing their loans.

11. As a servicer, JPMC receives money directly from the federal government for each Fannie and Freddie loan serviced and when the foreclosure servicing is complete and property title is vested in the name of Fannie or Freddie (and not the foreclosing financial institution).

12. To be entitled to receive money from the United States, JPMC is obligated to comply with all Fannie and Freddie guidelines and servicing contracts.

13. JPMC at all times material to this case agreed to follow the guidelines

and servicing contracts and represented that it followed them.

14. To sell mortgage loans to Fannie Mae or deliver pools of mortgage loans to it for MBS, the lender (the seller of the mortgage) makes certain representations and warranties about itself and the mortgage loans it is selling or delivering, and the loan is subject to several requirements.

15. The lender, by submitting any loan to Fannie Mae, represents and warrants that all right, title, and interest in the mortgage loan is sold, transferred, set over, and otherwise conveyed by the lender to Fannie Mae as of the date Fannie Mae funds the purchase proceeds. *Fannie Mae Selling Guide A2-2.1-02, Delivery Information and Delivery-Option Specific Representations and Warranties* (2015).

16. The lender is also responsible for representations and warranties for the life of the loan that pertain to clear title and first-lien enforceability. Fannie Mae guidelines specifically state that a lender breaches the clear title representations and warranties when “the lender fails to properly endorse the note or to adhere to requirements for the use of powers of attorney.” *Fannie Mae Selling Guide A2-2.1-06, Life-of-Loan Representations and Warranties*.

17. The guidelines further provide that **the originating lender must be the original payee on the note. The note must be endorsed to each subsequent owner of the mortgage unless one or more of the owners endorsed the note in blank.** The last endorsement on the note should be that of the mortgage seller. **The mortgage seller must endorse the note in blank and without recourse.** *Fannie Mae Selling Guide B8-3-04, Note Endorsement; Freddie Mac Seller/Servicer Guide 6301.3: Endorsement of Notes.* The document custodian must certify the loans meet these requirements; the lender must review loans after closing the sale (including the note mortgage, and assignment) and correct any errors identified. *Freddie Mac Seller/Servicer Guide 6304.3: Document Custodian’s functions and duties upon receiving Notes and assignments; Freddie Mac Seller/Servicer Guide 6301.8(a): Completion of delivery.*

18. When loans are sold to Fannie and Freddie, the lender certifies that all loans under the certification meet Fannie and Freddie’s requirements.

19. The servicer is furthermore responsible for timely delivering to Fannie

or Freddie good and marketable title following a foreclosure. *Fannie Mae Servicing Guide E-4.2-01, Completing Conveyance Documents*, Fannie Mae Guidelines; *Freddie Mac Seller/Servicer Guide 9301.40: Delivery of clear and marketable title*.

20. GSE guidelines further require the lender and servicer to be aware of, and in full compliance with all federal, state, and local laws that apply to any of its origination, selling, or servicing practices that may have a material effect on Fannie Mae. *Fannie Mae Selling Guide A3-2-01, Compliance with Laws*; *Freddie Mac Seller/Servicer Guide 1301.2: Compliance with applicable law*, Freddie Mac Guidelines.

21. A violation of any representation or warranty found in the Servicing Guide and in the Lender Contract is a breach of the Lender Contract that could trigger several remedies for Fannie and Freddie, including the requirement that the seller purchase back the mortgage or make whole payments to the GSE. *Fannie Mae Selling Guide A2-3.2-01, Loan Repurchases and Make Whole Payments Requested by Fannie Mae*; *Freddie Mac Seller/Servicer Guide 3602.1: Repurchases required by Freddie Mac due to violations of sale representations and warranties*.

22. The repurchase price for a mortgage loan and the purchase price for an acquired property will be the same as if the lender were repurchasing the mortgage loan with accrued interest and other adjustments, including Fannie Mae's property-related expenses such as maintenance and marketing expenses, through the date of repurchase.

23. A lender must notify Fannie Mae immediately if, after conducting due diligence, it determines that a reasonable basis exists to conclude that a breach of a selling warranty may have occurred. *Fannie Mae Selling Guide A2-2-01, Contractual Representations and Warranties, Lender Reporting Requirements*. Such disclosures must also be reported in the annual certification.

24. Additionally, Fannie may conduct several different types of reviews, including post-purchase reviews, early payment default reviews, servicing reviews, and post-foreclosure reviews. The findings of reviews may uncover a breach, resulting in loan repurchase or make whole payment requests. *Fannie Mae Selling Guide A2-*

3.2-01, Loan Repurchases and Make Whole Payments Requested by Fannie Mae.

25. Violation of any such laws trigger the repurchase requirement if the lender's failure to comply could be expected to impair Fannie Mae's or its servicer's ability to enforce the note or mortgage. *Id.*

26. A lender that acquires the servicing of a mortgage loan, either concurrently with or after Fannie Mae's purchase of the mortgage loan, assumes and is responsible for the same selling warranties that the mortgage seller made when the mortgage loan was sold to Fannie Mae. Lenders that acquire the servicing of Fannie Mae mortgages are required to service the mortgage loans in accordance with the servicing obligations of the lender that assigned or transferred the servicing of the mortgage. *Fannie Mae Selling Guide A2-2-01, Contractual Representations and Warranties.*

27. A more detailed list of applicable guidelines can be found at Exhibit 4.

A. Fannie and Freddie Pay Money to the Servicers of their Mortgage Loans.

28. After selling the mortgage loan to Fannie or Freddie, the lender may continue servicing the loan as part of the servicing agreement. Under the agreement, the servicer maintains the note on behalf of Fannie or Freddie and must pay costs necessary for maintaining the property.

29. The money paid to the servicer pursuant to the servicing agreement represents money of the United States.

30. When a mortgage goes into default, the servicer is responsible for securing a foreclosure judgment and deed on behalf of the GSE. The servicer is also responsible for advancing the costs of maintaining the property and securing the foreclosure judgment, which may include paying real estate taxes, property and flood insurance, HOA Fees and Assessments, the cost of foreclosing on the property (including attorney's fees and costs), as well as the costs of preserving the property.

31. The servicer is entitled to servicing fees as well as reimbursement for foreclosure costs, property preservation costs, asset recovery costs, expenses, miscellaneous expenses, and taxes.

32. In consideration for servicing fees, the servicer is responsible for the performance of all its servicing obligations described in the Guide and other Purchase Documents for each of the Mortgages purchased by Freddie. *Freddie Mac Seller/Servicer Guide 8105.3: Servicing obligations to be performed for the Servicing compensation.* The Servicer's Servicing obligations compensated by the Servicing Spread include, among other things, undertaking all activities required to protect Freddie Mac's interest in the Mortgage in the event of a foreclosure of the property or a bankruptcy of the Borrower, such as resolving any title issues that are the result of the Seller's or Servicer's action or inaction.

33. Reimbursement is conditioned upon the servicer's compliance with the GSE guidelines and service contract.

B. Fannie and Freddie Require their Servicers to Strictly Comply with their Guidelines when Foreclosing their Mortgage Loans.

34. **At the time of referring a case to a lawyer for initiation of a foreclosure proceeding, the servicer must "provide the law firm with a true, correct, and complete copy of the note, including any allonge, produced from the original held by the document custodian; the original note, including any allonge; or a lost note affidavit."** *Fannie Mae Servicing Guide E-1.1-02, Required Referral Documents. See also Freddie Mac Seller/Servicer Guide 9301.9, Referral to foreclosure documentation requirements* (similarly requiring the servicer provide the foreclosure law firm with a note with all endorsements).

35. Failure to provide proper documentation in support of a foreclosure proceeding carries significant penalties, including repurchase of the loan from Fannie Mae and compensatory fees. *Fannie Mae Servicing Guide E-1.1-01, General Requirements for Referring a Mortgage Loan to a Law Firm.*

36. The Fannie guideline provides, in pertinent part: "Fannie Mae may deny reimbursement of fees and out-of-pocket expenses for any referrals to law firms that have not been selected and retained under these requirements." *Fannie Mae Servicing Guide E-1.1-01, General Requirements for Referring a Mortgage Loan to a*

Law Firm. Similarly, Freddie Mac can “[a]ssess compensatory fees and/or seek repayment of losses sustained due to errors, omissions or delays by the Servicer or its agent.” *Freddie Mac Seller/Servicer Guide 9301.3: Freddie Mac’s rights*.

37. Violation of the serving agreement and its representations and warranties is also grounds for repurchase of the mortgage. *Freddie Mac Seller/Servicer Guide 3602.2: Repurchases and repurchase alternatives required by Freddie Mac due to Servicing violations*.

C. Fannie and Freddie Servicers Are Required to File Annual Certifications in Compliance with Guidelines and Eligibility Requirements.

38. The seller/servicer is also required to file annual certifications. *Fannie Mae Selling Guide; A4-2-03, Lender Record Information (Form 582); Freddie Mac Seller/Servicer Guide Form 16SF; Freddie Mac Seller/Servicer Guide 2101.9: Seller/Servicer insurance reporting requirements; Freddie Mac Seller/Servicer Guide 2101.10: Annual eligibility certification; Freddie Mac Seller/Servicer Guide 2101.11: Annual reporting requirements*.

39. The required forms provide information needed to verify that the lender continues to meet Fannie Mae’s basic eligibility requirements as well as certifications regarding compliance with Fannie Mae requirements such as insurance, compliance with laws, and the lender’s authority to transact business with the GSE.

40. The lender/servicer must complete its annual certification when it submits its annual financial statements, within 90 days of its fiscal year-end.

41. The Form 16SF requires certain information about the Seller/Servicer and its operations and the Seller/Servicer’s certification that it continues to meet Freddie Mac’s eligibility requirements and comply with the provisions and requirements of the Guide and the Seller/Servicer’s other Purchase Documents. If the Seller/Servicer does not meet or comply with one or more requirements, it must identify each such failure on Form 16SF together with such information concerning remediation of such failure as Freddie Mac may request.

42. In the annual certification, the servicer is required to affirm that “all

representations and warranties made by [the servicer] in the Lender Contract regarding [the servicers'] Mortgages continue to be accurate and true in all respects.” *Fannie Mae Form 582*.

43. The servicer additionally affirms that it complies with all lender eligibility requirements, the mortgage selling & servicing contract, all applicable guidelines, all applicable laws, and all other parts of the lender contract.

44. Failure to comply with the annual certification is grounds for suspension or disqualification of the seller/servicer. *Freddie Mac Seller/Servicer Guide 2101.11: Annual reporting requirements*.

45. In addition, a servicer must report regularly to Freddie Mac on servicing activities for Freddie Mac-owned Mortgages. *Freddie Mac Seller/Servicer Guide 8106.1: General requirements for Servicing-related reports to Freddie Mac, third parties and the Borrower*.

II. JPMC’S FALSE CLAIMS TO FANNIE AND FREDDIE.

A. JPMC Submits Claims to Fannie and Freddie for Servicing Fees and Costs Associated with Maintaining Defaulted Property and Securing a Foreclosure Judgment.

46. **Washington Mutual (WaMu), the former owner of WaMu Bank, was a savings bank holding company—the largest in the U.S.A. until its collapse in 2008.**

47. Pursuant to its Mortgage Selling and Servicing Contract, WaMu sold loans to Fannie and Freddie, who backed them, and WaMu serviced them. The servicing contracts required WaMu to service the loan according to the provisions in the Fannie and Freddie guidelines. These mortgages and servicing contracts were nationwide.

48. **WaMu collapsed in 2008 and was placed into receivership by the Federal Deposit Insurance Corporation (FDIC). JPMC purchased WaMu shortly thereafter, becoming WaMu’s successor in interest** and the new servicer of the GSE-backed loans.

49. As the successor mortgage servicer, JPMC administered the WaMu-GSE-backed mortgage loans, including collecting and recording payments from borrowers. It also handled loan defaults and foreclosures.

50. As the servicer, JPMC received compensation and servicing fees for services rendered. The servicing fees were payable to JPMC from the time Fannie Mae purchased or securitized the mortgage loan until it was liquidated.

51. As compensation for servicing mortgage loans, the GSEs paid JPMC servicing fees and allowed it to retain late charges and other fees charged for special services.

52. JPMC was also reimbursed, pursuant to its servicing agreement, for payments it made for property taxes, insurance premiums, out of pocket expenses, and applicable HOA dues on defaulted property. It also received reimbursement of fees for paying property taxes, special assessments, and other payments made to avoid possible tax liens as well as reimbursement for maintaining adequate property (hazard) insurance to cover damage from unforeseen casualty losses.

