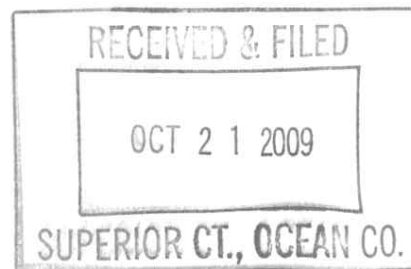


LEGAL SERVICES OF NEW JERSEY, INC.
Melville D. Miller, Jr., President
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Attorneys for Defendant, William P. Wolf
By: Rebecca Schore



THE BANK OF NEW YORK, as Trustee for the
Holders of Structured Asset Mortgage Investments
II Trust 2006-AR8, Mortgage Pass-Through
Certificates, Series 2006-AR8,

Plaintiff,

vs.

WILLIAM P. WOLF, his heirs, devisees, and
personal representatives and his/her, their, or any of
their successors in right, title and interest,
MRS. WOLF, wife of William P. Wolf, her heirs,
devisees, and personal representatives and his/her,
their, or any of their successors in right, title and
interest, DONNA J. RANEY, her heirs, devisees,
and personal representatives and his/her, their, or any
of their successors in right, title and interest,
MR. RANEY, husband of Donna J. Raney, his heirs,
devisees, and personal representatives and his/her,
their, or any of their successors in right, title
and interest, STATE OF NEW JERSEY,

Defendants.

: SUPERIOR COURT OF NEW JERSEY
: CHANCERY DIVISION
: OCEAN COUNTY
:
:
:

: DOCKET NO. F-12418-08
:
:

: Civil Action
:
:

: **NOTICE OF MOTION TO VACATE**
: **JUDGMENT AND PERMIT**
: **ANSWER TO BE FILED**
: **OUT OF TIME**
:
:
:

TO: **POWERS KIRN**
728 Marne Highway, Suite 200
Moorestown, New Jersey 08057
ATTN: Sarah Powers/Edward Kirn

PLEASE TAKE NOTICE, that on November 6, 2009, at 9:00 a.m., or as soon thereafter
as counsel may be heard, defendant William Wolf, through his undersigned counsel, shall move
before the Superior Court of New Jersey, Chancery Division, Ocean County, 206 Courthouse

Lane. First Floor, Courtroom 18, Toms River, New Jersey, for an order granting William Wolf's Motion to Vacate Default Judgment pursuant to Rule 4:50-1 and for leave to file answer out of time.

PLEASE TAKE FURTHER NOTICE that in support of said application, defendant shall rely on the attached brief and certifications of William Wolf and of Rebecca Schore, with exhibits thereto.

A proposed form of Order is annexed.

If opposition is filed, then oral argument is hereby requested.

LEGAL SERVICES OF NEW JERSEY
Attorneys for Defendant William Wolf

Date: October 19, 2009

By: 

Rebecca Schore, Esq.

THE BANK OF NEW YORK, as Trustee for the : SUPERIOR COURT OF NEW JERSEY
Holders of Structured Asset Mortgage Investments : CHANCERY DIVISION
II Trust 2006-AR8, Mortgage Pass-Through : OCEAN COUNTY
Certificates, Series 2006-AR8, :

Plaintiff, :

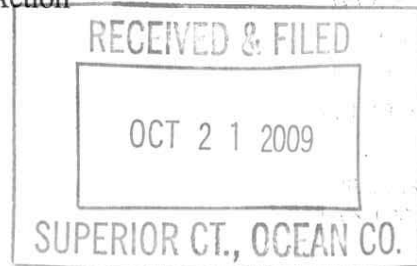
vs. :

WILLIAM P. WOLF, his heirs, devisees, and :
personal representatives and his/her, their, or any of :
their successors in right, title and interest, :
MRS. WOLF, wife of William P. Wolf, her heirs, :
devisees, and personal representatives and his/her, :
their, or any of their successors in right, title and :
interest, DONNA J. RANEY, her heirs, devisees, :
and personal representatives and his/her, their, or any :
of their successors in right, title and interest, :
MR. RANEY, husband of Donna J. Raney, his heirs, :
devisees, and personal representatives and his/her, :
their, or any of their successors in right, title :
and interest, STATE OF NEW JERSEY, :

Defendants. :

: DOCKET NO. F-12418-08

Civil Action



**BRIEF IN SUPPORT OF MOTION TO
VACATE JUDGMENT AND PERMIT
ANSWER TO BE FILED OUT OF TIME**

LEGAL SERVICES OF NEW JERSEY, INC.
Melville D. Miller, Jr., President
100 Metroplex Drive, Suite 402
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Attorneys for Defendant, William P. Wolf

On the Brief:

Rebecca Schore, Esq.

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INTRODUCTION

Defendant William Wolf, a victim of predatory lending, respectfully requests that this Court vacate the default judgment that entered against him in this matter to enable him to assert his predatory lending claims and defenses and save his home of almost ten years.

PROCEDURAL HISTORY

Plaintiff filed the foreclosure Complaint in this matter on or about March 28, 2008. Defendant did not file an Answer, and a Notice of Entry of Default was filed on June 30, 2008. Final Judgment was entered on February 13, 2009. Defendant filed a Chapter 7 bankruptcy on April 16, 2009, which automatically stayed further proceedings in this matter. Plaintiff moved in the bankruptcy court for relief from the automatic stay, and its application was granted on June 23, 2009. Sheriff's sale is scheduled to take place on October 27, 2009.

STATEMENT OF THE CASE¹

The mortgage at issue in the case at bar is a "high cost home loan" that violates the New Jersey Home Ownership Security Act.

The mortgage at issue is a refinance and not a purchase money mortgage. It was brokered by First Lincoln Mortgage Corp. It closed on September 7, 2006. As indicated by the Note it is a \$240,000.00 negatively amortizing loan (Wolf Cert ¶, **Exhibit D**). The interest rate is adjustable each and every month, with a starting rate of 8.125%.

The total "points and fees" charged in connection with the loan exceed 4.5% of the "total loan amount". Attached to his certification as **Exhibit A** is a copy of the Settlement Statement

¹ These facts are set forth in the Certification of William Wolf (hereinafter "Wolf Cert.") and the Certification of Rebecca Schore, Esq. (hereinafter "Schore Cert.").

that Mr. Wolf received at the mortgage closing. It indicates that he was charged the following items that HOSA defines as points and fees:²

- a. Line 808 Broker Origination Fee to First Lincoln Mortgage Corp. in the amount of \$1,892.00;
- b. Line 809 Broker Application Fee to First Lincoln Mortgage Corp. in the amount of \$495.00;
- c. Line 810 Premium paid to First Lincoln Mortgage by lender in the amount of \$6,900.00 paid outside of closing;
- d. Line 813 Commitment Fee to Countrywide Bank, N.A. in the amount of \$525.00.

Attached to his certification as **Exhibit B** is a copy of the Prepayment Penalty Addendum that Mr. Wolf received at the mortgage closing, which states that:

If within the first THIRTY SIX months after the execution of this Note, he make prepayment(s), the total of which exceeds twenty (20) percent of the original principal amount of this Note, 'I agree to pay a Prepayment Penalty in an amount equal to the payment of six (6) months' advance interest on the amount by which the total of his prepayment(s) during the twelve (12) month period immediately preceding the date of the prepayment exceeds twenty (20) percent of the original Principal amount of this Note. Interest will be calculated using the rate in effect at the time of prepayment.

Attached to his certification as **Exhibit C** is an Amortization Schedule given to Mr. Wolf at closing. It indicates that his interest payments for the first six months of the loan were as follows: \$1646.92, \$1651.72, 1656.56, 1661.43, 1666.33, and 1671.27.

For high cost home loans, HOSA prohibits negative amortization. The instant loan negatively amortizes. HOSA also requires notice and counseling for high cost home loans. Mr. Wolf never received the required notice and counseling.

² After the loan closed, Mr. Wolf became uncomfortable with the loan. He called First Lincoln Mortgage Corp. and asked to cancel the loan. Ultimately, First Lincoln Mortgage Corp. gave him \$1,000.00 not to cancel the loan. Even if this amount is deducted from the points and fees, the loan remains a high cost home loan.

When he first received the summons and complaint in this matter, Mr. Wolf did not file an Answer because he mistakenly believed that he had no defense to foreclosure. At that time, he was (and still is) unemployed and in extreme financial distress. He couldn't afford a lawyer. He began preparing to lose his home. He started selling his belongings just to have enough money for food and utilities.

In or around February 2009, he became suicidal and was institutionalized at St. Barnabas Hospital for a few days for psychiatric care. He received therapy and medication, and began to feel a little better.

At around the same time, his girlfriend got her federal income tax refund. That was the first time he had enough money to hire an attorney. He found an attorney, William Oliver, through an advertisement. Mr. Oliver's ad said that he could stop foreclosures, that he had an office close to Mr. Wolf's home and that he gave free consultations. Mr. Wolf consulted with Mr. Oliver, who is a bankruptcy attorney. He told Mr. Oliver about all of his financial difficulties, including the mortgage foreclosure. Mr. Oliver recommended a Chapter 7 bankruptcy. He told Mr. Wolf that a Chapter 7 would give him a fresh start. Mr. Oliver did not review his mortgage or mention any defenses to foreclosure.

Mr. Wolf filed a Chapter 7 bankruptcy on or about April 16, 2009, represented by Mr. Oliver. In or around May, 2009, the Plaintiff moved in the Bankruptcy Court for relief from the automatic stay. Plaintiff's motion was granted on or about June 23, 2009.

