



MERS® System Membership

Guide for New MERS® System Members

Do I have a contract with MERSCORP Holdings, Inc. and MERS®?

Yes. Your contract takes the form of the governing documents – the Rules of Membership and the Procedures Manual – combined with your signed membership application. By signing the application, you are agreeing to abide by the Rules and Procedures (the incorporation of the governing documents is referenced in the signature block of the membership application).

What does the MERS® System do?

The MERS® System provides two primary functions:

1. It is a database that MERS® System Members (“Members”) update with information about loans that name Mortgage Electronic Registration Systems, Inc. (“MERS”) as beneficiary, mortgagee or other secured party (“MERS Loans”). MERSCORP Holdings, Inc. uses this information to identify the Servicer for the loan and forwards mail that MERS receives as mortgagee to that Servicer.
2. Members can refer to the MERS® System to see what company is named as Servicer. The general public can use MERS® ServicerID to identify the Servicer, and borrowers can use MERS® ServicerID to identify the Servicer and Investor on a registered loan.

How is a MERS® Loan created?

At closing, the originating lender identifies MERS® as the mortgagee, beneficiary, or other secured party on the security instrument (Mortgage/Deed of Trust). The following is an example of the MERS® verbiage on a Fannie Mae/Freddie Mac instrument:

“MERS® is Mortgage Electronic Registration Systems, Inc. MERS® is a separate corporation that is acting solely as a nominee for the Lender and the Lender’s successors and assigns. MERS® is the beneficiary/mortgagee under this Security Instrument. MERS® is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.”

Following closing, the security instrument is recorded in the land records. Naming MERS® as mortgagee, beneficiary or other secured party eliminates the need for assignments of the security instruments when the servicing rights of the loan change – MERS® remains the mortgagee for the life of the loan.

Lifecycle of a MOM loan

1. **Create the Mortgage Identification Number (“MIN”)** prior to, or at the point of, preparing the closing documents. The 18-digit MIN is composed of a Member’s 7-digit Organization ID (“Org ID”), a 10-digit Sequence Number, and a Check Digit. The originator will need to determine a MIN generation source. There are various sources, such as a loan origination system, a closing document program, a fulfillment vendor, or an investor. MINs do not reflect the ownership of the loan; therefore, they can be generated by any active Member. A valid MIN must be placed on the security instrument.
2. When the originator’s closing documents are prepared for signing, the **package must include a security instrument (Mortgage/Deed of Trust/etc.) naming MERS® as mortgagee, beneficiary or other secured party.** These security instruments are sometimes referred to as MOM documents (“MOM” stands for MERS® as Original Mortgagee). A MOM security instrument is the means that you will use to create a MERS® Loan. Post-closing, the originator will record the security instrument in the land records.
3. Following closing and disbursement of the loan, the **loan must be registered on the MERS® System within seven (7) calendar days.** The responsibility for the registration falls to the originator, who is also the party recording the security instrument that names MERS® as mortgagee in the land records. However, this step can be completed by an investor or vendor on the originator’s behalf.
4. **Report the sale of the loan.** When the investor issues the purchase advice confirming purchase of the servicing/beneficial rights of the loan, the originator will report that sale to the MERS® System. The originator does this using a “transfer” transaction. Once the investor accepts the transfer it has control of that record on the MERS® System.
5. **Life of loan updates** on the MERS® System include:
 - Paid in full (e.g., Payoff, Deed in Lieu, Short Sale, etc.)
 - Foreclosure and bankruptcy
 - Transfer to Non-MERS® status (some scenarios include: when a loan is sold to a Servicer who is not a MERS® System Member, a MOM loan is assigned out of MERS®’ name, or when a Member resigns from the MERS® System).

Integration outline

Once MERSCORP Holdings, Inc. receives your organization's membership application and all required supporting documentation, your designated internal Integration Resource will receive an email from MERSCORP Holdings, Inc. that includes your assigned Org ID and instructions on how to initiate your MERS® System Integration with a Phase I call.