53. Per GSE guidelines, JPMC was entitled to receive reimbursements every six months with a final request for expense reimbursement due within 30 days after the defaulted property was disposed. E-5-01, *Requesting Reimbursement for Expenses*, FME Servicing Guidelines (2015). This payment timing occurred for all the serviced loans throughout the United States.

54. Exhibit 2 presents a representative sampling of claims submitted by JPMC to Fannie and Freddie in connection with servicing default loans and securing foreclosure judgments throughout the United States. As indicative of the money paid by the United States to JPMC, the representative sample of claims represents JPMC's receipt of at least \$538,793.23 in payment for submitting false, fraudulent, and non-compliant claims. The payments were for a variety of reasons, including payments for servicing fees, foreclosure costs, property preservation costs, asset recovery costs, expenses, and miscellaneous expenses. The information contained in Exhibit 2, from a representative sampling perspective, demonstrates the who, what, when, and amount of the payments to JPMC arising from the false submissions.

55. Exhibit 2 and Exhibit 3, as representative examples, identify the actual false claims with specificity, demonstrating when each false claim was submitted, how the false claim originated, and the purpose for each false claim submitted for

payment, as well as documenting the payment to JPMC for mortgages and servicing contracts throughout the United States. These exhibits specify individual mortgages serviced by JPMC, the amount of money claimed by JPMC, the money paid to JPMC by the United States, and the reasons for the payments based on the false submissions by JPMC.

56. JPMC's submission of false claims to Freddie Mac for WaMu loans originated in 2006, alone, deprived the United States of \$14,368,724.58.

57. For Freddie-backed mortgages, "Expenses," in Exhibit 2, is the allowable expenses that Freddie Mac bears in the process of acquiring, maintaining and/or disposing a property (excluding selling expenses, which are subtracted from gross sales proceeds to derive net sales proceeds). This is an aggregation of Legal Costs, Maintenance and Preservation Costs, Taxes and Insurance, and Miscellaneous Expenses. "Legal Costs" is the amount of legal costs associated with the sale of a property (but not included in Net Sale Proceeds). "Maintenance and preservation costs" is amount of maintenance, preservation, and repair costs, including but not limited to property inspection, homeowner's association, utilities, and REO management, that is associated with the sale of a property (but not included in Net Sale Proceeds). "Taxes and insurance" are the amount of taxes and insurance owed that are associated with the sale of a property (but not included in Net Sale Proceeds). "Miscellaneous expenses" is the miscellaneous expenses associated with the sale of a property (but not included in Net Sale Proceeds).

58. For Fannie-backed mortgages, "Foreclosure Costs," in Exhibit 2, are the expenses associated with obtaining title to property from the mortgagor, valuing the property, and maintaining utility services to the property. Such costs include costs and fees associated with bankruptcy and foreclosure. "Property Preservation and Repair Costs" are the expenses associated with securing and preserving the property including two major categories: maintenance and repairs. "Maintenance costs" are associated with preserving the property through normal upkeep, while repairs are associated with either avoiding deterioration of the asset or a marketing decision to help maximize sales proceeds upon final disposition. "Asset recovery costs" is the

expenses associated with removing occupants and personal property from an occupied property post foreclosure. Such expenses include relocation assistance, deed-in-lieu fee, and fees and costs associated with eviction actions. “Miscellaneous Holding Expenses and Credits” is the expenses and credits associated with preserving the property, including Homeowners Association and other dues; flood, hazard, and MI premiums and refunds; rental income; and title insurance costs. “Associated Taxes” for Holding Property is the payment of taxes associated with holding the property.

59. Thus, as a representative sample and by explanation, Exhibit 3 demonstrates that from July 1, 2009, to July 1, 2015, JPMC submitted claims to the United States, through Fannie and Freddie, and received payments from the United States, through Fannie and Freddie, for expenses and servicing fees totaling at least \$71,689.00 solely in connection with the default of the Joseph Piconcelli mortgage note, Loan F106Q4192450.

60. Also, in Exhibit 3, as another example, is the Aguiar mortgage note, Loan F106Q1235608. Exhibit 3 demonstrates that from June 1, 2012, to July 1, 2014, JPMC submitted claims to and received payments from the United States, through Freddie, for expenses and servicing fees totaling at least \$53,850.00 solely in connection with the default servicing of the note. **The claims were false, fraudulent, deceptive, and untrue.**

61. As a representative document, Exhibit 3 also demonstrates that from November 1, 2011, to March 1, 2015, JPMC submitted claims and received payments from the United States, through Freddie, for expenses and servicing fees totaling at least \$38,381.00 solely in connection with the default servicing of the Haggerty mortgage note, Loan F106Q1017323. **These claims were false, fraudulent, deceptive, and untrue.**

62. Exhibit 3 demonstrates other representative claims submitted by JPMC and money received from the United States.

63. Because this false claim scheme was a nationwide practice of JPMC, the false claims resulted in payments to JPMC of untold millions of dollars.

64. The sampled claims in Exhibits 2&3 are based on JPMC’s submission of

inaccurate, false, and fraudulent claims. This representative sampling demonstrates the pervasive, continuous, and ongoing nature of the submissions made by JPMC to the government, and the government's payment of substantial money to JPMC. The claims are representative of the massive nature of JPMC's false claims.

B. When JPMC Submitted its Claims to Fannie and Freddie, JPMC Knowingly and Willfully Misrepresented Compliance with GSEs Guidelines.

65. JPMC submitted claims for servicing fees, foreclosure costs, property preservation costs, asset recovery costs, expenses, and miscellaneous expenses for services rendered under its contract totaling hundreds of millions of dollars, but knowingly and willfully failed to disclose its noncompliance with Fannie and Freddie guidelines and its breach of its servicing agreement, including but not limited to, the facts that:

- a. JPMC's notes were not properly endorsed at the time of origination;
- b. JPMC was in breach of its life of the loan representations and warranties pertaining to clear title and first-lien enforceability;
- c. JPMC violated applicable laws by unlawfully and fraudulently affixing WaMu endorsement stamps to cover up the lack of endorsement, years after WaMu ceased to exist and after the signers no longer worked for WaMu;
- d. JPMC did not "provide the law firm with a true, correct, and complete copy of the note, including any allonge, produced from the original held by the document custodian; the original note, including any allonge; or a lost note affidavit," as required by Fannie Mae Servicing Guide E-1.1-02, *Required Referral Documents*, and *Freddie Mac Seller/Servicer Guide 9301.9, Referral to foreclosure documentation requirements*;
- e. Any note using an endorsement from Cynthia Riley ("Ms. Riley"), Jess Almanza, Brenda F. Brendle, Michele Mullholand, or Robin E. Tange was fraudulent;
- f. JPMC intended to (and did) engage in a practice of misleadingly

pursuing a wave of WaMu foreclosures filed without copies of endorsed promissory notes, claiming the original notes were lost, when the notes were not lost, in foreclosures across Florida and across the nation;

- g. JPMC intended to (and did) pursue judicial foreclosure of mortgages secured by forged and falsely stamped notes, while concealing the fact that the endorsements were affixed by JPMC years after WaMu ceased to exist using rubber stamps of Cynthia Riley's signature, and others;
- h. The title secured through the foreclosure proceedings was not good and marketable.

66. These undisclosed facts constituted material breaches of JPMC's selling and servicing contracts as well as GSE guidelines.

67. Before March 31 of each year, JPMC filed annual certifications that contained several materially false certifications including, but not limited to:

- a. That "all representations and warranties made by [the servicer] in the Lender Contract regarding [the servicers'] Mortgages continue to be accurate and true in all respects;"
- b. That JPMC complies with all lender eligibility requirements;
- c. That JPMC complies with the mortgage selling & servicing contract;
- d. That JPMC complies with all applicable guidelines;
- e. That JPMC complies with all applicable laws; and
- f. That JPMC complies with all other parts of the lender contract.

68. The annual certifications were false and fraudulent because JPMC was not in compliance with Fannie and Freddie guidelines and because JPMC was in breach of its servicing agreement.

69. The claims made to JPMC arising from foreclosures that used the fraudulent endorsement necessarily involved false representations about the marketable title and constituted false claims resulting in payment of taxpayer funds to JPMC.

70. Its fraudulent affirmations and fraudulent omissions were material because disclosure of its noncompliance with GSE guidelines and breach of applicable representations and warranties were grounds for triggering the purchase back provisions of the GSE guide, requiring payment of make whole payments, and/or cancellation of JPMC's lucrative servicing agreement.

71. To evade these consequences, JPMC sought payment without disclosing it violated regulations that affected its eligibility for payment.

72. Rather than disclose the breaches, JPMC, with the assistance of its counsel, initiated a cover up scheme aimed at concealing the absence of a properly endorsed note when the mortgage note was sold to Fannie and Freddie. It then knowingly submitted false records to state courts across the nation in foreclosure proceedings.

73. JPMC knew that every note with a stamp by Cynthia Riley, Jess Almanza, Brenda F. Brendle, Michele Mullholand, and Robin E. Tange was fraudulently affixed after WaMu no longer existed and after Cynthia Riley, Jess Almanza, Brenda F. Brendle, Michele Mullholand, and Robin E. Tang were no longer employed. Exhibit 1 identifies the fraudulent endorsement provided in the foreclosure proceedings.

74. JPMC knew its falsely created records concealed from Fannie and Freddie the failure to properly endorse the mortgage notes at origination, noncompliance with GSE guidelines, and breaches of the selling and servicing agreement.

75. The promissory notes did not convey marketable title and JPMC's foreclosure proceedings did not secure marketable title.

76. JPMC knew the promissory notes did not convey marketable title and that its foreclosure proceedings would not, could not, and did not secure marketable title.

77. JPMC failed to repurchase the loans or tender make whole payments.

III. THERE IS NO JURISDICTIONAL BAR: SUBMISSION OF FALSE CLAIMS TO FANNIE AND FREDDIE HAS NOT BEEN PREVIOUSLY DISCLOSED.

78. It has not been previously disclosed that JPMC submitted claims for servicing fees, foreclosure costs, property preservation costs, asset recovery costs, expenses, and miscellaneous expenses totaling at least hundreds of millions of dollars for services rendered under its contract but failed to disclose its noncompliance with Fannie and Freddie guidelines and breaches alleged in this complaint.

79. It has not been publicly disclosed that JPMC submitted false claims for default servicing fee reimbursement, which encompasses reimbursement claims for expenses related to servicing a home in default such as maintaining real estate taxes, property and flood insurance, HOA Fees and Assessments, and other fees authorized under Fannie Mae Servicing Guides F-1-05 and E-5-01.

80. It has not been publicly disclosed that JPMC submitted false claims for reimbursement of legal fees, costs, or advances under Fannie Mae Servicing Guide E-5-05.

81. It has not been publicly disclosed that JPMC submitted false claims for the foreclosure judgment.

82. It has not been publicly disclosed that JPMC submitted claims for other payments and benefits set forth in Fannie Mae Servicing Guide F-1-05 (DE8, ¶ 27).

83. And in general, it has not been previously or publicly disclosed that JPMC misrepresented its compliance with Fannie and Freddie guidelines to convey fraudulently foreclosed properties to Fannie and Freddie with unmarketable title under JPMC's scheme as alleged herein.

84. It has not been previously disclosed that JPMC made false statements in its annual certifications regarding its compliance as alleged in this complaint.

85. It has not been previously disclosed that JPMC has received payments from Fannie and Freddie as servicer of the loans with unmarketable title under the scheme alleged herein. In general, the material allegations regarding the submission of false claims to Fannie and Freddie have not been previously disclosed.

IV. RELATOR JACOBS IS AN ORIGINAL SOURCE OF THE ELEMENTS THAT CONSTITUTE JPMC'S FRAUDULENT SCHEME.

86. Regarding allegations establishing the falsity of JPMC's certifications and representation, Mr. Jacobs is the original source of, and has direct and independent knowledge of, nonpublic information upon which the allegations herein are based.

87. Mr. Jacobs has defended foreclosures in South Florida since 2008. In 2010, when the Florida Attorney General's office broke the "robo-signing" scandal, Mr. Jacobs joined "Max Gardner's Bootcamp Army" attending seminars across the country presented by Oliver Max Gardner III, a nationally recognized consumer protection and bankruptcy attorney. Mr. Jacobs attended these seminars with mortgage servicing and securitization industry experts along with hundreds of attorneys from across the country.

88. Since 2010, as a former prosecutor, Mr. Jacobs dedicated his foreclosure defense practice to prosecuting fraud upon the court. He deposed scores of mortgage servicing trial witnesses, along with senior executives in charge of secondary marketing and collateral processing at Bank of America and JPMorgan Chase.