At that point, Mr. Wolf went to a lot of social service agencies looking for any help he could get. He got bounced around from agency to agency for a while. Finally, he spoke with a housing counselor at OCEAN, Inc. After reviewing his situation, the housing counselor recommended that he speak to an attorney at Legal Services of New Jersey, and gave Mr. Wolf the telephone number. He called Legal Services of New Jersey in or around July, 2009. After a

long wait, he finally met with an attorney at Legal Services of New Jersey on September 21, 2009. That was the first time he ever heard of the New Jersey Home Ownership Security Act, or thought that he might have a defense to foreclosure.

Plaintiff should have included the telephone number for Legal Services of New Jersey along with the Summons. The paper attached to the Summons filed with the Court is attached to Mr. Wolf's certification as **Exhibit F**. It is outdated and contains incorrect information. The wrong telephone number is listed for Legal Services of New Jersey: (908) 572-9100. When one dials that telephone number, one hears a recording stating that the number has been disconnected. The actual telephone number to apply for assistance is 1-888-576-5529. The wrong telephone number is also listed for the New Jersey Bar Association Lawyer Referral Service: (800) 367-0089. Dialing this number gets a recording for an unspecified person or business that asks for an extension number.

Mr. Wolf never heard of the Plaintiff, "The Bank of New York as Trustee for the Holders of Structured Asset Mortgage Investments II Trust 2006-AR8, Mortgage Pass-Through Certificates, Series 2006-AR8" until he got the Complaint in this matter. None of his mortgage documents have that name on them, his mortgage payments are not payable to them, and he has never received correspondence from them telling him they have anything to do with his loan.

As set forth herein, the documents submitted by Plaintiff in support of its application for entry of final judgment, do not support a conclusion that Plaintiff has the right to foreclose. Specifically, Plaintiff's attorney submitted a Certification of Compliance signed by Plaintiff's Attorney, Sarah Powers attaching what purports to be a true copy of the Note. The Note bears two stamps: one that says "ORIGINAL" and a second one, signed Sarah E. Powers, An Attorney-at-Law of the State of New Jersey, that says "I certify this to be a true copy." A review of the note reveals that it is payable to Countrywide Bank, N.A. and has not been endorsed to

Plaintiff. A review of the signature page of the Note indicates that about half the page is blank, leaving room for endorsements to be stamped directly on the Note. No allonge is affixed to the Note.

In support of its application for final judgment, Plaintiff also relies upon a document entitled "Assignment of Mortgage." A review of that document indicates that it was signed by M. Kelly Michie as Vice President of Mortgage Electronic Registration Systems as nominee for Countrywide Bank, N.A. on March 14, 2008. The document was not notarized until March 21, 2008. Upon information and belief, M. Kelly Michie is employed by the servicing agent for the loan and not by Mortgage Electronic Registration Systems.

ARGUMENT

I. WHEN A JUDGMENT ENTERS BY DEFAULT, A COURT MUST EXERCISE ITS DISCRETION TO SET IT ASIDE WITH GREAT LIBERALITY AND INDULGENCE, AND MUST RESOLVE ALL DOUBTS IN FAVOR OF THE PARTY SEEKING RELIEF

Relief from a final judgment or order – whether entered after plenary trial or by default – is available to a litigant pursuant to R. 4:50-1. Middlesex Concrete Corp. v. Carteret, 34 N.J. Super. 226, 235 (App. Div. 1955). The Rule provides:

On motion, and upon such terms as are just, the court may relieve a party or the party's legal representative from a final judgment or order for the following reasons: (a) mistake, inadvertence, surprise or excusable neglect; (b) newly discovered evidence which would probably alter the judgment or order and which by due diligence could not have been discovered in time to move for a new trial under R. 4:49; (c) fraud (whether heretofore denominated intrinsic or extrinsic), misrepresentation, or other misconduct of an adverse party; (d) the judgment or order is void; (e) the judgment or order has been satisfied, released or discharged, or a prior judgment or order upon which it is based has been reversed or otherwise vacated, or it is no longer equitable that the judgment or order should have prospective application; or (f) any other reason justifying relief from the operation of the judgment or order.

(emphasis added). The Rule is “designed to provide relief from judgments in situations in which, were it not applied, a grave injustice would occur”. Housing Authority of Morristown v. Little, 135 N.J. 274 (1994). A court may relieve a litigant from a judgment under the rule “whenever necessary to prevent a manifest denial of justice”. Manning Engineering, Inc. v. Hudson County Park Commission, 74 N.J. 113, 120 (1977).

The purpose of R. 4:50-1 is to temper the interest in finality of judgments with the principle that justice should be done in every case. As the New Jersey Supreme Court has recognized: “The principle of finality of judgments is one of repose. It dictates that litigation must eventually be ended and that at some point the prevailing party be allowed to rely confidently on the inviolability of his judgment. But it is not an absolute rule, and must be weighed in the balance with the equally salutary principle that justice should be done in every case.” Hodgson v. Applegate, 31 N.J. 29 (1959). As further stated by the New Jersey Supreme Court, “justice is the polestar and our procedures must ever be moulded and applied with that in mind.” N.J. Highway Authority v. Renner, 18 N.J. 485 (1955).

Although a R. 4:50-1 application is addressed to the sound discretion of the court, when the judgment in question entered by default, **the trial court is required to exercise its discretion “with great liberality, and every reasonable ground for indulgence is tolerated to the end that a just result is reached.”** Marder v. Realty Construction Co., 84 N.J. Super. 313, 319 (App. Div. 1964), aff’d 43 N.J. 508 (1964)(emphasis added). Moreover, when the issue of relief from a default judgment, **“all doubts. . . should be resolved in favor of the party seeking relief.”** Arrow Mfg. Co. v. Levinson, 231 N.J. Super. 527 (App. Div. 1989) (emphasis added).

II. PURSUANT TO R. 4:50-1(a), THE DEFAULT SHOULD BE VACATED BECAUSE THE DEFENDANT HAS MERITORIOUS DEFENSES, AND HIS FAILURE TO ANSWER WAS THE RESULT OF MISTAKE, INADVERTENCE, SURPRISE AND/OR EXCUSABLE NEGLIGENCE

Subsection (a) of R. 4:50-1 provides relief to litigants who show “mistake, inadvertence, surprise, or excusable neglect” and the existence of meritorious defenses.

A. MR. WOLF HAS A MERITORIOUS DEFENSE – SIGNIFICANT VIOLATIONS OF THE NEW JERSEY HOME OWNERSHIP SECURITY ACT.

The past decade has seen the “tremendous increase” of the subprime home equity lending industry and a “marked and tragic increase in the number of home foreclosures as the result of subprime home equity lending.” Mansfield, The Road To Subprime “HEL” Was Paved With Good Congressional Intentions: Usury Deregulation And The Subprime Home Equity Market, 51 S.C. L. Rev. 473, 528 (Spring 2000). 80% of subprime loans – including the one at bar – are refinance transactions and not purchase money mortgages. HUD-Treasury Report Recommendations to Curb Predatory Home Mortgage Lending at 28-29 (2000) at <http://www.hud.gov/library/bookshelf18/pressrel//treasrpt.pdf> [hereinafter “HUD-Treasury Report”].

The rise of the subprime lending market has led to the increasing use of abusive or predatory lending practices. Id. at 475-76. See also Dennis Hevesi, A Wider Loan Pool Draws More Sharks, N.Y. Times, March 24, 2002, § 11, at 1. Predatory lending encompasses a wide variety of abusive practices, but has been generally described as:

[a] mismatch between the needs and capacity of the borrower. . . In essence, the loan does not fit the borrower, either because the borrower’s underlying needs are not being met or the terms of the loan are so disadvantageous to that particular borrower that there is little likelihood that the borrower has the capability to repay the loan.

Associates Home Equity Services v. Troup, 343 N.J. Super. 254 (App. Div. 2001), citing Daniel S. Ehrenberg, If the Loan Don’t Fit, Don’t Take It: Applying the Suitability Doctrine to the

Mortgage Industry to Eliminate Predatory Lending, 10 J. Affordable Housing & Community Dev. L. 117, 119-20 (Winter 2001).

Recently, the New Jersey Legislature explicitly recognized and responded to this increase in abusive mortgage lending by enacting the New Jersey Home Ownership Security Act of 2002, N.J.S.A. 46:10B-22 et seq. (hereinafter “HOSA”). In doing so, the Legislature expressly found that:

Abusive mortgage lending has become an increasing problem in this State, exacerbating the loss of equity in homes and causing an increase in the number of foreclosures in recent years. One of the most common forms of abusive lending is the making of loans that are equity-based, rather than income based. **The financing of points and fees in these loans provides immediate income to the originator and encourages the repeated financing of home loans.** The lender’s ability to sell loans reduces the incentive to ensure that the homeowner can afford the payments of the loan. As long as there is sufficient equity in the home, an abusive lender benefits even if the borrower is unable to make the payments and is forced to refinance. **In addition, the financing of high points and fees causes the loss of precious equity in each refinancing and often leads to foreclosure.**

N.J.S.A. 46:10B-23(a) (emphasis added). These are exactly the practices at issue in the case at bar.

In his Answer, Affirmative Defenses, Counterclaim and Third Party Complaint, Mr. Wolf alleges a meritorious defense to foreclosure and a basis for vacating the default: that the Plaintiff and Third Party Defendant violated HOSA.³

More specifically, the mortgage loan at issue is a high cost loan as that term is defined by HOSA. HOSA defines a “high cost home loan” as “a home loan for which the principal amount of the loan does not exceed \$350,000 . . . in which the terms of the loan meet or exceed one or more of the thresholds as defined in this section.” Where the loan exceeds \$40,000, the loan is a

³ Discovery may reveal additional claims or defenses in addition to the one set forth herein.

high cost home loan if the “points and fees” exceed the threshold of 4.5% of the total loan amount.

