



MERS[®] Commercial Update

Douglas A. Danko

Vice President, Director of Sales & Marketing

MBA Document Custody Conference

Las Vegas, Nevada September 8, 2003



MERS Basics

- » Cooperative industry utility
- » Created by the real estate finance community to eliminate the need to prepare and record paper assignments
- » “MOM” eliminates assignments
 - MERS as Original Mortgage



MERS Basics

- » To date, there are over 17 million residential loans on the MERS[®] System, which is almost a 50% market share of all new loans originated
- » MERS loans are best execution in the secondary market
- » Loan is tracked by a unique 18-digit MIN (Mortgage Identification Number) on the MERS[®] System



MERS® Commercial Basics

- » MOM works for commercial loans
- » Eliminates need to prepare and record assignments to trustees, investors, special servicers, etc.
- » All recordable docs and the Note require the MIN
- » Starting with the CMBS market place
- » Working with Ginnie Mae to pioneer MERS with Agency multi-family product



MERS® Commercial History

- » Recommended by the Joint Document Integrity Task Force from the MBA and CMSA (Commercial Mortgage Securities Association) as a solution to:
 - Incomplete/defective loan files
 - Not meeting PSA's
 - Less than 25% of the loans in pre-2000 securitizations were fully assigned to the trust¹

¹ "Technology Corner", CMBS World Summer 2003



MERS® Commercial History

- » Endorsed by the COMBOG and CMSA Board of Governors in 2001
- » 6 funders:

Bear Stearns	Wells Fargo
Banc of America	GE Capital
John Hancock	GMACC
- » Business requirements meeting with major industry constituents In September 2002



MERS® Commercial System

- » Complete real-time, web based solution
- » Centralized MIN generation
- » One time life-of-loan registration fee (\$250)

Process Changes

- » Reserve MIN prior to closing
 - Who will do this?
- » Instruct counsel to close as a MERS loan with the MIN on all core documents
- » Make necessary changes to PSA
- » After closing, register the loan on the MERS® System
 - Who will do this?
- » Update the MERS® System at time of securitization, payoff, special servicing, etc.)
 - Who will do this?



MERS® Commercial Today

First MERS® Commercial loan closed on July 10th, 2003

– Details:

Lender: Banc of America

Closing counsel: Dechert, LLC

Loan: \$335,000,000, 43 property deal in 20 states

Thank you

**Please visit our web site for further information:
www.mersinc.org**