89. Mr. Jacobs' litigation efforts on behalf of his clients resulted in orders to show cause, orders imposing sanctions for bad faith and willful discovery violations to cover up fraud, and findings of unclean hands in foreclosures prosecuted by JP Morgan Chase, Bank of America, Ditech Home Loans Servicing, HSBC Bank, Nationstar, and Bank of New York Mellon.

90. Mr. Jacobs uncovered evidence that Bank of America engaged in the same systemic fraud on the court to prosecute foreclosures on mortgages originated through Countrywide Home Loans, Inc. ("Countrywide") as JPMorgan Chase engaged in to prosecute foreclosures on mortgage originated through WaMu. Both forged endorsements, presented false assignments, and retained counsel to defy court orders and obstruct justice to cover it all up.

91. In defending his own home from a fraudulent foreclosure by Bank of America as servicer for Bank of New York Mellon, Mr. Jacobs uncovered evidence

that Bank of America gave false testimony when it swore all Countrywide notes were imaged and endorsed within days of origination. He discovered that Bank of America contracted with a third-party vendor, Sourcecorp, to assist with the “Delinquent Note Endorsement Process” that forged Countrywide endorsements using rubber-stamps.

92. Mr. Jacobs discovered this forgery process was established only days after the Office of the Comptroller of the Currency (“the OCC”) forced Bank of America, JP Morgan Chase, and others into a consent judgment for the robo-signing scandal and required the banks identify every foreclosure pending in 2009 and 2010 across the nation filed without a proper mortgage assignment or a properly endorsed note.

93. Mr. Jacobs discovered that Bank of America and JPMorgan Chase both defied the OCC consent judgment and the \$25 Billion National Mortgage Settlement where the banks both promised to stop using false evidence in foreclosures, knowing they were already engaged in felony forgery of endorsements as part of a scheme to continue their systemic fraud on the court with assistance of counsel by perjury, destruction of evidence, and obstruction of justice.

94. Mr. Jacobs argued every motion compelling discovery from Bank of America and JPMorgan Chase to prepare for trial as lead counsel on scores of foreclosures across Florida with these issues. He obtained court orders to travel across the nation and depose critical witnesses that exposed the fraud.

95. By 2015, Mr. Jacobs had enough evidence against Bank of America to present his finding to the U.S. Attorney’s Office in Miami, Florida for a false claims act case alleging Bank of America defrauded the U.S. Government by submitting Fair Housing Act (“FHA”) insurance claims knowing the fraudulent foreclosures would not transfer marketable title to the Secretary of Housing and Urban Development (“Secretary of HUD”). Mr. Jacobs developed a method to identify false claims made on fraudulent foreclosures by finding deeds from Bank of America to the Secretary of HUD, finding the certificates of title that Bank of America acquired title by foreclosure, and then identifying the forged Countrywide rubberstamped endorsement and false mortgage assignment presented in that fraudulent foreclosure

by Bank of America.

96. During that false claims litigation, Mr. Jacobs discovered that Bank of America ordered Sourcecorp to destroy nearly 2 billion records in violation of multiple subpoenas for those records. He discovered Bank of America and its counsel presented contradictory statements under oath to both federal and state court judges in violation of felony perjury statutes to cover it up. He later discovered Bank of America backdated other records from Sourcecorp, and defied court orders to turn over those records because they were critical evidence to expose the fraud.

97. The Honorable U.S. District Court Judge Ursula Ungaro denied Bank of America's motion to dismiss Mr. Jacobs' False Claims Act case. *U.S. ex. rel. Bruce Jacobs v. Bank of Am. Corp.*, 1:15-CV-24585-UU, 2017 WL 2361943, at *10 (S.D. Fla. Mar. 21, 2017), on reconsideration, 1:15-CV-24585-UU, 2017 WL 2361944 (S.D. Fla. Apr. 27, 2017). Bank of America eventually agreed to a settlement that recovered millions of dollars for U.S. taxpayers without any admission of liability.

98. Mr. Jacobs continued to fight Bank of America's fraudulent foreclosures in state court ever since the False Claims Act case settlement. As state court judges ruled Mr. Jacobs could take discovery about Bank of America's forged endorsements, many judges also ordered JPMorgan Chase to produce discovery as to the rubberstamped WaMu endorsements being presented in foreclosures Mr. Jacobs defended.

99. Through court ordered depositions, Mr. Jacobs learned that JPMorgan Chase was servicing loans for Fannie and Freddie and foreclosing using the same fraudulent scheme of claiming all WaMu notes were imaged and endorsed within days of origination that Bank of America had used. Unlike Bank of America, JPMorgan Chase took a scorched earth approach to fight all of Mr. Jacobs' discovery requests before finally claiming there is no evidence ("not even a footprint") of the system WaMu allegedly used to endorse millions of notes. Through his discovery litigation, Mr. Jacobs confirmed JPMorgan Chase prosecuted fraudulent foreclosures for Fannie and Freddie.

100. Mr. Jacobs again employed his unique and never publicly disclosed

method to identify false claims made on fraudulent foreclosures by finding deeds from JPMorgan Chase to the Secretary of HUD, finding the certificates of title that JPMorgan Chase acquired title by foreclosure, and then identifying the forged WaMu rubberstamped endorsement presented in that fraudulent foreclosure by JPMorgan Chase.

101. Regarding the practices that comprise JPMC's scheme, and that rendered the titles sold to Fannie and Freddie unmarketable, Relator is an original source of knowledge of JPMC's unlawful activity based on his own experience litigating foreclosure cases against JPMC and its counsel.

102. Specifically, through his foreclosure litigation, Mr. Jacobs acquired first-hand information that, among other things:

- a. JPMC's WaMu notes had not been endorsed within days of origination. Rather, the WaMu notes were fraudulently endorsed by JPMC long after WaMu ceased to exist.
- b. JPMC utilized rubberstamps to forge the WaMu notes by endorsing them with the signatures of former WaMu employees.
- c. After forging endorsements on the notes, JPMC foreclosed the mortgages relying on the very same forged endorsements, knowing that they did not have marketable title because of the forgery.
- d. During the foreclosure proceedings related to the fraudulently endorsed notes, JPMC and its outside counsel procured coached and fraudulent testimony that the WaMu mortgage notes had been endorsed within days of origination.
- e. The January 15, 2013, deposition of Cynthia Riley and September 1, 2015, clean-up affidavit were contrived to conceal the absence of properly endorsed notes.
- f. JPMC, as servicer of the WaMu notes, had submitted claims to Fannie and Freddie requesting monies in relation to the very same notes that JPMC had forged.
- g. Because the notes that JPMC serviced had been forged, JPMC knew

that its representations to Fannie and Freddie were fraudulent.

103. In that sense, Mr. Jacobs is the original source of information regarding JPMC's claims for servicing of specific mortgage loans belonging to Fannie and Freddie, which were foreclosed by JPMC relying upon the very same notes that JPMC's had fraudulently forged in this scheme. As such, Mr. Jacobs is the original source of evidence that JPMC knew that the certifications and representations made in relation to the claims to Fannie and Freddie were false.

104. Specifically, Relator made such discoveries while he personally litigated five (5) cases involving JPMC's fraudulent endorsement practices: (1) *Wells Fargo Bank, N.A., as trustee for WaMu Mortgage Pass Through Certificates Series 2005-PR4 Trust vs. John Riley*, in Palm Beach County Case Number 50-2016-CA-010759-XXXX-MB; (2) *JPMorgan Chase v. Queen Mohammed*, in Miami-Dade Case Number 2015-23492-CA-01; (3) *U.S. Bank v. Jorge Llovet*, in Miami-Dade Circuit Court Case Number 2016-32717-CA; (4) *Chase Home Finance v. Lumar* before the Honorable Miami-Dade Circuit Court Judge Beatrice Butchko in Miami-Dade Circuit Court Case Number 2008-71826-CA-01; and (5) *U.S. Bank Trust, NA v. Steve Piecznick* in Miami-Dade Circuit Court Case Number 2016-14544-CA-01. ("Relator's Cases").

A. Relator is the Original Source of Information and Evidence That JPMC Never Endorsed Any Notes Within Days of Origination.

1. Relator's discoveries during his successful Litigation in the John Riley Case: Relator Discovers that WaMu notes were not endorsed within days of origination.

105. In *Wells Fargo Bank, N.A., as trustee for WAMU Mortgage Pass Through Certificates Series 2005-PR4 Trust vs. John Riley*, in Palm Beach County Case Number 50-2016-CA-010759-XXXX-MB, the Relator represented John Riley in a foreclosure proceeding concerning a loan originated on October 25, 2005, and foreclosed on June 16, 2010.

106. JPMC filed a foreclosure complaint without any evidence of a Cynthia Riley rubber-stamped blank endorsement being affixed to the original promissory note.

107. On September 13, 2011, the Relator filed a notice of appearance and sent a first wave of discovery that specifically asked for evidence establishing the presence of an authorized blank endorsement.

108. On January 25, 2012, JPMC filed a discovery response with a copy of the mortgage note without any endorsements.

109. On April 9, 2013, the trial court ordered JPMC to produce all documents showing the purchase and sale of the loan and all documents referencing or mentioning the acquisition of the note before filing the complaint within 60 days.

110. On June 19, 2013, 69 days later, JPMC produced an assignment of mortgage that said JPMC, successor to WAMU assigned the note and mortgage to the Plaintiff on or before effective date of May 29, 2010. This backdated the assignment to before the filing of the complaint.

111. JPMC also produced a copy of the note with a Cynthia Riley endorsement on it for first time and a pooling and servicing agreement defining what the mortgage loan schedule should say. The mortgage loan schedule identifies the loans sold to the Plaintiff.

112. At the foreclosure trial on March 25, 2014, the Relator moved for involuntary dismissal of the foreclosure action because there was **no evidence that the note was endorsed before trial and no evidence that the assignment was done before trial.**

113. The trial court entered an order granting the motion for involuntary dismissal finding JPMC failed to establish standing at the time of filing the complaint.

114. On September 23, 2016, JPMC re-filed the foreclosure action with the Cynthia Riley stamp on the note attached to the complaint.

115. On April 20, 2017, the trial court ordered better responses to discovery and ordered all documents showing how and when the endorsement on the note was affixed be produced within 30 days of the order.

116. On July 7, 2017, the Relator filed a motion for Sanctions arguing that JPMC failed to comply with the court's discovery order.

117. On August 22, 2017, the trial court denied the motion for sanctions without prejudice but continued the trial to give JPMC additional time to comply with its order.

118. On December 13, 2017, the trial court entered a final judgment (after a trial) in favor of defendant on grounds of unclean hands, in part noting JPMC never complied with the court order to provide documentary evidence establishing when and how the note was endorsed. Moreover, the final judgment made findings that JPMC had unclean hands because it presented other fraudulent evidence and false testimony about that evidence to cover up the fact that it could not prove standing to foreclose by the Cynthia Riley endorsement.

119. JPMorgan Chase voluntarily dismissed its appeal of the final judgment and agreed to satisfy the mortgage and pay a confidential settlement to remedy the court's finding of unclean hands.

120. Through this case, Relator discovered that JPMC refused to provide evidence because it had orchestrated a scheme with its outside counsel to perpetuate a fraud, that WaMu had a practice to image and endorse original notes using rubber-stamps within days of origination.

121. Bank of America and its outside counsel perpetuated the same fraud that Countrywide had a practice to image and endorse original notes using rubber-stamps within days of origination as set forth in the Relator's first false claims act case.

122. Bank of America backed up the forged Countrywide endorsements with fraudulent mortgage assignments. The Hawaii Supreme Court twice ruled Bank of America's use of forged rubberstamped Countrywide blank endorsements and false mortgage assignments would constitute a wrongful, deceptive, and unfair foreclosure. *Bank of Am., N.A. v. Reyes-Toledo*, 139 Hawai'i 361, 390 P.3d 1248 (2017); *Bank of Am., N.A. v. Reyes-Toledo*, 143 Hawai'i 249, 428 P.3d 761 (2018), *as corrected* (Oct. 15, 2018).

123. JPMC, Bank of America, and their counsel perpetuated the same fraud to cover up forged and fraudulent endorsements presented in foreclosures across

Florida, and across the nation, that resulted in false claims to the government through Ginnie Mae, Fannie Mae, and Freddie Mac.

124. Through JPMC and other financial institutions, this same fraud is still being perpetrated in courts across the country and homeowners are being deprived of their property without due process of law during this pandemic.