PHASE I call

During this call, you and your assigned Integration Resource will:

- Discuss the core concepts of MERS® and the MERS® System
- Review your submitted membership application and determine eligibility for membership approval
- Identify the tools and resources your organization has in place that will be used to carry out key MERS® System procedures
- Review any applicable fees, including annual membership fees, and MERS® System registration fees
- Provide a general overview of the second phase of MERS® System Integration (“Phase II”).

PHASE II

Phase II consists of the following steps:

1. **Integration call/course** – Depending on your Membership Type, this will be a call or course that will provide you instructions to complete the Procedures Questionnaire and any applicable Integration deliverables.
 - **MERS® System procedures questionnaire:** Used to develop your organization's procedures for its use of the MERS® System, including who will be responsible for carrying out these procedures in your organization, and identifying your MERS® System profile settings.
 - **Sample MIN:** If applicable to Membership Type, provide a sample MIN to be validated.
 - **Documents:** If applicable to Membership type, provide a sample MOM security instrument (e.g., mortgage, deed of trust, security deed). Applicable to applicants that do not have their Investor(s) preparing these documents on their behalf.
 - **“Reply all” to test email:** Response confirming ability to receive emails and open password-protected attachments from the MERSCORP Holdings, Inc. Help Desk.
2. **Submit all required deliverables** that were covered during the Phase II Integration call/ course for approval.
3. **Training** – **Once all integration deliverables are complete**, your Integration Resource will provide your organization with instructions to complete the required training courses, which covers MERS® System functions available to your organization.
4. **Complete test transactions** – **if applicable to membership type**, you will log onto the MERS® System Training region to submit test transactions.
 - Notify your Integration Resource once you successfully complete your test transactions to receive feedback.

5. **Production activation** – Once any required testing is complete, your Integration Resource will activate your Org ID on the MERS® System, and you will receive your initial MERS® System login credentials.
 - Your organization’s system administrator must login to the MERS® System to set up user roles, IDs and passwords once you receive these credentials.

6. **MERS® System integration complete** – Once your organization completes any required testing, you will receive confirmation that your integration is complete.
 - If you need assistance after completing your MERS® System Integration, our Help Desk is available Mon-Fri 8:00AM-10:00PM Eastern Time by calling (888) 680-6377 or by email at helpdesk@mersinc.org.
 - All new Members may be required to complete a Post-Activation Compliance Review 6 months after activation.

Glossary

Assignment from MERS®	A legal instrument/document that transfers the interest held by MERS® in a Mortgage from MERS® to another entity.
Assignment to MERS®	A legal instrument/document that transfers the interest held by an entity in a Mortgage from that entity to MERS®.
Corporate Resolution by Management System (CRMS)	A web-based application (owned and operated by MERSCORP Holdings, Inc.) used Members to request Corporate Resolutions appointing Signing Officers and to manage the certification of Signing Officers.
CRMS Manager (CM)	The Member contact responsible for managing and administering the CRMS for the Member. The CM is required to be an employee of the Member.
MERS®	Acronym for Mortgage Electronic Registration Systems, Inc., a Delaware corporation wholly owned by MERSCORP Holdings, Inc. MERS® acts as the Mortgagee in the applicable public land records, solely as Nominee for the Lender and the Lender’s successors and assigns.
MIN	Acronym for Mortgage Identification Number. The MIN is a unique 18-digit number that is permanently assigned to a Mortgage registered on the MERS® System. The MIN is composed of a Member’s 7-digit Org ID, a 10-digit Sequence Number, and a Check Digit.
MOM	A loan secured by a MERS® as Original Mortgagee Security Instrument. The language written into a MOM Security Instrument establishes MERS as the Mortgagee and Nominee for the Lender, its successors and assigns.
Non-MOM	A loan secured by a Mortgage that names MERS® as Mortgagee through an Assignment to MERS®. Non-MOM loans include iRegistration loans subsequently converted to a Non-MOM .
Registration	The transaction used to enter the required information into the MERS® System to report that a loan exists that is secured by a Mortgage with MERS® as the Mortgagee