The term points and fees includes a variety of items, including but not limited to (1) items listed in the Truth in Lending Act, 15 U.S.C. § 1605(a)(1) through (4) (except interest), and in 15 U.S.C. §1605(e); (2) all compensation paid directly or indirectly to a mortgage broker; and (3) the maximum prepayment fees and penalties that may be charged or collected under the terms of the loan documents.

In the instant matter, the following fees meet the first definition of points and fees:

1. Line 808 Broker Origination Fee to First Lincoln Mortgage Corp. in the amount of \$1,892.00 (15 U.S.C. § 1605 (a)(3);⁴
2. Line 809 Broker Application Fee to First Lincoln Mortgage Corp. in the amount of \$495.00 (15 U.S.C. § 1605(a)(3); 24 C.F.R. § 226.4(c)(1));
3. Line 813 Commitment Fee to Countrywide Bank, N.A. in the amount of \$525.00 (15 U.S.C. § 1605(a)(3)).

The following fees meet the second definition of points and fees:

Line 810 Premium paid to First Lincoln Mortgage by lender in the amount of \$6,900.00 paid outside of closing;

The loan contains a prepayment penalty as follows:

If within the first THIRTY SIX months after the execution of this Note, he make prepayment(s), the total of which exceeds twenty (20) percent of the original principal amount of this Note, ‘I agree to pay a Prepayment Penalty in an amount equal to the payment of six (6) months’ advance interest on the amount by which the total of his prepayment(s) during the twelve (12) month period immediately preceding the date of the prepayment exceeds twenty (20) percent of the original Principal amount of this Note. Interest will be calculated using the rate in effect at the time of prepayment.

⁴ The fees on lines 808 and 809 are also fees pursuant to 46:10B-24 (definition of “points and fees,” subsection (3)).

Attached to his certification as **Exhibit C** is an Amortization Schedule given to Mr. Wolf at closing. It indicates that his interest payments for the first six months of the loan were as follows: \$1646.92, \$1651.72, 1656.56, 1661.43, 1666.33, and 1671.27. Because the loan negatively amortizes, this is not the maximum amount of prepayment penalty that could be charged or collected, but will suffice for purposes of determining whether the instant loan is a high cost home loan.

These points and fees total \$19,766.23. The “total loan amount” is defined as “the principal of the loan minus those points and fees as defined in this section that are included in the principal amount of the loan.” Here, the principal of the loan is \$240,000.00. The points and fees included in the loan principal are \$2,912.00. The principal minus those points and fees is \$237,088.00. 4.5% of the total loan amount is \$10,668.96. The total points and fees charged exceed this amount by over \$9,000.00. As the total points and fees far exceed the 4.5% threshold, the loan is a high cost home loan.

When a borrower is about to enter into a “high cost” loan NJ HOSA requires a creditor to give the borrower the following notice:

YOU SHOULD BE AWARE THAT YOU MIGHT BE ABLE TO OBTAIN A LOAN AT A LOWER COYS. YOU SHOULD SHOP AROUND AND COMPARE LOAN RATES AND FEES. MORTGAGE LOAN RATES AND CLOSING COSTS AND FEES VARY BASED ON MANY FACTORS, INCLUDING YOUR PARTICULAR CREDIT AND FINANCIAL CIRCUMSTANCES, YOUR EMPLOYMENT HISTORY THE LOAN-TO-VALUE REQUESTED AND THE TYPE OF PROPERTY THAT WILL SECURE YOUR LOAN. THE LOAN RATE AND FEES COULD ALSO VARY BASED ON WHICH CREDITOR OR BROKER YOU SELECT.

IF YOU ACCEPT THE TERMS OF THIS LOAN, THE CREDITOR WILL HAVE A MORTGAGE LIEN IN YOUR HOME. YOU COULD LOSE YOUR HOME AND ANY MONEY YOU PUT INTO IT IF YOU DO NOT MEET YOUR PAYMENT OBLIGATIONS UNDER THE LOAN.

YOU SHOULD CONSULT AN ATTORNEY-AT-LAW AND A QUALIFIED INDEPENDENT CREDIT COUNSELOR OR OTHER EXPERIENCED FINANCIAL ADVISOR REGARDING THE RATE, FEES AND PROVISIONS OF THIS MORTGAGE LOAN BEFORE YOU PROCEED. A LIST OF QUALIFIED COUNSELORS IS AVAILABLE BY CONTACTING THE NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE.

YOU ARE NOT REQUIRED TO COMPLETE THIS LOAN AGREEMENT MERELY BECAUSE YOU HAVE RECEIVED THIS DISCLOSURE OR HAVE SIGNED A LOAN APPLICATION.

REMEMBER, PROPERTY TAXES AND HOMEOWNER'S INSURANCE ARE YOUR RESPONSIBILITY. NOT ALL CREDITORS PROVIDE ESCROW SERVICES FOR THESE PAYMENTS. YOU SHOULD ASK YOUR CREDITOR ABOUT THESE SERVICES.

ALSO, YOUR PAYMENTS ON EXISTING DEBTS CONTRIBUTE TO YOUR CREDIT RATINGS. YOU SHOULD NOT ACCEPT ANY ADVICE TO IGNORE YOUR REGULAR PAYMENTS TO YOUR EXISTING CREDITORS.

N.J.S.A. 46:10B-26(f). The notice must be acknowledged in writing and signed by the borrower.

There can be no doubt that Mr. Wolf was not provided with this Notice.

NJ HOSA further prohibits the lender from making a high cost home loan to a borrower who finances points and fees without first obtaining a certificate from a third-party nonprofit credit counselor that the borrower has received counseling on the advisability of the loan transaction. N.J.S.A. 46:10B-26(g). Here, the Settlement Statement demonstrates that the borrower financed points and fees. Mr. Wolf did not receive counseling on the advisability of the loan transaction.

NJ HOSA prohibits negative amortization in high cost home loans. N.J.S.A. 46:10B-26(b). The instant loan negatively amortizes.

NJ HOSA applies to "creditors," defined as "a person who extends consumer credit that is subject to a finance charge or is payable by written agreement in more than four installments and to whom the obligation is payable at any time. Creditor shall also mean any person

brokering a loan. . . .” N.J.S.A. 46:10B-24 (definition of “Creditor”). NJ HOSA also applies to purchasers and assignees of the loan:

Notwithstanding any other provision of law, any person who purchases or is otherwise assigned a high cost home loan shall be subject to all affirmative claims and any defenses with respect to the loan that the borrower could assert against the original creditor or broker of the loan. . . .”

N.J.S.A. 46:10B-27(b).

For purposes of vacating a default, the New Jersey Supreme Court has recognized that to be considered “meritorious,” a defense need not be guaranteed to be successful, but must be at least arguably “worthy of judicial determination.” O’Connor v. Abraham Altus, 67 N.J. 106 at 128-129 (1975) (vacating entry of default pursuant to R. 4:43, where the defense “while perhaps tenuous” was “at least arguable”). Mr. Wolf’s HOSA claim unequivocally meets that standard.

**B. GIVEN THE TOTALITY OF THE CIRCUMSTANCES,
MR. WOLF’S LATE ANSWER SHOULD BE FORGIVEN
AS MISTAKE, INADVERTENCE, OR EXCUSABLE NEGLECT**

As to business entities, the New Jersey Supreme Court has held that neglect is excusable “when attributable to an honest mistake that is compatible with due diligence or reasonable prudence.” Mancini v. EDS, 132 N.J. 330 (1993). See also Febus v. Barot, 260 N.J. Super. 322 (App. Div. 1992) (finding excusable neglect where litigant’s attorney failed to respond to a summary judgment motion due to a calendaring error).

In the case of individual defendants, New Jersey Courts have consistently shown even more tolerance and compassion, evaluating personal circumstances, and capacity to understand and respond to service of process. Thus, for example, in the matter of Bergen-Eastern Corp. v. Koss, 178 N.J. Super. 42 (App. Div. 1981), the defendant’s failure to respond to a foreclosure complaint was affirmed as excusable when she was a “74-year old widow who has a history of continuing psychiatric problems with several hospitalizations for mental illness. . . .[W]hile

defendant knew about the foreclosure action she did not understand its import.” Id. at 45-46.

The Court recognized that the neglect was excusable even though it deemed the defendant to be competent, and even though the defendant’s 46-year old unemployed son resided with her. The Court reasoned “. . . the issue is whether defendant’s conduct in failing to respond earlier should be forgiven. She did not act until she realized that she could be evicted from her own home.” Id. at 46. See also Tradesmens National Bank & Trust Co. v. Cummings, 38 N.J. Super. 1 (App. Div. 1955) (trial court did not abuse its discretion in vacating default judgment on basis of excusable neglect where defendant who was seventy-seven years old and emotionally upset due to the death of his wife failed to respond to complaint).