2. *Relator's discoveries during deposition of Barbara Hindman of no evidence that JPMC endorsed notes in the Jacksonville, Secondary Delivery Department.*

125. On June 23, 2020, JPMC presented Barbara Hindman as its corporate representative in *JPMC v. Mohammed*. In 2004, Ms. Hindman worked for WaMu as part of its national post-closing team as a supervisor, in Jacksonville, FL.

126. Ms. Hindman also managed the JPMorgan Chase department responsible for signing robo-signed mortgage assignments from 2008-2010. She identified several of her co-workers who were identified as robo-signers in the Florida Attorney General's powerpoint presentation exposing the robo-signing scandal entitled Unfair, Deceptive and Unconscionable Acts in Foreclosure Cases.²

127. Ms. Hindman's department received the note, the mortgage, and original documents. The notes would be imaged and passed on to Secondary Delivery.

128. Ms. Hindman never saw notes being endorsed. She remembered the Secondary Delivery Department room, which JPMC claims was supposedly rubberstamping millions of notes with WaMu endorsements, being a "normal, quiet office environment." She did not recall any endorsement operations, rubberstamps, rubberstamp pads, or rubberstamping.

129. She had been to the department at various times and recalled the room having 10 or 12 desks. Cynthia Riley did not even have an office in that area.

130. Through her testimony, the Relator came into possession of original evidence that there was no endorsing of notes at all in the Secondary Delivery Department. Moreover, the Relator came into possession of proof that JPMorgan Chase and its outside counsel were orchestrating perjury and fraud on the court by

² <https://documents.latimes.com/florida-ag-report-on-foreclosure-law/>

having corporate representatives and senior JPMorgan Chase executives testify that Ms. Hindman told them WaMu endorsed notes in the Secondary Delivery Department in Jacksonville, Florida. Ms. Hindman has no recollection of having those discussions about the WaMu endorsements.

B. The Relator is the Original Source of Information That Testimony Given in State Court Foreclosure Proceedings Concerning the Endorsement of Notes Was Coached and Fraudulent.

131. There are no records definitively establishing notes were endorsed within days of origination. Imaged copies of the note at the time of origination are not endorsed.

132. In foreclosure proceedings, JPMC has claimed that WaMu's daily practice was that all notes were imaged within a couple of days of origination and then endorsed in the Secondary Delivery Department.

133. In litigation, JPMC does not produce and has not produced the Secondary Delivery Department employees who allegedly endorsed the notes within days of origination. JPMC has instead produced corporate representatives who have testified that, according to Ms. Hindman, WaMu's policy was to scan the mortgage note into their electronic database and then endorse the note, but never scan an image of the properly endorsed note.

134. The Relator is an original source of evidence and information that JPMorgan Chase's corporate representatives have provided false, fraudulent, coached testimony about the basis and foundation of their testimony. The corporate representatives have falsely claimed that their knowledge of WaMu's policies comes from JPMorgan Chase PowerPoint trainings, former employees in the Post-Closing Department, among other untrue claims. JPMorgan Chase lawyers have gone as far as coaching witnesses in the middle of court testimony. The Relator has uncovered the schemes and debunked each falsity.

1. False Testimony: That JPMC facilitated trainings in 2016 and 2018 on the Cynthia Riley endorsement attended by its corporate representatives.

135. In *JPMorgan Chase v. Queen Mohammed*, in Miami-Dade Case Number

2015-23492-CA-01, the Relator defended a foreclosure that relied on a Cynthia Riley WaMu endorsement.

136. Originated on September 13, 2007, JPMC produced a report that showed the Mohammed note was scanned into WaMu's system a month later, on October 4, 2007. There was no endorsement.

137. The Decline Report showed the first image in JPMC's system of the Mohammed original note with a rubberstamped Cynthia Riley blank WaMu endorsement was January 20, 2010.

138. On January 26, 2018, JPMC produced **Jeremy Summerford** as a corporate representative, whom Mr. Jacobs personally deposed:

Q Now, do you have any evidence to show one way or another whether or not this endorsement was affixed before JPMorgan Chase bought the assets of Washington Mutual from the FDIC or after?

A Again, as I've answered before, there's no date of the endorsement. I don't know when it was specifically affixed. All I can tell you is the scan in 2010 of the note as it appears attached to the complaint, it was scanned with the endorsement on there in 2010. So, at least, by 2010, I can tell it was affixed.

Q So is it fair to say that the 2007 image of the [Mohammed] note had no endorsement on it?

A From what I recall of my review, they did not have the endorsement on there, which would be consistent with getting a package from the origination. That's typical.

Q. **Is there any evidence that you have to show that this note was endorsed before Washington Mutual ceased to exist?**

A. You're asking me to basically disprove a negative. I told you what I know. I don't have a specific date on when the endorsement was placed. I don't know when the specific endorsement was placed. All I know is that it was before 2010. That's all I know.

139. A key question posed by the Relator concerned the basis for his knowledge about the Cynthia Riley endorsement. Summerford testified he had no

knowledge:

Q. So is it fair to say that you have not been told anything about how the Cynthia Riley endorsements were added to these Washington Mutual Loans and when? Is that true?

A. I really don't know anything surrounding Cynthia Riley and how those were placed by her on those notes.

140. In *U.S. Bank v. Jorge Llovet*, in Miami-Dade Circuit Court Case Number 2016-32717-CA, the Relator pursued a Rule 1.540(b) Motion to Vacate Judgment Due to Fraud Upon the Court.

141. The court authorized discovery requiring JPMC, as Master servicer for U.S. Bank, to explain the date of the Cynthia Riley endorsement used to secure a final judgment of foreclosure.

142. JPMC produced Jeremy Summerford again to testify as a JPMC corporate representative.

143. JPMC's in-house counsel and JPMC's Outside Counsel prepared him to testify.

144. In this deposition, Mr. Summerford now claimed he attended two PowerPoint trainings about the WaMu endorsements: one given by JPMC's outside counsel in approximately 2016 and a second given by **Vicky Weaver** in 2018.

145. According to Summerford, JPMC gave a PowerPoint presentation that WaMu imaged notes and endorsed them within days of origination. Further, Summerford declared that Vicky Weaver trained JPMC's trial witnesses, instructing him that JPMC never used WaMu stamps to endorse original notes.

146. This testimony was materially different from his testimony the year before, where he testified in 2018 that he knew nothing surrounding Cynthia Riley and how the notes were endorsed using her stamp.

147. In addition to Summerford's impeaching 2018 deposition, the Relator uncovered additional evidence that this PowerPoint claim was a contrived attempt by JPMC and its legal team to bolster JPMC's false claim that notes were endorsed within days of origination.

148. Specifically, in *Chase Home Finance v. Lumar*, Case No. 2008-71826-CA-01 (Miami-Dade County), the Relator deposed Ms. Vickie Weaver. She testified that she attended a PowerPoint training with Mr. Summerford, other JPMC witnesses, and the JPMC's Outside Counsel. She testified that WaMu endorsements were never discussed.

149. Ms. Weaver claimed that Barbara Hindman, who previously worked for WaMu, personally told her WaMu imaged and endorsed notes within days of origination. As will be explained, this latter claim was also proven to be false.

150. The Relator secured an order requiring JPMC to produce the PowerPoint trainings.

151. On June 13, 2019, JPMC filed a response that "No such PowerPoint presentations exist." And on January 14, 2020, JPMC's outside counsel represented in court that his firm never presented a training for JPMC, including for Jeremy Summerford, regarding WaMu endorsements.

152. JPMC ultimately conceded at the hearing in *U.S. Bank Trust, NA v. Steve Piecznick*, Case No. 2016-14544-CA-01 (Miami-Dade Circuit Court), that there were no trainings. JPMC's corporate representative claimed that JPMC had not trained trial witnesses since May of 2013.

153. Through litigation in various foreclosure cases, Mr. Jacobs discovered that Ms. Weaver, senior JPMC executive and the head of JPMC's custodial division which holds original notes, was involved in JPMC's fraudulent scheme to falsely endorse notes, while lying that the forged notes had been endorsed within days of origination.

2. *False Testimony: Barbara Hindman personally saw notes endorsed within days of origination and communicated that to JPMC's testifying corporate representatives.*

154. Another false claim presented in foreclosure proceedings was that Barbara Hindman, the former WaMu executive in charge of the Post-Closing Department located in Jacksonville Florida from approximately 2004 to 2007, personally witnessed the endorsement of notes and communicated that to JPMC's

corporate representatives.

155. On December 6, 2019, the Honorable Miami-Dade Circuit Court Judge Pedro Echarte, Jr. ordered JPMC to produce a corporate representative to testify at trial in *U.S. Bank Trust, NA v. Steve Piecznick* in Miami-Dade Circuit Court Case Number 2016-14544-CA-01

156. Ms. Bingham testified she prepared to testify for JPMC as the corporate representative by speaking with Barbara Hindman.

157. Ms. Bingham claimed that Ms. Hindman gave an eyewitness account of how WaMu endorsed original notes from across the nation.

158. Ms. Bingham testified that according to Barbara Hindman, the WaMu standard operating procedure was for the Post-Closing department to receive original notes and image them, then walk the notes from the Post Closing Department next door to Cynthia Riley's Secondary Delivery department which affixed the rubberstamped WaMu Cynthia Riley endorsements.

159. JPMC produced Vickie Weaver as a corporate representative who gave similar testimony about Ms. Hindman.

160. However, when the Relator deposed Ms. Hindman on June 23, 2020, in *JPMC v. Mohammed*, Ms. Hindman recalled no such conversation with Ms. Bingham regarding her testimony as the JPMC corporate representative.

161. Furthermore, as explained previously, **Ms. Hindman never personally witnessed notes being endorsed.** She remembered the Secondary Delivery Department room, which JPMC claims was supposedly rubberstamping millions of notes with WaMu endorsements, being a "normal, quiet office environment." She did not recall any endorsement operations, rubberstamps, rubberstamp pads, or rubberstamping.

162. At the conclusion of Ms. Hindman's deposition, JPMC's Outside Counsel initially declared her entire deposition confidential and filed a motion to deem the 400-page transcript confidential. The Relator informed JPMC's Outside Counsel that Fla. Bar Rule 4-3.3 required this transcript be immediately disclosed to Judge Echarte as evidence **Ms. Bingham gave perjured testimony.**

163. Two months later (less than 48 hours before a summary judgment hearing in another foreclosure relying on the same forged WaMu endorsement against an elderly couple in their 80's) JPMC's Outside Counsel retracted his claim of confidentiality as to all but 18 pages of the 400-page Hindman deposition.

164. JPMC and its counsel filed an emergency motion to block the deposition of Ms. Hindman set in other foreclosures involving the same forged WaMu endorsement before several circuit court judges. The emergency motion attached a new affidavit Ms. Hindman signed on August 25, 2020, wherein she swears some other Secondary Delivery Department rooms may have endorsed notes besides the one next to Ms. Hindman's department.

165. This affidavit contradicts Ms. Bingham's repeated testimony that Ms. Hindman told her the WaMu endorsements were rubberstamped in the Secondary Delivery Department room next door to Ms. Hindman's Post Closing Department in Jacksonville, Florida.

3. Coaching witnesses in civil court proceedings.

166. The Relator is the original source of evidence of JPMC counsel coaching witnesses in open court proceedings.

167. During the testimony of Pamela Bingham in *U.S. Bank Trust, NA v. Steve Piecznick*, Case No. 2016-14544-CA-01 (Miami-Dade Circuit Court), the Relator questioned Bingham about what documentary evidence JPMC should have if the testimony of Cynthia Riley, Jeremy Summerford, Vicky Weaver, and Pamela Bingham regarding the endorsements was truthful.

168. Plaintiff's counsel asked for a short break, presumably to use the restroom. During the recess, Outside Counsel took the JPMC witness into the stairwell. After initially denying that they discussed her testimony, Ms. Bingham admitted she and Outside Counsel discussed her conversation with Ms. Hindman which is the basis for her testimony.

169. Thereafter, the trial court confirmed Ms. Bingham's testimony before going into the stairwell with Outside Counsel was that once a note gets originated, it goes to Barbara Hindman's department, it is imaged, an endorsement is added, is

sent to Louisiana, and **then at some point before WaMu ceased to exist, the note was imaged again with the endorsement.** This latter testimony meant that if the loans were indeed endorsed within days of origination, there should be an imaged copy.

170. After going into the stairwell with Outside Counsel, Ms. Bingham changed her testimony. She retracted her earlier testimony and claimed that WaMu did not have a policy of imaging notes upon being endorsed. As questioning continued, Judge Echarte threatened to hold Outside Counsel in contempt after the Relator heard him giving an answer to a question from across the courtroom.

C. The Relator is the Original Source of Information that JPMC Sells Loans to Fannie and Freddie.

171. In *Chase Home Finance v. Lumar*, Case No. Case Number 2008-71826-CA-01 (Miami-Dade Circuit Court), the Relator deposed JPMC Corporate Representative Vickie Weaver.

172. **Vicky Weaver's testimony not only provided further information about the existence of JPMC's illegal endorsement scheme, but also expressly disclosed that said mortgages had been sold to Fannie Mae and Freddie Mac.**

173. Ms. Weaver's testimony transcript reads as follows:

Q: I'm asking about this loan.

A: Okay. So, in this loan, this loan was actually purchased as part of a bulk purchase to J.P. MAC (phonetic) so J. MAC, a Chase entity, purchased this loan as part of a bulk purchase.

Q: What is J.P. MAC?

A: It's a Chase entity. J.P. Morgan –

MR. LEON: Mortgage Acquisition Corp.

Q: **What's the relationship between J.P. Morgan Chase and Fannie Mae as it relates to this loan?**

MR. LEON: Object to the form. Go ahead.

A: What is the relationship between J.P. Morgan Chase and Fannie Mae as it relates to this loan? **So, this loan was sold to Fannie Mae.**

Q: And my question to you is, what evidence do you see that shows that this was created in the time that you're suggesting, before the sale and not after?

A: **Whenever we do the sale to Fannie Mae, we issue a certification to say that all the loans under that certification meets Fannie Mae's requirements. And again, the allonge would have been done to sell to Fannie Mae because they require to be in blank. So by issuing that certification would tell me that that loan had the appropriate allonge at the time.**

(emphasis added).

174. As the transcript of the deposition testimony shows, Vicky Weaver's testimony revealed that the loans had been sold to Fannie Mac, and that JPMC had submitted certifications to Fannie and Freddie in relation to said loans.

D. Crucial Nature of the Information Discovered by Relator.

175. **JPMC committed repeated acts of perjury and falsely stated under oath that WAMU affixed those forged endorsements knowing WAMU no longer existed at that time, with the intent to defraud borrowers, state foreclosure courts, bankruptcy courts, federal regulators, Fannie Mae, Freddie Mac, and the U.S. Department of Justice ("DOJ") in foreclosures throughout Florida and across the nation.**

176. **Moreover, JPMC and its outside counsel have orchestrated bad faith, unethical litigation tactics designed to defy discovery orders, mislead the courts, and "gum up" the ability of state court foreclosure judges (and therefore federal bankruptcy judges) from fairly adjudicating the validity of forged endorsements.**

177. **This criminal misconduct constitutes both intrinsic and extrinsic fraud rendering the foreclosure title unmarketable and subject to a motion to vacate judgment due to fraud under Fla. R. Civ. P. 1.540(b) in Florida, and the corresponding rules of procedure in judicial foreclosure states across the nation.**

178. **JPMC can never convey marketable title for properties obtained by**

foreclosure that relied on endorsements forged by JPMC, backdated by perjury of JPMC, and covered up by the unethical conduct of attorneys for JPMC.

179. In Florida, it is a felony to forge an endorsement onto a promissory note. Fla. Stat. § 831.01; *McClendon v. State*, 290 So. 2d 77, 78 (Fla. 2d DCA 1974) (“The endorsement of a check may also be the subject of forgery” if the signature is “intended to be taken as the genuine signature of another”). It is a felony to commit perjury. Fla. Stat. Ann. § 837.02 (West). It is a felony to obtain property by gross fraud and cheating. Fla. Stat. § 817.29 (West).

180. The Relator is the original source of evidence that proves JPMC forged WAMU endorsements, backdated them by perjury to appear as the authentic endorsement of WAMU, defied discovery orders of multiple judges to cover it up, all in violation of Fla. Stat. §673.3081 and other relevant laws. Forgery, perjury, gross fraud, and cheating are enumerated predicate acts that violate Florida’s RICO statute, codified by Florida Statute §895.02(8) that defines “racketeering activity” as any conduct chargeable under Fla. Stat. §831 relating to forgery, Fla. Stat. chapter 837, Fla. Stat. §817.29 relating to gross fraud and cheating.

181. JPMC and its counsel also constitute a criminal enterprise under the federal RICO statute because they engaged in mail fraud, wire fraud and obstruction of justice by this systemic fraud across the courts to foreclose mortgage using forged endorsements. See *Living Designs v. E. I. Dupont De Nemours and Company*, 431 F.3d 353 (9th Cir. 2005).

182. JPMC also defied the DOJ, the U.S. Department of Housing and Urban Development (“HUD”), and the Judiciary by continuing its systemic, widespread, criminal, fraud on the court across Florida and the across the nation knowingly violating Florida’s RICO statute, the 2010 Office of the Comptroller of the Currency (“the OCC”) Consent Judgment, and the DOJ \$25 Billion National Mortgage Settlement since its execution in April of 2012, all to submit false claims for payments from Fannie and Freddie knowing the foreclosure titles were at all times unmarketable due to criminal fraud.

183. Relator discovered information showing that, when signing the \$25

Billion National Mortgage Settlement Consent Judgment, JPMC falsely promised to ensure compliance with “Servicing Standards” that included standards for presenting documentation in foreclosure and bankruptcy cases. As alleged herein, that promise was false when it was made, at the time of signing, on or about April 4, 2012.

184. Instead of intending to comply with the Servicing Standards for foreclosures as provided in the JPMC NMS Consent Judgment, JPMC intended to commit new felony misconduct by the RICO False Claims Scheme promptly after April 4, 2012, and it has done so regularly since then and continuing to this day in foreclosure actions throughout Florida and across the nation.

185. Under the FCA, a violation occurs when a person or entity “knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval.” 31 U.S.C. § 3279(a)(1)(A). Another kind of violation occurs when a person “knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim.” 31 U.S.C. § 3279(a)(1)(B). “Material” for purposes of the FCA “means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.” 31 U.S.C. § 3279(b)(4).

186. It is a criminal law violation for JPMC to affix an endorsement for WAMU after the Federal Deposit Insurance Company (“the FDIC”) shut down WAMU. It is criminal for JPMC to testify falsely that WAMU imaged those original notes and affixed those WAMU endorsements all within days of origination when JPMC affixed WAMU endorsements years later.

187. It is a criminal violation for JPMC and its counsel to defy lawful court orders to produce the records that show how and when these rubber-stamped WAMU endorsements were affixed to original notes.

188. It is fraudulent conduct to fail to disclose material facts where there is a legal and ethical obligation to disclose those material facts which constitute a fraud and a crime.

189. Every record JPMC presented in support of every request JPMC submitted to Fannie and Freddie and every payment received from Fannie and Freddie while pursuing fraudulent foreclosures across Florida, and across the nation,

knowing the actionable criminal and racketeering misconduct rendered the titles unmarketable each constitute individual false claims. All this misconduct violated JPMC's representations and warranties as an approved servicer to Fannie and Freddie.

190. JPMC's submission of false claims to Freddie Mac for WaMu loans originated in 2006, alone, deprived the United States of \$14,368,724.58.

E. Not Only Does the Relator Have First-Hand Knowledge of JPMC's fraud, but His Knowledge Is Independent and Materially Adds to Any Other Information.

191. Relator litigated cases involving foreclosures in Florida, and in which, through the contradictions and inconsistencies in the deposition testimonies of JPMC's officers and JPMC's unethical practices, Relator discovered the illegal scheme alleged herein. Relator personally took every deposition testimony and learned, first-hand, information that materially adds to any vague and general conclusory disclosure about JPMC's forged rubberstamps.

192. Now, Mr. Jacobs is the original source of the information that evidenced that any prior testimony of Cynthia Riley's was false. Further, Relator is an original source of independent information that demonstrates that Ms. Riley's subsequent declarations in her affidavit were false. Relator, indeed, learned and discovered the inconsistencies in Ms. Riley's prior testimonies, through his own independent litigation, and from the taking of deposition testimony of other JPMC's officers and employees.

193. As such, through the involvement with his personal cases, Relator discovered that JPMC's conduct not only related to one—or even a few—forged notes with unmarketable title; but that it involved a sophisticated scheme to use rubberstamps illegally and without authorization to forge promissory notes and conduct foreclosures in Florida and across the nation.

194. Furthermore, Relator is the original source of information that JPMC engaged in a large-scale scheme to foreclose mortgages with forged notes.

195. Additionally, through his litigation, Relator independently learned that JPMC was acting as servicer for these loans, and that, as such, JPMC had received

federal funds as servicing fees. Furthermore, because of this, Relator learned that, in relation to these loans with forged rubberstamps, JPMC was receiving periodic payments, and that JPMC had been, was, and is, reimbursed for, among other things, foreclosure costs and other expenses.

196. On every one of these mortgage loans serviced by JPMC, the United States paid JPMC for servicing loans based on JPMC's knowing and intentional submission of false and fraudulent documents.

197. After discovering this information, Mr. Jacobs diligently investigated further, to determine the true scale of JPMC's fraudulent scheme and the nature of the false claims to Fannie and Freddie. As such, starting from the information in his own litigated cases, Mr. Jacobs discovered that JPMC's conduct was part of an organized fraudulent scheme and that it not only related to a few cases, but to hundreds of foreclosures in Florida and across the nation.

198. After gathering information on his own original discoveries in his own litigated cases, and further information about other foreclosures across the nation, Mr. Jacobs submitted his findings to the U. S. Government. Mr. Jacobs voluntarily provided all such information to the federal government upon filing this action. See 31 U.S.C. § 3730(e)(4)(B).

V. FANNIE AND FREDDIE, AS GOVERNMENT SPONSORED ENTERPRISES, ARE RECIPIENTS OF FEDERAL FUNDS WITHIN THE MEANING OF THE FCA.

199. Fannie and Freddie, as GSEs, are recipients of federal funds within the meaning of the FCA. Particularly, Congress created the GSEs to, among other goals, “promote access to mortgage credit throughout the Nation ... by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.” 12 U.S.C. § 1716(3). In other words, the GSEs' shared purpose was to make it easier (i.e., less risky) for local banks and other lenders to offer mortgages to prospective homebuyers.

200. Fannie and Freddie sought to accomplish this objective by purchasing mortgage loans from lenders, thus relieving lenders of default risk, and freeing up lenders' capital to make additional loans. To finance this operation, the GSEs would,

primarily, pool the many mortgage loans they purchased into various mortgage-backed securities and sell these securities to investors.

201. On September 6, 2008, with the consent of both Fannie and Freddie's board of directors, the Federal Housing Finance Agency ("FHFA") used its authority to place each both enterprises into conservatorship. Accordingly, the U.S. Department of the Treasury (Treasury) provides Fannie and Freddie with financial support through the Senior Preferred Stock Purchase Agreements (SPSPAs), which were executed on September 7, 2008, one day after Fannie Mae and Freddie Mac entered conservatorships.

202. As such, Fannie and Freddie, as GSEs, are comprehended within the meaning of "other recipients" of federal funds, under 31 U.S.C. § 3729, and therefore, false claims submitted to them are actionable under the statute, as both prongs of the "other recipients of federal funds" test fashioned in *Grubea* are satisfied.

203. Particularly, under the first prong, the FCA applies to another recipient of federal funds "if the money or property is to be spent or used on the Government's behalf or to advance a Government program or interest." *Grubea*, 318 F. Supp. 3d at 705. Here, the Government's interest was in keeping the GSEs afloat, while ensuring that their mortgage operations could continue.

204. Indeed, the GSEs were not simply recipients of bailout funds. Rather, they were placed under Government conservatorship. In particular, the Housing and Economic Recovery Act of 2008, which amended the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (the "Recovery Act"), created the FHFA and charged it with "oversee[ing] the prudential operations" of the GSEs and "ensur[ing] that" they "operate[] in a safe and sound manner," "consistent with the public interest." 12 U.S.C. § 4513(a)(1).

205. Further, the Recovery Act authorized FHFA as conservator to "take such action as may be: (i) necessary to put the regulated entity in a sound and solvent condition; and (ii) appropriate to carry on the business of the regulated entity and preserve and conserve the assets and property of the regulated entity." *Id.* at § 4617(b)(2)(D).