In the instant matter, Mr. Wolf’s failure to file a timely Answer should be viewed as mistake, inadvertence or excusable neglect. He did not file a timely Answer because:

1. He mistakenly believed that he had no defense to foreclosure;
2. He was in extreme financial distress, and couldn’t afford a lawyer;
3. Plaintiff’s Summons was defective insofar as it is outdated and contains incorrect information for Legal Services of New Jersey and for the New Jersey Bar Association Lawyer Referral Service.
4. Mr. Wolfe was suffering from severe depression, necessitating institutionalization at St. Barnabas Hospital for a few days for psychiatric care;
5. As soon as he had the financial wherewithal to do so, he sought the assistance of an attorney who advertised that he could stop foreclosures;
6. Even the attorney was unfamiliar with the Home Ownership Security Act;
7. After following his attorney’s advice and filing a bankruptcy, Mr. Wolf sought the assistance of social service agencies, leading to his contact with Legal Services of New Jersey; and

8. Legal Services of New Jersey is overwhelmed by the enormous increase in foreclosures in New Jersey, and acted as quickly as possible by telephoning Plaintiff's attorney, describing the circumstances, and asking for consent to vacate the judgment.

III. PURSUANT TO R. 4:50-1(d), THE DEFAULT SHOULD BE VACATED BECAUSE IT IS VOID

In the instant matter, the judgment is void for two reasons: (1) the Plaintiff lacked standing to file the foreclosure complaint; and (2) the Plaintiff failed to comply with the requirements of the Fair Foreclosure Act.

A. THE PLAINTIFF LACKS STANDING TO FORECLOSURE INsofar AS PLAINTIFF HAS FAILED TO PROVIDE EVIDENCE OF INDEBTEDNESS TO THE PLAINTIFF AND A VALID MORTGAGE ASSIGNMENT.

In order for final judgment to enter, a foreclosing mortgagee must submit the proofs required by R. 4:64-1 and R. 4:64-2. Specifically, "the moving party shall produce the original mortgage, evidence of indebtedness, assignments . . . and any other original document upon which the claim is based. In lieu of an original document, the moving party may produce a legible copy of a recorded or filed document, certified as a true copy by the recording or filing officer or by a New Jersey attorney, or a copy of an original document if unfiled or unrecorded, certified as a true copy by a New Jersey attorney."

Evidence that the debt obligation underlying the mortgage is owed is to the Plaintiff is crucial to Plaintiff's right to resort to the collateral securing the debt:

. . . [A]n effective transfer of a real estate mortgagee's interest ordinarily involves a transfer of both the secured obligation and the mortgagee's security interest in the land. If the secured obligation is a promissory note, the Uniform Commercial Code governs its transfer; in other cases, (e.g., bonds) the law of contracts will ordinarily apply. But since **the secured obligation is the principal thing and the mortgage that secures it is**

only “an incident which follows and attends the principal,” an assignment of the bond or note evidencing the secured obligation operates as an assignment of the mortgage “in equity.”

29 N.J. Prac., Law of Mortgages § 11.2 (2d ed.) (emphasis added), *citing inter alia* Stevenson v. Black, 1 N.J. Eq. 338, 343 (Ch. 1831); Morris Canal & Banking Co. v. Fisher, 9 N.J. Eq. 667, 696-97, 700, (E & A 1855); Dimon v. Dimon, 10 N.J.L. 156, 158 (Sup. Ct. 1828); Sayre v. Fredericks, 16 N.J. Eq. 205, 206 (Ch. 1863); Blue v. Everett, 56 N.J. Eq. 455, 458 (E & A 1897); Federal Reserve Bank of Phila. v. Welch, 122 N.J. 90, 92 (Ch. 1937).

Pursuant to New Jersey’s Uniform Commercial Code (UCC), a “holder” of a negotiable instrument is “the person in possession if the instrument is payable to bearer or, in the case of an instrument payable to an identified person, if the identified person is in possession.” N.J.S.A. 2A:1-201(20). An instrument is transferred “when it is delivered by a person other than its issuer for the purpose of giving to the person receiving delivery the right to enforce the instrument,” delivery being defined as a “voluntary transfer of possession.” N.J.S.A. 2A:3-203(a); N.J.S.A. 2A:1-201(14). “It is axiomatic that a suit cannot be prosecuted to foreclose a mortgage which secures the payment of a promissory note, unless the Plaintiff actually *holds* the original note.” In re Development Group, Inc., 50 B.R. 588 (S.D. Fla. 1985) (emphasis added).

In the instant matter, final judgment entered improperly insofar as Plaintiff failed to produce evidence of indebtedness. Plaintiff produce a copy of a Note, stamped “original” and certified as a true copy of the Note by the Plaintiff’s attorney. There is no certification to the effect that Plaintiff’s counsel compared this copy to the actual original such that she could certify personal knowledge of its authenticity. The Note is payable to the order of Countrywide Bank N.A.; the note is not payable to Plaintiff or to bearer. The note is not endorsed by the Plaintiff. The note has room for endorsements to be stamped directly onto the Note. No allonge was affixed to the Note.

Plaintiff asserts in the complaint that the original mortgagee “assigned” Plaintiff its “bond” in addition to assigning the mortgage. The vague allegation of assignment of the Note is insufficient to confer standing, because even a person who has ownership rights in an instrument may not be a holder entitled to bring an action to enforce the note. The comments to the UCC following N.J.S.A. 12A:3-203 explain:

The right to enforce an instrument and ownership of an instrument are two different concepts. A thief who steals a check payable to bearer becomes the holder of the check and a person entitled to enforce it, but does not become the owner of the check. If the thief transfers the check to a purchaser, the transferee obtains the right to enforce the check. If the purchaser is not a holder in due course, the owner’s claim to the check can be asserted against the purchaser. Ownership rights in instruments may be determined by the principles of the law of property, independent of Article 3, which do not depend on whether the instrument was transferred under Section 3-203. Moreover, a person who has an ownership right in an instrument might not be entitled to enforce the instrument. For example, suppose X is the owner and holder of an instrument payable to X. X sells the instrument to Y but is unable to deliver immediate possession to Y. Instead, X signs a document conveying all of X’s right, title and interest in the instrument to Y. **Although the document may be effective to give Y a claim to ownership of the instrument, Y is not entitled to enforce the instrument until Y obtains possession of the instrument.** No transfer of the instrument occurs under section 3-203(a) until it is delivered to Y.

Uniform Commercial Code Comment to N.J.S.A. 12A:3-203 at paragraph 1 (emphasis added).

Second, the assignment purports to transfer the interest of MERS to the Plaintiff. A review of the note indicates that it was never endorsed over to MERS, and thus MERS had no interest in the debt to transfer to Plaintiff. See, e.g., In re Sheridan, ___ B.R. ___, 2009 WL 631355 at *4 (Bankr. D. Idaho March 12, 2009) (MERS “acts not on its own account. Its capacity is as a representative); LaSalle Bank Nat. Ass’n v. Lamy, 2006 WL 2251721 at *2 (N.Y. Sup. 2006) (“A nominee of the owner of a note and mortgage may not effectively assign the note and mortgage to another for want of an ownership interest in said note and mortgage by the nominee”).

Finally, the validity of the assignment itself is highly questionable. A review of the assignment indicates that it was signed by a representative of Mortgage Electronic Registration Systems (MERS)⁵ on March 14, 2007 but not witnessed and notarized until a week later, on March 21, 2007.

B. PLAINTIFF FAILED TO SERVE DEFENDANT WITH A NOTICE OF INTENTION TO FORECLOSE, ABSENT WHICH VACATION OF DEFAULT, IF NOT DISMISSAL OF THE COMPLAINT, IS APPROPRIATE

As a jurisdictional pre-requisite to filing a foreclosure complaint, the Fair Foreclosure Act requires a “residential mortgage lender” or “lender” to serve the borrower with a Notice of Intention to Foreclose. A “residential mortgage lender” or “lender” is defined by the Fair Foreclosure Act as “any person, corporation or other entity which makes or holds a residential mortgage and any person, corporation or other entity to which such residential mortgage is assigned.” N.J.S.A. 2A:50-55 (definition of residential mortgage lender). Defendant does not recall receiving a Notice of Intention to Foreclose at all. The Appellate Division recently held that where the lender fails to comply with the pre-action notice requirement, dismissal of the complaint is appropriate. EMC Mortgage Corp. v. Chaudhri, 400 N.J. Super. 126 (App. Div. 2008).

The New Jersey Supreme Court recently made clear that “a homeowner facing foreclosure and dispossession is entitled to procedural protection,” and where a foreclosing mortgagee fails to comply with its obligation to afford that protection, a trial court abuses its discretion to fail to set aside foreclosure proceedings. U.S. ex rel. Department of Agriculture v. Scurry, 193 N.J. 492 (2008). In Scurry, the foreclosing mortgagee failed to demonstrate that it had served the homeowner with a copy of the order allowing sheriff’s sale in the manner

⁵ Upon information and belief, the signor is not a MERS employee, but rather an employee of the mortgage servicer potentially with some sort of undisclosed authority to sign on behalf of MERS.

required by court rule. The property was sold at sheriff's sale, and the defendant was physically evicted from the premises. Three months later, defendant moved before the Chancery Division for an order vacating the sheriff's sale. The Chancery Division recognized that the defendant had not been properly served with the order for sheriff's sale, but held that the defendant's "failure to act in a timely manner has prejudiced the plaintiff" because Plaintiff had spent money on the defendant's removal from the premises. The Appellate Division affirmed. The Supreme Court accepted certification and reversed, holding that "the prejudice alleged by plaintiff simply does not match up to defendant having been dispossessed of her home and belongings without plaintiff's compliance with its procedural notice obligations." *Id.* at 1171.

IV. PURSUANT TO R. 4:50-1(f), THE BOUNDARIES OF THE COURT'S AUTHORITY TO VACATE THE DEFAULT JUDGMENT ARE AS EXPANSIVE AS NECESSARY TO ACHIEVE EQUITY AND JUSTICE

Courts have broad discretion to reopen a judgment under subsection (f) of R. 4:50-1, to be exercised according to equitable principles. *Court Investment Co., v. Perillo*, 48 N.J. 334, 341 (1966). The Supreme Court has "repeatedly noted the broad parameters of a court's discretion under subsection (f)" where "such relief is necessary to achieve a fair and just result." *Housing Authority of Morristown v. Little*, at 286 (quoting *Hodgson v. Applegate*, 31 N.J. 29, 41 (1959)).

As the Court explained:

[N]o categorization can be made of the situations which would warrant redress under subsection (f). . . . [T]he very essence of (f) is its capacity for relief in exceptional cases. And in such exceptional cases its boundaries are as expansive as the need to achieve equity and justice.

Housing Authority of Morristown v. Little, at 286 (quoting *Court Investment Co. v. Perillo*, 48 N.J. 334, 341 (1966)).

However, the Court cautioned that since there is a strong interest in maintaining the finality of judgments, relief under R. 4:50-1(f) should be exercised only when “exceptional circumstances are present,” and that “each case must be resolved on its own particular facts.” Little at 286 (quoting Baumann v. Marinaro, 95 N.J. 380, 395 (1984)). Thus, the “nature of the exceptional relief afforded by R. 4:50-1(f) requires courts to focus on equitable considerations in determining whether the specific circumstances warrant the unique remedy authorized by the Rule.” Little, at 294. In essence, subsection (f) “is designed to provide relief from judgments in situations in which, were it not applied, a grave injustice would occur.” Little at 289.

The New Jersey Supreme Court has recognized that the unnecessary and avoidable loss of a family’s home is exactly the sort of exceptional case warranting relief from judgment. Housing Authority of Morristown v. Little, *supra*. In the present matter, similar “exceptional circumstances” exist such that relief under R. 4:50-1(f) to set aside the default judgment is appropriate to prevent a grave injustice – the unnecessary, and inequitable loss of Mr. Wolf’s home, particularly where even if the default is vacated, the plaintiff will suffer no injustice, as the plaintiff will be made whole to the extent of the validity of its claim.

CONCLUSION

For the reasons set forth above, Defendant William Wolf respectfully requests that the default judgment that entered against him in the matter be vacated.

Respectfully submitted,

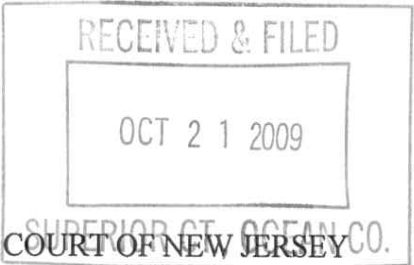
LEGAL SERVICES OF NEW JERSEY
Attorneys for Defendant William Wolf

By: 

Rebecca Schore, Esq.

Dated: October 19, 2009

LEGAL SERVICES OF NEW JERSEY, INC.
 Melville D. Miller, Jr., President
 100 Metroplex Drive, Suite 402
 Edison, NJ 08818-1357
 Tel.: (732) 572-9100 Fax: (732) 572-0066
 Attorneys for Defendant, William P. Wolf
 By: Rebecca Schore



THE BANK OF NEW YORK, as Trustee for the
 Holders of Structured Asset Mortgage Investments
 II Trust 2006-AR8, Mortgage Pass-Through
 Certificates, Series 2006-AR8,

: SUPERIOR COURT OF NEW JERSEY
 : CHANCERY DIVISION
 : OCEAN COUNTY

Plaintiff,

: DOCKET NO. F-12418-08

vs.

: Civil Action

WILLIAM P. WOLF, his heirs, devisees, and
 personal representatives and his/her, their, or any of
 their successors in right, title and interest,
 MRS. WOLF, wife of William P. Wolf, her heirs,
 devisees, and personal representatives and his/her,
 their, or any of their successors in right, title and
 interest, DONNA J. RANEY, her heirs, devisees,
 and personal representatives and his/her, their, or any
 of their successors in right, title and interest,
 MR. RANEY, husband of Donna J. Raney, his heirs,
 devisees, and personal representatives and his/her,
 their, or any of their successors in right, title
 and interest, STATE OF NEW JERSEY,

: **CERTIFICATION OF**
 : **WILLIAM WOLF IN SUPPORT OF**
 : **MOTION TO VACATE JUDGMENT**

Defendants.

Defendant William Wolf, of full age, certifies as follows:

1. I am the defendant in the above-titled action. As such, I have personal knowledge of the facts set forth herein.
2. I submit this Certification in support of my Motion to Vacate Final Judgment. Final judgment entered in this matter by default on or about February 13, 2009. I respectfully request

that this court vacate the default judgment and permit me to file the Answer, Affirmative Defenses, Counterclaim and Third Party Complaint submitted with this application.

3. A sheriff's sale is scheduled to take place on or about October 27, 2009.

4. I only very recently learned that I have a defense to foreclosure resulting from a violation of the New Jersey Home Ownership Security Act (HOSA).

5. Specifically, I have been advised by attorneys at Legal Services of New Jersey that my mortgage is a "high cost home loan" because the loan is less than \$350,000.00 and the total "points and fees" that I was charged exceed 4.5% of the "total loan amount."

6. The mortgage closed on September 7, 2006.

7. The mortgage was brokered by First Lincoln Mortgage Corp..

8. Attached as **Exhibit A** is a copy of the Settlement Statement that I received at the mortgage closing. It indicates that I was charged the following items that HOSA defines as points and fees:

a. Line 808 Broker Origination Fee to First Lincoln Mortgage Corp. in the amount of \$1,892.00;

b. Line 809 Broker Application Fee to First Lincoln Mortgage Corp. in the amount of \$495.00;

c. Line 810 Premium paid to First Lincoln Mortgage by lender in the amount of \$6,900.00 paid outside of closing;

d. Line 813 Commitment Fee to Countrywide Bank, N.A. in the amount of \$525.00.

9. I have also been advised that HOSA includes in the calculation of "points and fees" "the maximum prepayment fees and penalties that may be charged or collected under the terms of the loan documents.

10. Attached as **Exhibit B** is a copy of the Prepayment Penalty Addendum that I received at the mortgage closing, which states that:

If within the first THIRTY SIX months after the execution of this Note, I make prepayment(s), the total of which exceeds twenty (20) percent of the original principal amount of this Note, 'I agree to pay a Prepayment Penalty in an amount equal to the payment of six (6) months' advance interest on the amount by which the total of my prepayment(s) during the twelve (12) month period immediately preceding the date of the prepayment exceeds twenty (20) percent of the original Principal amount of this Note. Interest will be calculated using the rate in effect at the time of prepayment.

11. I don't know what the maximum prepayment fees and penalties would be, but I do know from an "Amortization Schedule" given to me at closing that my interest payments for the first six months of the loan were as follows: \$1646.92, \$1651.72, 1656.56, 1661.43, 1666.33, and 1671.27. The "Amortization Schedule" is attached as **Exhibit C**.

12. I was also advised that HOSA prohibits negative amortization in high cost home loans.

13. The mortgage that is the subject of this foreclosure action negatively amortizes. Attached as **Exhibit D** is a copy of the "Adjustable Rate Note" that I was given at closing that describes the negative amortization feature of the loan.

14. I have been told that when a creditor makes a high cost home loan, the creditor is supposed to give the borrower a special notice. I never received the notice that HOSA requires.

15. I was further told that a creditor that violates HOSA is liable for "statutory damages equal to the finance charge agreed to in the home loan agreement, plus up to 10% of the amount financed."

16. Attached as **Exhibit E** is a copy of the Truth in Lending Disclosure Statement that I received at the loan closing. It indicates that the finance charge agreed to was \$485,722.90 and the amount financed was \$234,627.02.

17. After the loan closed, I became uncomfortable. The broker seemed pushy, and everything happened so fast. I called First Lincoln Mortgage Corp. and asked to cancel the loan. Ultimately, First Lincoln Mortgage Corp. gave me \$1,000.00 not to cancel the loan.
18. When I first received the summons and complaint in this matter, I did not file an Answer because I mistakenly believed that I had no defense to foreclosure.
19. At that time, I was (and still am) unemployed and in extreme financial distress. I couldn't afford a lawyer.
20. I began preparing to lose my home. I started selling my belongings just to have enough money for food and utilities.
21. I became very depressed, and even suicidal. In February, 2009 my mother took me to St. Barnabas Hospital where I stayed for a few days for psychiatric care. I received therapy and medication, and began to feel a little better.
22. At around the same time, my girlfriend got her federal income tax refund. That was the first time we had enough money to hire an attorney.
23. I found an attorney, William Oliver, through an advertisement. His ad said that he could stop foreclosures. The ad also said that he had an office close to my home and that he gave free consultations.
24. I consulted with Mr. Oliver, who is a bankruptcy attorney. I told him about all of my financial difficulties, including the mortgage foreclosure. He recommended a Chapter 7 bankruptcy. He told me that a Chapter 7 would give me a fresh start.
25. Mr. Oliver did not review my mortgage or mention any defenses to foreclosure.
26. I filed a Chapter 7 bankruptcy on or about April 16, 2009, represented by Mr. Oliver.

27. In or around May, 2009, the Plaintiff moved in the Bankruptcy Court for relief from the automatic stay. Plaintiff's motion was granted on or about June 23, 2009.

28. At that point, I went to a lot of agencies looking for any help I could get. I got bounced around from agency to agency for a while. Finally, I spoke with a housing counselor at OCEAN, Inc.