206. Plainly, the ability of the GSEs to efficiently liquidate their non-performing loans is a critical component of their operations and necessary to keep mortgage rates low. Federal funds thus were used “primarily to cover losses from single-family mortgages,” somehow ignoring the fact that “losses” on mortgages include the costs of foreclosure. *Id.*

207. With respect to the second prong of the “other recipients of federal funds test”—provision of federal dollars to a portion of the money demanded—the funds here are substantial and not earmarked, accordingly, it is not necessary to show that the funds were provided specifically to pay defendants' claims. Rather, the FCA applies if any portion of the claim is or will be funded by U.S. money. *Id.*, citing, *U.S. ex rel. Marcus v. Hess*, 317 U.S. 537, 544, 63 S. Ct. 379 (1943) (the FCA “does not make the extent of [the funds'] safeguard dependent upon the bookkeeping devices used for their distribution”); *United States ex rel. Yesudian v. Howard Univ.*, 153 F.3d 731, 738–39 (D.C. Cir. 1998).

208. “Because the GSEs are in Government conservatorship, they can draw each quarter from Treasury their “deficiency amount”— i.e., the “amount, if any, by which ... the total liabilities of [Fannie Mae or Freddie Mac] exceed ... total assets”— up to a specified limit. Thus, every dollar subtracted from the bottom line of the GSEs by fraud is potentially passed along to the Government to the extent it results in or worsens a net shortfall. In the event of a net shortfall, the Government is contractually obligated to cover the shortfall. Indeed, the Government did so to the tune of billions of dollars. *Id.*

209. “The bailout funds are vastly larger than the annual revenues of the GSEs. Accordingly, during the period when the GSEs were losing money, the claims were virtually guaranteed to be paid with federal funds. Beginning in 2013, once the GSEs began to earn profits, each GSE was obligated to pay Treasury its net worth each quarter less a small capital buffer, such that any request for payment on a false claim after 2013 decreased the amount that Treasury received from the GSEs dollar-for-dollar.” *Id.*

210. Accordingly, adopting a definition of “claim” that would include the

GSEs would not expand the FCA beyond Congress' intent, rather it would allow the Government to prosecute fraud on behalf of a taxpayer-supported entity that is in federal conservatorship—precisely what Congress had in mind when it amended the statute.” *Id.*

211. Then, the dividends that Treasury has received are equivalent to interest payments owed to the taxpayers for putting their capital at risk. It is inapposite to whether the false claims in this case caused an economic loss to the Government that, as the supermajority shareholder of the GSEs, the Treasury may ultimately earn substantial returns on its investment. It would still be the case that every dollar extracted from the GSEs by fraud would be a dollar less in return to the Government.

212. Accordingly, because the claims paid for reimbursement of foreclosure expenses were monies “spent or used to advance a Government program or interest” and because the Government provided a “portion of the money or property requested or demanded,” this complaint adequately alleges “claims” within the meaning of the FCA regarding Fannie Mae and Freddie Mac. *Id. See also Bacewicz v. Molecular Neuroimaging, LLC*, 3:17-CV-85-MPS, 2019 WL 4600227, at *7 (D. Conn. Sept. 23, 2019) (noting that claims submitted to Fannie Mae and Freddie Mac, which received substantial government bailout funds, are “claims” within the meaning of the FCA, even though they are independent for-profit companies).

COUNT I

EXPRESS FALSE CERTIFICATION, FALSE CLAIMS ACT VIOLATION 31 U.S.C. § 3729(a)(1)(A)-(B)

213. The allegations in paragraphs 1 through 212 above are incorporated herein by reference.

214. By virtue of the acts described above, JPMC knowingly presented or caused to be presented to the United States false or fraudulent claims for payment or approval, including but not limited to improper claims for payment of Fannie and Freddie residential mortgage insurance or guarantees.

215. In so doing, JPMC acted knowingly; that is, they possessed actual

knowledge that the claims for payment were false or fraudulent; acted in deliberate ignorance of the truth or falsity of the claims for payment; or acted in reckless disregard of the truth or falsity of the claims for payment.

216. By virtue of the acts described above, JPMC made, used, or caused to be made or used, a false record or statement material to a false or fraudulent claim.

217. In so doing, JPMC acted knowingly; that is, they possessed actual knowledge that the information, statements, and representations were false or fraudulent; acted in deliberate ignorance of the truth or falsity of the information, statements, and representations; or acted in reckless disregard of the truth or falsity of the information, statements, and representations.

218. In so doing, JPMC acted knowingly; that is, JPMC possessed actual knowledge that the information, statements, and representations were false or fraudulent; acted in deliberate ignorance of the truth or falsity of the information, statements, and representations; or acted in reckless disregard of the truth or falsity of the information, statements, and representations.

219. By virtue of the acts described above, JPMC conspired with its counsel to present or cause to be presented false or fraudulent claims for payment or approval; to make, use, or cause to be made or used, a false record or statement material to a false or fraudulent claim; and, to make, use, or cause to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the U.S. government.

220. Substantially the same allegations of fraud as those contained herein were not publicly disclosed in a federal criminal, civil or administrative proceeding to which the Government of the United States or its agent was a party, or in a congressional, Government Accountability Office, or other federal report, hearing, hearing, audit, or investigation, or in the news media.

221. Relator Jacobs is an original source. This action is not based on allegations or transactions that are the subject of a civil suit or an administrative civil money penalty proceeding in which the Government is already a party. As required by 31 U.S.C. § 3730(b) and (e), Relator Jacobs has voluntarily provided

information, oral and/or written, and has sent disclosure statements of all material evidence, both before and contemporaneously with filing, to the Attorney General of the United States and the United States Attorney for the Southern District of Florida.

COUNT II

**IMPLIED FALSE CERTIFICATION, FALSE CLAIMS ACT VIOLATION
31 U.S.C. § 3729(a)(1)(A)-(B)**

222. The allegations in paragraphs 1 through 212 above are incorporated herein by reference.

223. As specifically alleged in paragraphs 1-212 of this Complaint, JPMC knowingly presented false or fraudulent claims for payment or approval in violation of 31 U.S.C. 3729(a)(1)(A) and knowingly made, used, or caused to be made or used, a false record or statement material to a false or fraudulent claim for payment in violation of 31 U.S.C. § 3729 (a)(1)(B).

224. By submitting claims for payment for services rendered and reimbursement for costs expended maintaining and securing title on defaulted properties, JPMC impliedly certified compliance with all conditions of payment outlined in its servicing contract and the GSE guidelines. However, JPMC failed to disclose its violation of material statutory, regulatory, and contractual requirements, thereby rendering its payment claims false or fraudulent, including the absence of properly endorsed notes.

225. The United States, unaware of the falsity or fraudulent nature of the claims that Defendant caused, paid for claims that otherwise would not have been allowed. Defendant's representations were material to the government's decision to pay the false claims.

226. Because of these false or fraudulent claims, Defendant is liable to the United States for incurred damages resulting from such false claims, trebled, plus civil penalties for each violation of the Act.

227. As a result of Defendant's violations, the United States has suffered substantial damages in an amount to be determined at trial.

COUNT III
REVERSE FALSE CLAIM VIOLATION
31 U.S.C. § 3729(a)(1)(G)

228. The allegations in paragraphs 1 through 212 above are incorporated herein by reference.

229. JPMC knowingly made, used, or caused to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government, and/or knowingly concealed or knowingly and improperly avoided or decreased an obligation to pay or transmit money or property to the Government in violation of 31 U.S.C. § 3729 (a)(1)(G).

230. Through these false or fraudulent statements and omissions, JPMC prevented Fannie and Freddie from learning that a false claim was submitted.

231. Through these false or fraudulent statements and omissions, JPMC concealed from Fannie and Freddie its obligation to repurchase the noncompliant mortgage loans and/or pay make whole payments.

232. As a result of Defendant's violations, the United States has suffered substantial damages in an amount to be determined at trial.

CONCLUSION

Plaintiff United States of America and Relator Bruce Jacobs respectfully ask this Court to enter judgment against the Defendant JPMC and in favor of the Plaintiff and Relator as follows:

- (i) An award to the Plaintiff United States of America of civil penalties of \$11,000.00 per violation of the FCA occurring prior to November 2, 2015, and \$21,563.00 for each violation thereafter, or an amount otherwise allowed by law.
- (ii) An award to the Plaintiff United States of America of three (3) times the damages the United States of America sustained because of the acts of the Defendant.
- (iii) An award to Relator Bruce Jacobs of 25% of the proceeds of this

action or any settlement, if the Government of the United States elects to intervene and proceed, or 30% of the proceeds if the Government does not so elect.

- (iv) Costs and attorney's fees as allowed by law, including the costs and fees of Relator's attorneys and the costs of the United States.

DEMAND FOR JURY TRIAL

On behalf of Plaintiff United States of America, Relator Bruce Jacobs hereby demands a jury trial as to all issues so triable.

CERTIFICATE OF REVIEW BY RELATOR

This First Amended Complaint is filed on March 20, 2021, in United States District Court for the Southern District of Florida. Before the filing of this Complaint, the Relator reviewed all material allegations within it for their truth and veracity.

/s/ Bruce Jacobs
Plaintiff-Relator

CERTIFICATE OF COMPLIANCE WITH 31 U.S.C. § 3730

The undersigned certifies that the foregoing First Amended Complaint is filed on the public record in compliance with this Court's Order of March 16, 2021 (DE55).

CERTIFICATE OF FILING AND SERVICE

I hereby certify that on March 20, 2021, a copy of the foregoing Complaint was served by CM/ECF on all counsel of record.

S/ Benedict P. Kuehne
BENEDICT P. KUEHNE
Florida Bar No. 233293
MICHAEL T. DAVIS
Florida Bar No. 63374
KUEHNE DAVIS LAW, P.A.
100 S.E. 2nd St., Suite 3550
Miami, FL 33131-2154
Tel: 305.789.5989
Fax: 305.789.5987
ben.kuehne@kuehnelaw.com
mdavis@kuehnelaw.com
efiling@kuehnelaw.com

s/ Court E. Keeley
COURT E. KEELEY, B.C.S.
Alfred I. DuPont Building
Court Keeley, P.A.
169 E. Flagler Street, Suite 1600
Miami, FL 33131
CK@CourtKeeley.com
Tel: (305) 308-4660
Fax: (305) 371-3550

s/Bruce Jacobs
BRUCE JACOBS
Florida Bar No. 116203

JACOBS LEGAL, PLLC
Alfred I. Dupont Building
169 East Flagler Street, Suite 1620
Miami, Florida 33131
Tel (305) 358-7991
Fax (305) 358-7992
efile@jakelegal.com

s/Lilly Ann Sanchez

LILLY ANN SANCHEZ
The LS Law Firm
Fla. Bar No. 0195677
lsanchez@thelsfirm.com
Four Seasons Tower, Suite 1200
1441 Brickell Avenue
Miami, FL 33131

Tel: 305.503.5503
Facsimile: 305-503-6801

ROY WASSON
Wasson Associates Chartered
28 W. Flagler, Suite 600
Miami, FL 33130
Roy@WassonandAssociates.com
Tel: 305.372.5220

TERI T. PHAM
Enenstein Pham & Glass LLP
650 Town Center Drive, Suite 840
Costa Mesa, CA 92626
Tel: 714.292.0262
Pro Hac Vice Application