29. After reviewing my situation, the housing counselor recommended that I speak to an attorney at Legal Services of New Jersey, and gave me the telephone number.

30. I called Legal Services of New Jersey in or around July, 2009. After a long wait, I finally met with an attorney at Legal Services of New Jersey on September 21, 2009. That was the first time I ever heard of the New Jersey Home Ownership Security Act, or thought that I might have a defense to foreclosure.

31. I was advised by LSNJ that the Summons should have had a paper attached to it that gave me the telephone number for free legal assistance. The paper attached to the Summons filed with the Court is attached as **Exhibit F**. It is outdated and contains incorrect information. The wrong telephone number is listed for Legal Services of New Jersey: (908) 572-9100. When I dial this number I get a recording that the number has been disconnected. The wrong telephone number is also listed for the New Jersey Bar Association Lawyer Referral Service: (800) 367-0089. When I dial this number I get a recording that asks for an extension number.

32. I never heard of the Plaintiff, "The Bank of New York as Trustee for the Holders of Structured Asset Mortgage Investments II Trust 2006-AR8, Mortgage Pass-Through Certificates, Series 2006-AR8" until I got the Complaint in this matter. None of my mortgage documents have that name on them, my mortgage payments are not payable to them, and I've never received correspondence from them telling me they have anything to do with my loan.

33. Based on the above, I respectfully request that the Court consider my inability to file a timely Answer as mistake, inadvertence, surprise or excusable neglect, and allow me to file an Answer to assert my HOSA claims. I also respectfully request that this Court vacate the judgment because it is void, and for any other reason justifying relief.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: October 10, 2009


William P. Wolf

EXHIBIT A

SETTLEMENT STATEMENT - Optional Form for Transactions without Seller		U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		HUD 1A	OMB No. 2502-0491
Express Abstract Services Of New Jersey, LLC 1323 Highway 34 Aberdeen, NJ 07747 Phone 732-696-9700 Fax 732-696-9711		PROPERTY LOCATION: 2340 Woodland Rd Manchester, NJ 08759 Township of Manchester, Ocean County, NJ		SETTLEMENT DATE: 09/07/2006 Disbursement Date: 09/12/2006 File Number: EXP06-1109 Settlement Agent: Loan No: 143884876	
NAME AND ADDRESS OF BORROWER: William P Wolf Donna J. Raney 2340 Woodland Rd Manchester, NJ 08759		NAME AND ADDRESS OF LENDER: Countrywide Bank, N. A. 333 Earl Ovington Blvd. Ste. 101 Uniondale, NY 11553		PLACE OF SETTLEMENT: 1323 Highway 34 Aberdeen, NJ 07747	
SETTLEMENT CHARGES				DISBURSEMENT TO OTHERS	
800.	Items Payable In Connection With Loan			1501. Greenpoint Mortgage	
801.	Loan Origination Fee%			217,139.77	
802.	Loan Discount %				
803.	Appraisal Fee to Island Appraisal Services 300.00 POC			1502. Manchester Tax Col. (3rd qtr. + int)	
804.	Credit Report to Platinum Credit Services	8.00			681.45
805.	Lenders Inspection Fee to				
806.	Mtg. Insurance App. Fee to			1503.	
807.	Mtg. Broker Fee to				
808.	Broker Origination Fee First Lincoln Mortgage Corp.	1,892.00			
809.	Broker Application Fee First Lincoln Mortgage Corp.	495.00			1504.
810.	Premium paid to First Lincoln Mtg. by lender 6,900.00 POC				
811.	Tax Service Fee Countrywide Tax Service Corp.	80.00			
812.	Flood Check Fee LandSafe Flood Determination, Inc.	26.00			1505.
813.	Commitment Fee Countrywide Bank, N. A.	525.00			
ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE					
901.	Interest from 09/12/2006 to 10/01/2006 @ \$ 53.42 /day	1,014.98			1506
902.	Mortgage Insurance Premium for Months				
903.	Hazard Insurance Premium Years Allstate Insurance Co.				
904.	Flood Insurance Premium for Years			1507.	
905.					
1000. RESERVES DEPOSITED WITH LENDER					
1001.	Hazard Insurance Months @ \$ Per month			1508.	
1002.	Mortgage Insurance Months @ \$ Per month				
1003.	City property taxes Months @ \$ Per month				
1004.	County property taxes Months @ \$ Per month			1509.	
1005.	Annual assessments Months @ \$ Per month				
1006.	Flood Insurance Months @ \$ Per month				
1007.				1510.	
1008.					
1100. TITLE CHARGES					
1101.	Settlement or closing fee Express Abstract Services Of New Jersey, LLC	350.00			1511.
1102.	Abstract or title search				
1103.	Title examination				
1104.	Title insurance binder			1512.	
1105.	Document preparation				
1106.	Notary fees				
1107.	Attorney's fees Menicucci & Villa Associates	550.00			1513.
(Includes above items numbers:)					
1108.	Title insurance Express Abstract Services Of New Jersey, LLC	1,006.00			1514.
(Includes above items numbers:)					
1109.	Lender's Coverage \$ 264,000.00				
1110.	Owners' Coverage \$ 0.00				
1111.				1515.	
1112.					
1113.					
1114.					
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES					
1201.	Recording fees: Deed \$ Mtg. \$ 250.00 Rel. 75.00	325.00			1600. Loan Amount
1202.	Notice of Settlement Ocean County	20.00			240,000.00
1203.				1601. Plus cash/check from Borrower	
1204.					
1205.				1602. Minus Total Settlement Charges (Line 1400)	
1206.				6,291.98	
1300. ADDITIONAL SETTLEMENT CHARGES					
1301.	Survey to			1603. Minus Total Disbursements in (Line 1520)	
1302.	Pest inspection to			217,821.22	
1303.					
1304.				1604. Equals Disbursement to Borrower (After Expiration of any applicable Rescission period required by law)	
1305.				15,886.80	
1306.					
1307.					
1400.	TOTAL SETTLEMENT CHARGES (enter on line 1602)	6,291.98			

COPY

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement

Date: 09/07/2006

Borrower: William P Wolf

Settlement Agent:

Borrower Donna J. Raney

Warning: It is a crime to knowingly make false statements to the United States on this or any similar forms. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

6

EXHIBIT B

Prepared by: LORIE MCAVOY

Countrywide Bank, N.A.

DATE: 09/07/2006
BORROWER: WILLIAM P. WOLF
CASE #:
LOAN #: 143884876
PROPERTY ADDRESS: 2340 Woodland Rd
Manchester, NJ 08759-6134

Branch #: 0000797
333 EARL OVINGTON BLVD STE 101
UNIONDALE, NY 11553
Phone: (516) 542-2900
Br Fax No.: (877) 266-0965

PREPAYMENT PENALTY ADDENDUM

THIS PREPAYMENT PENALTY ADDENDUM is dated SEPTEMBER 07, 2006 , and is incorporated into and amends and supplements the Note of the same date (the "Note") given by me to

Countrywide Bank, N.A. (the "Lender"). The Note is secured by a Mortgage or Deed of Trust or comparable security instrument (the "Security Instrument") covering the property (the "Property") identified in the Security Instrument.

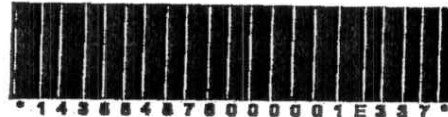
The section of the Note entitled "BORROWER'S RIGHT TO PREPAY" is replaced with the following new section:

BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. Such an advance payment of Principal is known as a "Prepayment." I may make partial or full Prepayments. When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. The Note Holder will use all of my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note. If I make a partial Prepayment, there will be no changes in the due dates of my monthly payments. My partial Prepayment may reduce the amount of my monthly payments after the first Change Date following my partial Prepayment. However, any reduction due to my partial Prepayment may be offset by an interest rate increase.

* Prepayment Penalty Addendum
1E337-XX (05/06)(d)

Page 1 of 2



LOAN #: 143884876

If within the first THIRTY SIX months after the execution of this Note, I make prepayment(s), the total of which exceeds twenty (20) percent of the original Principal amount of this Note, I agree to pay a Prepayment Penalty in an amount equal to the payment of six (6) months' advance interest on the amount by which the total of my prepayment(s) during the twelve (12) month period immediately preceding the date of the prepayment exceeds twenty (20) percent of the original Principal amount of this Note. Interest will be calculated using the rate in effect at the time of prepayment.

All other terms and conditions of the above referenced Note remain in full force and effect.

WILLIAM P. WOLF

Borrower

Borrower

Borrower

Borrower

EXHIBIT C

Prepared by: LORIE MCAVOY

Countrywide Bank, N.A.

DATE: 09/07/2006
BORROWER: WILLIAM P. WOLF
CO-BORROWER:
CASE #:
LOAN #: 143884876
PROPERTY ADDRESS: 2340 Woodland Rd
Manchester, NJ 08759-6134

Branch #: 0000797
333 EARL OVINGTON BLVD STE 101
UNIONDALE, NY 11553
Phone: (516)542-2900
Br Fax No.: (877)266-0965

AMORTIZATION SCHEDULE

Table with 5 columns: PMT, PAYMENT, PRINCIPAL, INTEREST, BALANCE. Rows include beginning balance, interest rate, and 71 monthly payment entries.