Borrower	County	State	Loan Note date	originator	stamp	date of sale	CoT date	deed to?	date of deed FJ amount	FJ date
W [REDACTED]	Montgomery	Ohio	12/4/07	Washington Mutual Bank FA	Riley	12/26/14	2/9/15	Freddie Mac	4/2/15 44,374.18	4/30/14
L [REDACTED]	Franklin	Ohio	8/28/03	Washington Mutual Bank FA	Almanza	4/25/14	11/13/14	Fannie Mae	12/19/14 169,091.38	4/21/14
L [REDACTED]	Franklin	Ohio	7/29/03	Washington Mutual Bank FA	Almanza	6/15/12	10/31/12	Fannie Mae	12/5/12 60,121.52	6/13/12
F [REDACTED]	Miami-Dade	Florida	10/11/07	Washington Mutual Bank FA	Riley	6/10/14	6/26/14	Freddie Mac	7/23/14 238,307.78	10/28/13
G [REDACTED]	Miami-Dade	Florida	12/19/05	Washington Mutual Bank FA	Riley	11/17/11	11/29/11	Freddie Mac	2/23/12 293,873.57	7/13/11
J [REDACTED]	Miami-Dade	Florida	3/27/07	Washington Mutual Bank FA	Riley	4/8/14	4/25/14	Fannie Mae	8/29/14 112,251.18	12/9/13
J [REDACTED]	Miami-Dade	Florida	7/10/06	Washington Mutual Bank FA	Riley	3/14/14	4/3/14	Freddie Mac	5/13/14 159,564.51	11/14/13
A [REDACTED]	Broward	Florida	5/2/07	Washington Mutual Bank FA	Riley	11/24/15	12/8/15	Freddie Mac	12/29/15 130,184.05	5/27/15
A [REDACTED]	Broward	Florida	9/25/07	Washington Mutual Bank FA	Riley	3/27/14	4/8/14	Freddie Mac	5/1/14 153,770.36	9/18/13
B [REDACTED]	Broward	Florida	1/3/08	Washington Mutual Bank FA	Riley	4/2/14	4/15/14	Freddie Mac	5/5/14 318,571.94	2/26/14
B [REDACTED]	Broward	Florida	6/23/03	Washington Mutual Bank FA	Almanza	12/18/14	12/30/14	Freddie Mac	1/26/15 150,957.46	11/12/14
C [REDACTED]	Broward	Florida	8/18/03	Washington Mutual Bank FA	Almanza	11/20/13	12/2/13	Fannie Mae	2/19/14 66,991.28	9/16/13
Estate of B [REDACTED]	Broward	Florida	2/5/07	Washington Mutual Bank FA	Riley	7/29/14	8/12/14	Fannie Mae	12/1/14 66,002.64	3/31/04
Estate of H [REDACTED]	Broward	Florida	6/22/07	Washington Mutual Bank FA	Riley	2/6/14	3/28/14	Fannie Mae	6/23/14 177,054.05	10/31/13
F [REDACTED]	Broward	Florida	7/14/06	Washington Mutual Bank FA	Riley	4/29/15	5/12/15		635,598.99	1/22/15
G [REDACTED]	Broward	Florida	1/5/06	Washington Mutual Bank FA	Riley	8/12/14	8/26/14	Freddie Mac	11/7/14 271,998.42	4/11/14
H [REDACTED]	Broward	Florida	12/8/06	Washington Mutual Bank FA	Riley	4/2/14	4/15/14	Freddie Mac	5/5/14 129,995.84	2/26/14
M [REDACTED]	Broward	Florida	3/28/06	Washington Mutual Bank FA	Riley	10/31/13	11/13/13	Freddie Mac	2/13/14 67,457.11	8/27/13
A [REDACTED]	Palm Beach	Florida	3/28/06	Washington Mutual Bank FA	Riley	10/28/13	11/12/13	Freddie Mac	1/22/14 414,796.52	8/27/13
A [REDACTED]	Palm Beach	Florida	9/24/04	Washington Mutual Bank FA	Brendle	8/12/10	9/28/10	Fannie Mae	9/30/11 147,357.52	4/13/10
B [REDACTED]	Palm Beach	Florida	3/12/07	Washington Mutual Bank FA	Riley	6/20/14	7/9/14	Freddie Mac	7/22/14	5/6/14
B [REDACTED]	Palm Beach	Florida	8/4/05	Washington Mutual Bank FA	Riley	7/24/14	8/11/14	Freddie Mac	8/25/14 144,201.00	3/26/14
C [REDACTED]	Palm Beach	Florida	1/17/08	Washington Mutual Bank FA	Riley	1/2/14	1/15/14	Freddie Mac	7/25/14 197,934.06	9/4/13
C [REDACTED]	Palm Beach	Florida	10/3/06	Washington Mutual Bank FA	Riley	1/7/14	1/23/14	Freddie Mac	2/11/14 85,656.99	11/14/13
C [REDACTED]	Palm Beach	Florida	5/21/07	Washington Mutual Bank FA	Riley	1/3/14	3/6/14	Freddie Mac	4/2/14 173,350.94	10/31/13
D [REDACTED]	Palm Beach	Florida	3/16/06	Washington Mutual Bank FA	Almanza	9/29/14	10/15/14	Fannie Mae	12/31/14 91,392.87	8/13/14
E [REDACTED]	Palm Beach	Florida	7/5/06	Washington Mutual Bank FA	Riley	12/3/13	12/19/13	Freddie Mac	1/31/14 190,184.51	8/27/13
G [REDACTED]	Palm Beach	Florida	1/22/02	Washington Mutual Bank FA	Almanza	4/28/14	5/19/14	Freddie Mac	6/5/14 204,143.11	3/12/14
G [REDACTED]	Palm Beach	Florida	6/15/04	Washington Mutual Bank FA	Brendle	8/23/10	9/30/10	Fannie Mae	8/10/11 41,188.04	4/26/10
G [REDACTED]	Palm Beach	Florida	8/4/05	Washington Mutual Bank FA	Riley	2/4/13	4/26/13	Fannie Mae	6/25/13 113,679.36	12/21/12
G [REDACTED]	Palm Beach	Florida	12/18/06	Washington Mutual Bank FA	Riley	3/10/14	3/27/14	Freddie Mac	4/16/14 141,328.52	1/8/14
G [REDACTED]	Palm Beach	Florida	12/21/07	Washington Mutual Bank FA	Riley	3/7/14	3/26/14	Freddie Mac	5/16/14 509,338.72	1/21/14
J [REDACTED]	Palm Beach	Florida	7/20/06	Washington Mutual Bank FA	Riley	3/26/14	7/18/14	Freddie Mac	8/12/14 312,007.85	12/30/13
P [REDACTED]	Palm Beach	Florida	9/11/07	Washington Mutual Bank FA	Riley	3/10/14	3/27/14	Freddie Mac	4/10/14 440,830.73	1/7/14
P [REDACTED]	Palm Beach	Florida	12/7/06	Washington Mutual Bank FA	Riley	6/1/09	1/4/12	Fannie Mae	3/13/12 465,459.60	4/28/09
P [REDACTED]	Palm Beach	Florida	11/30/06	Washington Mutual Bank FA	Riley	7/1/14	2/22/14	Freddie Mac	2/13/15 558,705.94	12/12/13
R [REDACTED]	Palm Beach	Florida	3/21/06	Washington Mutual Bank FA	Riley	11/18/13	10/4/15	Freddie Mac	2/13/14 351,093.31	9/20/13
T [REDACTED]	Palm Beach	Florida	12/20/07	Washington Mutual Bank FA	Riley	3/3/14	6/5/14	Freddie Mac	6/18/14 279,666.50	11/1/13
C [REDACTED]	Duval	Florida	9/25/06	Washington Mutual Bank FA	Riley	2/25/14	3/17/14	Freddie Mac	4/16/14 260,086.09	10/28/13
C [REDACTED]	Duval	Florida	9/25/06	Washington Mutual Bank FA	Riley	12/18/13	1/9/14	Freddie Mac	4/8/14 120,689.03	9/24/13

Representative Sample of Payment Claims to Fannie and Freddie

Borrower	State	County	FNMA/ FHLMC	SEQ No/Loan Ident	Current Actual UPB	Int Rate	Default Date	FC Date	Zero Bal Date
Lyons, [REDACTED]	Ohio		FNMA	597263486310	\$60,121.52	5.5	9/1/2011	9/1/2012	9/1/2012
Haggerty, [REDACTED]	Florida	Broward	FHLMC	F106Q1017323	\$92,305.11	6.375	11/1/2011		3/1/2015
Mckee, [REDACTED]	Florida	Broward	FHLMC	F106Q4169190	\$55,333.91	6.375	6/1/2011		7/1/2014
Aguiar, [REDACTED]	Florida	Palm Beach	FHLMC	F106Q1235608	\$392,132.30	2	6/1/2012		7/1/2014
Campbell, [REDACTED]	Florida	Palm Beach	FHLMC	F108Q1022768	\$154,424.55	6.25	4/1/2010		11/1/2014
Erzinger, [REDACTED]	Florida	Palm Beach	FHLMC	F106Q3123637	\$152,726.32	6.875	5/1/2010		3/1/2015
Ganoe, [REDACTED]	Florida	Palm Beach	FNMA	961893697964	\$34,100.01	7.375	6/1/2009	8/1/2010	8/1/2010
Gesser, [REDACTED]	Florida	Palm Beach	FNMA	845488103546	\$84,196.46	6.375	8/1/2008	2/1/2013	2/1/2013
Gunther, [REDACTED]	Florida	Palm Beach	FHLMC	F107Q4177900	\$260,888.40	6.875	8/1/2011		1/1/2017
Pena, [REDACTED]	Florida	Palm Beach	FNMA	999183642547	\$409,473.87	7.125	3/1/2008	6/1/2009	6/1/2009
Piconcelli, [REDACTED]	Florida	Palm Beach	FHLMC	F106Q4192450	\$388,255.20	6.5	7/1/2009		7/1/2015
Rocha, [REDACTED]	Florida	Palm Beach	FHLMC	F106Q1157952	\$190,766.22	6.375	7/1/2009		11/1/2014
Topel, [REDACTED]	Florida	Palm Beach	FHLMC	F107Q4176325	\$217,113.84	5.875	7/1/2011		9/1/2014
Cantrell, [REDACTED]	Florida	Duval	FHLMC	F106Q3234176	\$91,759.02	7	9/1/2010		2/1/2014

Representative Sample of Payment Claims to Fannie and Freddie

Borrower	Disp Date	Servicing Fee	MI Recoveries	Non MI Recoveries	FC Costs	Prop Preservation Costs	Asset Recovery Costs	Expenses	Misc Expenses	Taxes
Lyons, Joyce	5/1/2013	\$210.43			\$4,725.54	\$4,348.28			-\$165.49	\$3,395.39
Haggerty, William		\$1,076.89			\$7,843.00	\$15,229.00		\$38,381.00	\$1,460.00	\$13,849.00
Mckee, Barry		\$597.15			\$5,476.00	\$4,056.00		\$13,740.00	\$1,517.00	\$2,691.00
Aguiar, Vivian		\$2,859.30			\$5,488.00	\$31,718.00		\$53,850.00	\$1,312.00	\$15,332.00
Campbell, Jeanette		\$2,477.23	\$21,069.00	\$2,349.00	\$7,502.00	\$5,013.00		\$23,649.00	\$1,212.00	\$9,923.00
Erzinger, Kim		\$2,583.62		\$1,627.00	\$4,719.00	\$11,943.00		\$29,400.00	\$1,202.00	\$11,537.00
Ganoë, William	12/1/2011	\$139.24			\$5,335.50	\$8,735.00	\$225.00		\$3,285.31	\$6,143.67
Gesser, nancy	7/1/2013	\$1,326.09			\$3,602.03	\$6,930.88			\$5,165.00	\$6,495.06
Gunther, Eban		\$4,946.01		\$2,484.00	\$8,795.00	\$24,109.00			\$17,737.00	\$17,737.00
Pena, Rafael	3/1/2010	\$1,791.45			\$2,836.60		\$225.00		\$11,388.88	\$4,299.58
Piconcelli, Joseph		\$8,153.36		\$1,376.00	\$8,578.00	\$676.00		\$71,689.00	\$1,745.00	\$60,690.00
Rocha, Tania		\$3,560.97			\$8,048.00	\$6,519.00		\$48,995.00	\$1,112.00	\$33,316.00
Topel, Richard		\$2,406.35		\$1,592.00	\$739.00	\$5,143.00		\$19,131.00	\$2,062.00	\$11,187.00
Cantrell, Daniel		\$1,097.28			\$5,785.00	\$2,735.00		\$15,997.00	\$1,932.00	\$5,546.00

Representative Sample of Payment Claims to Fannie and Freddie

Borrower	Sales Proceeds	Net Proceeds	Other FC Proceeds	Actual Loss	Del Accrued Int	Repuch Proceeds	Repurch Flag/Repurch MW Flag
Lyons, Joyce		\$58,381.41				\$ -	N
Haggerty, William	\$111,200.00			\$33,445.00		\$ -	N
Mckee, Barry	\$42,100.00			\$37,253.00		\$ -	N
Aguiar, Vivian	\$226,321.14			\$113,171.00		\$ -	N
Campbell, Jeanette	\$88,812.79			\$107,615.00		\$ -	N
Erzinger, Kim	\$92,774.40			\$135,865.00		\$ -	N
Ganoë, William		\$30,426.68	\$9,313.95			\$ -	N
Gesser, nancy		\$69,843.54				\$ -	N
Gunther, Eban	\$15,601.83			\$388,081.00		\$ -	N
Pena, Rafael						\$ -	N
Piconcelli, Joseph	\$236,409.42			\$365,435.00		\$ -	N
Rocha, Tania	\$189,398.30			\$111,661.00	\$61,299.50	\$ -	N
Topel, Richard	\$211,122.19			\$61,539.00	\$37,985.90	\$ -	N
Cantrell, Daniel	\$46,057.10			\$82,505.00	\$20,848.40	\$ -	N

Representative Sample of Payment Date Ranges¹ Claims

Lyons, [REDACTED]

Payment/Claim Dates: 9/1/2011 - 9/1/2012

Total Servicing Fees Payments: \$210.4253

Total Foreclosure Costs Payments: \$4725.54

Total Property Preservation Costs Payments: \$4348.28

Total Miscellaneous Expenses Payments: \$165.49

Total Tax Payments: \$3395.39

Haggerty, [REDACTED]

Payment/Claim Dates: 11/1/2011 - 3/1/2015

Total Servicing Fees Payments: \$1076.8929

Total Foreclosure Costs Payments: \$7843

Total Property Preservation Costs Payments: \$15229

Total Miscellaneous Expenses Payments: \$1460

Total Tax Payments: \$13849

Mckee, [REDACTED]

Payment/Claim Dates: 6/1/2011 - 7/1/2014

Total Servicing Fees Payments: \$597.1451

Total Foreclosure Costs Payments: \$5476

Total Property Preservation Costs Payments: \$4056

Total Miscellaneous Expenses Payments: \$1517

¹ Payment Date range is calculated using the loan default date and the zero-balance date. The zero-balance date is the date the default servicing of the loan ends and when default servicing expenses are tabulated and reported by the GSE.

Total Tax Payments: \$2691

Aguiar, [REDACTED]

Payment/Claim Dates: 6/1/2012 - 7/1/2014

Total Servicing Fees Payments: \$2859.298

Total Foreclosure Costs Payments: \$5488

Total Property Preservation Costs Payments: \$31718

Total Miscellaneous Expenses Payments: \$1312

Total Tax Payments: \$15332

Campbell, [REDACTED]

Payment/Claim Dates: 4/1/2010 - 11/1/2014

Total Servicing Fees Payments: \$2477.2272

Total Foreclosure Costs Payments: \$7502

Total Property Preservation Costs Payments: \$5013

Total Miscellaneous Expenses Payments: \$1212

Total Tax Payments: \$9923

Erzinger, [REDACTED]

Payment/Claim Dates: 5/1/2010 - 3/1/2015

Total Servicing Fees Payments: \$2583.6202

Total Foreclosure Costs Payments: \$4719

Total Property Preservation Costs Payments: \$11943

Total Miscellaneous Expenses Payments: \$1202

Total Tax Payments: \$11537

Ganoe, [REDACTED]

Payment/Claim Dates: 6/1/2009 - 8/1/2010

Total Servicing Fees Payments: \$139.2417

Total Foreclosure Costs Payments: \$5335.5

Total Property Preservation Costs Payments: \$8735

Total Asset Recovery Costs Payments: \$225

Total Miscellaneous Expenses Payments: \$3285.31

Total Tax Payments: \$6143.67

Gesser, [REDACTED]

Payment/Claim Dates: 8/1/2008 - 2/1/2013

Total Servicing Fees Payments: \$1326.0942

Total Foreclosure Costs Payments: \$3602.03

Total Property Preservation Costs Payments: \$6930.88

Total Miscellaneous Expenses Payments: \$5165

Total Tax Payments: \$6495.06

Gunther, [REDACTED]

Payment/Claim Dates: 8/1/2011 - 1/1/2017

Total Servicing Fees Payments: \$4946.0093

Total Foreclosure Costs Payments: \$8795

Total Property Preservation Costs Payments: \$24109

Total Miscellaneous Expenses Payments: \$17737

Total Tax Payments: \$17737

Pena, [REDACTED]

Payment/Claim Dates: 3/1/2008 - 6/1/2009

Total Servicing Fees Payments: \$1791.4482
Total Foreclosure Costs Payments: \$2836.6
Total Asset Recovery Costs Payments: \$225
Total Miscellaneous Expenses Payments: \$11388.88
Total Tax Payments: \$4299.58

Piconcelli, [REDACTED]

Payment/Claim Dates: 7/1/2009 - 7/1/2015
Total Servicing Fees Payments: \$8153.3592
Total Foreclosure Costs Payments: \$8578
Total Property Preservation Costs Payments: \$676
Total Miscellaneous Expenses Payments: \$1745
Total Tax Payments: \$60690

Rocha, [REDACTED]

Payment/Claim Dates: 7/1/2009 - 11/1/2014
Total Servicing Fees Payments: \$3560.9694
Total Foreclosure Costs Payments: \$8048
Total Property Preservation Costs Payments: \$6519
Total Miscellaneous Expenses Payments: \$1112
Total Tax Payments: \$33316

Topel, [REDACTED]

Payment/Claim Dates: 7/1/2011 - 9/1/2014
Total Servicing Fees Payments: \$2406.3451
Total Foreclosure Costs Payments: \$739
Total Property Preservation Costs Payments: \$5143

Total Miscellaneous Expenses Payments: \$2062

Total Tax Payments: \$11187

Cantrell, [REDACTED]

Payment/Claim Dates: 9/1/2010 - 2/1/2014

Total Servicing Fees Payments: \$1097.2849

Total Foreclosure Costs Payments: \$5785

Total Property Preservation Costs Payments: \$2735

Total Miscellaneous Expenses Payments: \$1932

Total Tax Payments: \$5546

**Summary of Fannie Mae and Freddie Mac Requirements relating to Claims under Whole-Loan and Securitization Sales
February 4, 2020**

<i>Origination and Sale of Loans</i>	Fannie Mae*	Freddie Mac*
True sale of loans to GSE	Sell A2-1-02	1201.3, 1201.9 (mortgage file)
Compliance with all applicable laws	Sell A3-2-01 (seller/servicer), Serv A3-2-01 (in both Guides, for loans delivered on or after 11/20/2014, failure to comply a significant defect if impairs ability to enforce note or mortgage)	1201.5 (servicer); 1301.2(a) (seller/servicer); 1301.2(i) (seller to repurchase for violations that affect Freddie's or servicer's ability to enforce note or mortgage; does not limit repurchase for service noncompliance); 8101.1; 9301.2 (default legal matters)
R&W not limited to knowledge; successor servicer bound by R&W of selling lender	Sell A2-2-01, Sell A2-2.1-02, Serv A1-1-02	1301.1 (seller/servicer: all data true, complete, accurate), 1301.4 (reliance on truth of seller/servicer R&Ws and compliance with agreements, etc.); 1301.8 (seller liable for R&W even if not originator, sole owner of loan, loans free and clear of all claims, security interests—and will take actions necessary to clear security interests--or encumbrances or any other interest); Glossary (definition of "Seller/Servicer")
R&W include transfer of all right, title, interest in loans Life-of-loan R&W include absence of misstatements, misrepresentations, omissions; clear title/first lien enforceability, enforceability of note holder's rights, acquisition of good and marketable title to property; compliance with applicable laws	Sell A2-2.1-02 Sell A2-2.1-07 (misrep R&W subject to conditions that are met here; examples include failure to properly endorse note); see also Serv E-3-2-13 (servicer R&Ws as to validity, priority, enforceability and obligation to correct any title defects)	1301.6 (sale free and clear of all claims; enforceability of note and mortgage by Freddie); 1301.11 (c), Versions I & II) (same life-of-loan R&Ws)

Seller/servicer must ensure that loan file meets requirements	Sell A2-5.1-02; Serv A2-5-01	6301.8(b)
Lien of first mortgage must be paramount	Sell B2-1.4-03; Serv E-3.2-13	4201.2
Specific requirements for note endorsement	Sell B8-3-04 (includes prohibition on power of attorney)	6301.3, 6301.4 (power of attorney permitted under specified conditions)
Non-MERS mortgage assignment	Sell B8-6-02 (required; specific requirements), also B8-6-01 (general)	6301.6(a) (not required unless Freddie requires it; seller/servicer must ensure chain of assignments complete and recorded)
Specific requirements for MERS	Sell B8-7 (note that seller must prepare assignment to MERS but need not deliver copy to doc custodian or prepare assignment from MERS to Fannie); Serv A2-8-01	6301.6(b) (seller/servicer must prepare and record as necessary to perfect first lien both assignment to MERS and complete chain); 6301.6(c) (if MERS named in mortgage, same except for chain (which is irrelevant if MERS named in mortgage))
Doc custodian must certify loans prior to sale	Sell C1-2-03 (guide says critical that Fannie receive good delivery of loans meeting requirements) (ownership and title transferred upon payment; Fannie may refuse to pay if learns that rights of other party might impair enforceability)	6301.8
DC must hold original note, assignment of (non-MERS) mortgage	Sell A3-3-05, Sell E-2-01, Serv A1-3-07; Serv A2-6-01; Requirements for Document Custodians § 7.1	6304(b) & (c), 6301.3, 6301.8, 6301.9, 8701.2; Form 1035 Document Custodial Agreement § 3; Document Custody Procedures Handbook, ch.3
DC must review and certify all documents	RDC art. 8, esp. § 8.1 (notes) & 8.2 (mortgage assignments)	6301.8(a), DCA § 3
Lender must deliver loans meeting all requirements	Sell C2-2-01 (whole loans)	6301.8(b)
Requirements include delivery of original note, mortgage assignment	Sell E-2-01, Form 1032 (Post-Closing Loan File Document Checklist); see C2-2-	6301.8, 8107.1, DCA § 3

<p>Lender required to review loans after closing sale (including note, mortgage assignment) and correct errors</p> <p><i>Servicing of Loans on Behalf of GSE</i></p>	<p>02 (general requirements for whole loans) & C3-7-04 (same for MBS)</p> <p>Sell D1-3-05</p>	<p>N/A</p>
<p>Servicer to conduct foreclosure to give clear and marketable title to property</p> <p>Servicer may be named mortgagee in land records, execute many legal documents pursuant to limited power of attorney</p>	<p>Serv E-3.2-13</p> <p>Serv A2-1-03 (Fannie retains power to record assignment from servicer to itself to protect ownership of loan); Limited Power of Attorney (form in Serv F-1-10) (note that servicer acts as Fannie's agent, so authority derives from Fannie's)</p>	<p>9301.1, 9301.40, 9301.41</p> <p>8101.3 & 8101.4 (limited power of attorney; sample in Ex. 53), 9301.12</p>
<p>Servicer to conduct foreclosure in name of mortgagee of record (servicer or GSE)</p>	<p>Serv E-3.2-09 (loan may be assigned to servicer for foreclosure; must be reassigned to Fannie after foreclosure) (presumably subject to compliance with applicable law, cf. Serv A2-1-03 & Serv E-4.2-01 referring to foreclosures conducted in Fannie's name)</p> <p>Serv A2-1-04 (emphasizing that Fannie remains owner)</p>	<p>9301.12(a) (must process foreclosure in servicer's name except as specified; procedures for foreclosing in Freddie's name and in servicer's, including assignment of mortgage)</p> <p>8107.1(b)</p>
<p>GSE may give temporary possession of note to servicer if needed for enforcement</p> <p>Servicer required to obtain original or copy of note when referring loan to law firm for enforcement</p> <p><i>Reimbursement of Servicing Expenses and Payment under MBS Guaranty</i></p>	<p>Serv E-1.1-02, Serv. F-1-10, Serv A2-1-03</p>	<p>9301.9, 9301.11; Form 1036</p>
<p>Servicer may request reimbursement of a wide variety of expenses over and above its servicing fee (protecting it against loss)</p> <p>In MBS, master servicer, paying agent or trustee makes call on GSE's guarantee</p>	<p>Serv F-1-05; see in particular Serv E-5-04 (allowable foreclosure fees) & Serv E-5-07 (reimbursable default-related expenses)</p> <p>Amended and Restated 2016 Single-Family Master Trust Agreement §§ 5.5(2)</p>	<p>9603.15 (REO expenses), 9603.16 (final settlement of foreclosure expenses), 9701 (workout or foreclosure expenses)</p> <p>UMBS and MBS Master Trust Agreement §§ 2.02 (authority to engage servicers) &</p>

based on remittances and information provided by the servicer	& 7.5(1); REMIC Master Trust Agreement §§ 5.05 & 9.03(d) (authority to delegate)	3.09 (guarantee); Multiclass Certificates Master Trust Agreement §§ 3.02 (authority to delegate) & 4.06 (guarantee)
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*References to a Fannie Mae source identified as “Sell” are to its Selling Guide, avail. at <https://selling-guide.fanniemae.com/>, and to “Serv” are to Fannie Mae’s Servicing Guide, avail. at <https://servicing-guide.fanniemae.com/>. References to an unspecified source for Freddie Mac are to its Seller/Servicer Guide, avail. at <https://guide.freddie.mac.com/app/guide/>.