Prepared by: LORIE MCAVOY

DATE: 09/07/2006
BORROWER: WILLIAM P. WOLF
CO-BORROWER:
CASE #:
LOAN #: 143884876
PROPERTY ADDRESS: 2340 Woodland Rd
Manchester, NJ 08759-6134

Branch #: 0000797
333 KARL OVINGTON BLVD STE 101
UNIONDALE, NY 11553
Phone: (516)542-2900
Br Fax No.: (877)266-0965

AMORTIZATION SCHEDULE

Table with columns: PMT PAYMENT PRINCIPAL INTEREST BALANCE, PMT PAYMENT PRINCIPAL INTEREST BALANCE, YR PAYMENT PRINCIPAL INTEREST BALANCE. Includes an ANNUAL SUMMARY section.

EXHIBIT D

Prepared by: LORIE MCAVOY

LOAN #: 143884876

ADJUSTABLE RATE NOTE

(MTA - Twelve Month Average Index - Payment Caps)

THIS NOTE CONTAINS PROVISIONS THAT WILL CHANGE THE INTEREST RATE AND THE MONTHLY PAYMENT. THERE MAY BE A LIMIT ON THE AMOUNT THAT THE MONTHLY PAYMENT CAN INCREASE OR DECREASE. THE PRINCIPAL AMOUNT TO REPAY COULD BE GREATER THAN THE AMOUNT ORIGINALLY BORROWED, BUT NOT MORE THAN THE MAXIMUM LIMIT STATED IN THIS NOTE.

SEPTEMBER 07, 2006
[Date]

MANCHESTER
[City]

NEW JERSEY
[State]

2340 Woodland Rd, Manchester, NJ 08759-6134
[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 240,000.00 (this amount is called "Principal"), plus interest, to the order of Lender. The Principal amount may increase as provided under the terms of this Note but will never exceed 115 percent of the Principal amount I originally borrowed. This is called the "Maximum Limit." Lender is Countrywide Bank, N.A.

I will make all payments under this Note in the form of cash, check or money order.

I understand that Lender may transfer this Note. Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

(A) Interest Rate

Interest will be charged on unpaid Principal until the full amount of Principal has been paid. Up until the first day of the calendar month that immediately precedes the first monthly payment due date set forth in Section 3 of this Note, I will pay interest at a yearly rate of 8.125 %. Additional days interest collected prior to the first monthly payment due date is sometimes called "Per Diem" interest and is due at the time I close my loan. Thereafter until the first Interest Rate Change Date, defined below in Section 2(B), I will pay interest at a yearly rate of 2.500 %. This rate is sometimes referred to as the "Start Rate" and is used to calculate the initial monthly payment described in Section 3. The interest rate required by this Section 2 of this Note is the rate I will pay both before and after any default described in Section 7(B) of this Note.

(B) Interest Rate Change Dates

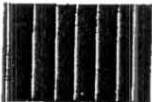
The interest rate I will pay may change on the first _____ day of NOVEMBER, 2006, and on that day every month thereafter. Each date on which my interest rate could change is called an "Interest Rate Change Date." The new rate of interest will become effective on each Interest Rate Change Date. The interest rate may change monthly, but the monthly payment is recalculated in accordance with Section 3.

(C) Index

Beginning with the first Interest Rate Change Date, my adjustable interest rate will be based on an Index. The "Index" is the "Twelve-Month Average" of the annual yields on actively traded United States Treasury Securities adjusted to a constant maturity of one year as published by the Federal Reserve Board in the Federal Reserve Statistical Release entitled "Selected Interest Rates

• PayOption ARM Note - MTA Index
1E306-XX (12/05)(d)

Page 1 of 5



* 23881 *



* 143884876000001E306 *

LOAN #: 143884876

(H.15)" (the "Monthly Yields"). The Twelve Month Average is determined by adding together the Monthly Yields for the most recently available twelve months and dividing by 12. The most recent Index figure available as of the date 15 days before each Interest Rate Change Date is called the "Current Index".

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(D) Calculation of Interest Rate Changes

Before each Interest Rate Change Date, the Note Holder will calculate my new interest rate by adding THREE & 575/1000 percentage point(s) 3.575 ("Margin") to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be my new interest rate until the next Interest Rate Change Date. My interest will never be greater than 9.950 %. Beginning with the first Interest Rate Change Date, my interest rate will never be lower than the Margin.

3. PAYMENTS

(A) Time and Place of Payments

I will make a payment every month.

I will make my monthly payments on the first day of each month beginning on NOVEMBER 01, 2006 . I will make these payments every month until I have paid all the Principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on OCTOBER 01, 2036 , I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at P.O. Box 660694, Dallas, TX 75266-0694 or at a different place if required by the Note Holder.

(B) Amount of My Initial Monthly Payments

Each of my initial monthly payments until the first Payment Change Date will be in the amount of U.S. \$948.29 , unless adjusted under Section 3(F).

(C) Payment Change Dates

My monthly payment may change as required by Section 3(D) below beginning on the first day of NOVEMBER, 2007 , and on that day every 12th month thereafter. Each of these dates is called a "Payment Change Date." My monthly payment also will change at any time Section 3(F) or 3(G) below requires me to pay a different monthly payment. The "Minimum Payment" is the minimum amount Note Holder will accept for my monthly payment which is determined at the last Payment Change Date or as provided in Section 3(F) or 3(G) below. If the Minimum Payment is not sufficient to cover the amount of the interest due then negative amortization will occur.

I will pay the amount of my new Minimum Payment each month beginning on each Payment Change Date or as provided in Section 3(F) or 3(G) below.

(D) Calculation of Monthly Payment Changes

At least 30 days before each Payment Change Date, the Note Holder will calculate the amount of the monthly payment that would be sufficient to repay the unpaid Principal that I am expected to owe at the Payment Change Date in full on the maturity date in substantially equal payments at the interest rate effective during the month preceding the Payment Change Date. The result of this calculation is called the "Full Payment." Unless Section 3(F) or 3(G) apply, the amount of my new monthly payment effective on a Payment Change Date, will not increase by more than 7.500% of my prior monthly payment. This 7.500% limitation is called the "Payment Cap." This Payment Cap applies only to the Principal and interest payment and does not apply to any escrow payments Lender may require under the Security Instrument. The Note Holder will apply the Payment Cap by taking the amount of my Minimum Payment due the month preceding the Payment Change Date and multiplying it by the number 1.075 . The result of this calculation is called the "Limited Payment." Unless Section 3(F) or 3(G) below requires me to pay a different amount, my new Minimum Payment will be the lesser of the Limited Payment and the Full Payment.

(E) Additions to My Unpaid Principal

Since my monthly payment amount changes less frequently than the interest rate, and since the monthly payment is subject to the payment limitations described in Section 3(D), my Minimum Payment could be less than or greater than the amount of the interest portion of the monthly payment that would be sufficient to repay the unpaid Principal I owe at the monthly payment date

LOAN #: 143884876

in full on the Maturity Date in substantially equal payments. For each month that my monthly payment is less than the interest portion, the Note Holder will subtract the amount of my monthly payment from the amount of the interest portion and will add the difference to my unpaid Principal, and interest will accrue on the amount of this difference at the interest rate required by Section 2. For each month that the monthly payment is greater than the interest portion, the Note Holder will apply the payment as provided in Section 3(A).

(F) Limit on My Unpaid Principal; Increased Monthly Payment

My unpaid Principal can never exceed the Maximum Limit equal to ONE HUNDRED FIFTEEN percent (11.5 %) of the Principal amount I originally borrowed. My unpaid Principal could exceed that Maximum Limit due to Minimum Payments and interest rate increases. In that event, on the date that my paying my Minimum Payment would cause me to exceed that limit, I will instead pay a new Minimum Payment. This means that my monthly payment may change more frequently than annually and such payment changes will not be limited by the Payment Cap. The new Minimum Payment will be in an amount that would be sufficient to repay my then unpaid Principal in full on the Maturity Date in substantially equal payments at the current interest rate.

(G) Required Full Payment

On the tenth Payment Change Date and on each succeeding fifth Payment Change Date thereafter, I will begin paying the Full Payment as my Minimum Payment until my monthly payment changes again. I also will begin paying the Full Payment as my Minimum Payment on the final Payment Change Date.

(H) Payment Options

After the first Interest Rate Change Date, the Note Holder may provide me with up to three (3) additional payment options that are greater than the Minimum Payment, which are called "Payment Options." The Payment Options are calculated using the new interest rate in accordance with Section 2(D). I may be given the following Payment Options:

(i) **Interest Only Payment:** the amount that would pay the interest portion of the monthly payment. The Principal balance will not be decreased by this Payment Option and it is only available if the interest portion exceeds the Minimum Payment.

(ii) **Amortized Payment:** the amount necessary to pay the loan off (Principal and interest) at the Maturity Date in substantially equal payments. This monthly payment amount is calculated on the assumption that the current rate will remain in effect for the remaining term.

(iii) **15 Year Amortized Payment:** the amount necessary to pay the loan off (Principal and interest) within a fifteen (15) year term from the first payment due date in substantially equal payments. This monthly payment amount is calculated on the assumption that the current rate will remain in effect for the remaining term.

These Payment Options are only applicable if they are greater than the Minimum Payment.

4. NOTICE OF CHANGES

The Note Holder will deliver or mail to me a notice of any changes in the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

5. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under this Note.

I may make a full Prepayment or partial Prepayments without paying any Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. If I make a partial Prepayment, there will be no changes in the due dates of my monthly payments. My partial Prepayment may reduce the amount of my monthly payments after the first Payment Change Date following my partial Prepayment. However, any reduction due to my partial Prepayment may be offset by an interest rate increase.

6. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me

that exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

LOAN #: 143884876

7. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charges for Overdue Payments

If the Note Holder has not received the full amount of any Minimum Payment by the end of fifteen (15) calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.000 % of the Minimum Payment. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each Minimum Payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the Minimum Payment by a certain date, the Note Holder may require me to pay immediately the full amount of Principal that has not been paid and all the interest that I owe. The date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. These expenses include, for example, reasonable attorneys' fees.

8. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Unless the Note Holder requires a different method, any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

9. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all the amounts owed under this Note.

10. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

11. SECURED NOTE

In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses that might result if I do not keep the promises that I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of these conditions are described as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond

LOAN #: 143884876

for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

WILLIAM P. WOLF

- Borrower

- Borrower

- Borrower

- Borrower

EXHIBIT E

TRUTH IN LENDING DISCLOSURE STATEMENT (THIS IS NEITHER A CONTRACT NOR A COMMITMENT TO LEND)

LENDER: Countrywide Bank, N.A.

1199 North Fairfax St. Ste.500
Alexandria, VA 22314

Preliminary Final
DATE 09/07/2006

BORROWERS: WILLIAM P WOLF

LOAN 143884876
CASE NO.
Type of Loan CONV UNINSURED
NCARM MTA 1mo Intro
PO 3yrHPP

ADDRESS 2340 WOODLAND ROAD
CITY STATE / ZIP MANCHESTER TOWNSHIP, NJ 08759
PROPERTY 2340 Woodland Rd
Manchester, NJ 08759-6134

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid after you have made all payments as scheduled.
8.415 %	\$ 485,722.90	\$ 234,627.02	\$ 720,349.92

PAYMENT SCHEDULE:

NUMBER OF PAYMENTS	AMOUNT OF PAYMENTS	WHEN PAYMENTS ARE DUE
12	948.29	MONTHLY BEGINNING 11/01/2006
12	1,019.41	MONTHLY BEGINNING 11/01/2007
12	1,095.87	MONTHLY BEGINNING 11/01/2008
12	1,178.06	MONTHLY BEGINNING 11/01/2009
6	1,266.41	MONTHLY BEGINNING 11/01/2010
305	2,162.91	MONTHLY BEGINNING 05/01/2011
1	2,164.35	LAST PAYMENT DUE 10/01/2036

DEMAND FEATURE: This loan does not have a Demand Feature. This loan has a Demand Feature as follows:

VARIABLE RATE FEATURE:
 This loan has a Variable Rate Feature. Variable Rate Disclosures have been provided to you earlier.

SECURITY: You are giving a security interest in the property located at:
2340 Woodland Rd, Manchester, NJ 08759-6134

ASSUMPTION: Someone buying this property cannot assume the remaining balance due under original mortgage terms
 may assume, subject to lender's conditions, the remaining balance due under original mortgage terms.

PROPERTY INSURANCE: Hazard insurance, including flood insurance if the property is in a Special Flood Hazard Area, is required as a condition of this loan. You may obtain the insurance coverage from any insurance company acceptable to the lender. Complete details concerning insurance requirements will be provided prior to loan closing.

LATE CHARGES: If your payment is more than 15 days late, you will be charged a late charge of 5.000% of the overdue payment.

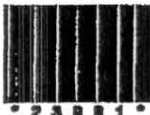
PREPAYMENT: If you pay off your loan early, you
 may will not be entitled to a refund of part of the finance charge.
 may will not have to pay a penalty.

See your contract documents for any additional information regarding non-payment, default, required repayment in full before scheduled date, and prepayment refunds and penalties.

I/We hereby acknowledge reading and receiving a complete copy of this disclosure.

BORROWER WILLIAM P WOLF DATE BORROWER DATE

BORROWER DATE BORROWER DATE



LOAN #: 143884876

DEFINITION OF TRUTH-IN-LENDING TERMS

ANNUAL PERCENTAGE RATE

This is not the Note rate for which the borrower applied. The Annual Percentage Rate (APR) is the cost of the loan in percentage terms taking into account various loan charges of which interest is only one such charge. Other charges which are used in calculation of the Annual Percentage Rate are Private Mortgage Insurance or FHA Mortgage Insurance Premium (when applicable) and Prepaid Finance Charges (loan discount, origination fees, prepaid interest and other credit costs). The APR is calculated by spreading these charges over the life of the loan which results in a rate higher than the interest rate shown on your Mortgage/Deed of Trust Note. If interest was the only Finance Charge, then the interest rate and the Annual Percentage Rate would be the same.

PREPAID FINANCE CHARGES

Prepaid Finance Charges are certain charges made in connection with the loan and which must be paid upon the close of the loan. These charges are defined by the Federal Reserve Board in Regulation Z and the charges must be paid by the borrower only, and not the seller if applicable. Non-Inclusive examples of such charges are: Loan origination fee, "Points" or Discount, Private Mortgage Insurance or FHA Mortgage Insurance, Tax Service Fee. Some loan charges are specifically excluded from the Prepaid Finance Charge such as appraisal fees and credit report fees.

Prepaid Finance Charges are totaled and then subtracted from the Loan Amount (the face amount of the Deed of Trust/Mortgage Note). The net figure is the Amount Financed as explained below.

FINANCE CHARGE

The amount of interest, prepaid finance charge and certain insurance premiums (if any) which the borrower will be expected to pay over the life of the loan.

AMOUNT FINANCED

The Amount Financed is the loan amount applied for less the prepaid finance charges. Prepaid finance charges can be found on the Good Faith Estimate. For example if the borrower's note is for \$100,000 and the Prepaid Finance Charges total \$5,000, the Amount Financed would be \$95,000. The Amount Financed is the figure on which the Annual Percentage Rate is based.

TOTAL OF PAYMENTS

This figure represents the total of all payments made toward principal, interest and mortgage insurance (if applicable).

PAYMENT SCHEDULE

The dollar figures in the Payment Schedule represent principal, interest, plus Private Mortgage Insurance (if applicable). These figures will not reflect taxes and insurance escrows or any temporary buydown payments contributed by the seller.

EXHIBIT F

POWERS KIRN, LLC
728 Marne Highway, Suite 200
Moorestown, NJ 08057
(856) 802-1000
Attorneys for Plaintiff

The Bank of New York, as Trustee for the
Holders of Structured Asset Mortgage
Investments II Trust 2006-AR8, Mortgage
Pass-Through Certificates, Series 2006-AR8
Plaintiff

vs.

William P. Wolf, et al.

Defendant(s)

FROM THE STATE OF NEW JERSEY

: SUPERIOR COURT OF NEW JERSEY
: CHANCERY DIVISION
: OCEAN COUNTY
:
: Docket No.F-12418-08

:
: CIVIL ACTION


:
: **SUMMONS**

The Plaintiff, named above, has filed a lawsuit against you in the Superior Court of New Jersey. The complaint attached to this summons states the basis for the lawsuit. If you dispute this complaint, you or your attorney must file a written answer or motion and proof of service with the deputy clerk of the Superior Court in the county listed above within 35 days from the date you received this summons, not counting the date you received it. If the complaint is one in foreclosure, then you must file your written answer or motion and proof of service with the Clerk of the Superior Court, Hughes Justice Complex, CN-971, Trenton, NJ 08625. A \$135.00 filing fee payable to the Clerk of the Superior Court and a completed Case Information Statement must accompany your answer or motion when it is filed. You must also send a copy of your answer or motion to the Plaintiff's attorney whose name and address appear above. A telephone call will not protect your rights; you must file and serve a written answer or motion if you want the court to hear your defense.

If you do not file and serve a written answer or motion within 35 days, the court may enter a judgment against you for the relief plaintiff demands, plus interest and costs of suit. If judgment is entered against you, the Sheriff may seize your money, wages or property to pay all or part of the judgment.

If you cannot afford an attorney, you may call the Legal Services office in the county where you live. If you do not have an attorney and are not eligible for free legal assistance, you may obtain a referral to an attorney by calling one of the Lawyer Referral Services. A list of these services is provided herewith.

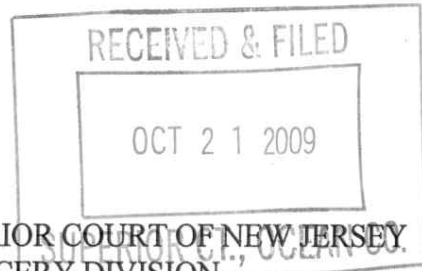
Dated: April 4, 2008
#:2008-0462


Theodore J. Fetter
Clerk of the Superior Court

William P. Wolf
2340 Woodland Road
Manchester NJ 08759

<p>New Jersey Bar Association Lawyer Referral Service (800)367-0089</p> <p>Legal Services of New Jersey, Inc. (908)572-9100</p>	<p><u>Gloucester County</u> Gloucester County Bar Association Lawyer Referral Service (856)848-4589</p> <p>*Regional Legal Services (856)848-5360</p>	<p><u>Passaic County</u> Passaic County Bar Association Lawyer Referral Service (973)278-9223</p> <p>Passaic County Legal Aid (973)345-7171</p>
<p><u>Atlantic County</u> Atlantic County Bar Association Lawyer Referral Service (609)345-3444</p> <p>Cape-Atlantic Legal Services (609)348-4200</p>	<p><u>Hudson County</u> Hudson County Bar Association Lawyer Referral Service (201)798-2727</p> <p>Hudson County Legal Services (201)792-6363</p>	<p><u>Salem County</u> Salem County Bar Association Lawyer Referral Service (856)678-8363</p> <p>*Regional Legal Services (856)451-0003</p>
<p><u>Bergen County</u> Bergen County Bar Association Lawyer Referral Service (201)488-0044</p> <p>Bergen County Legal Services (201)487-2166</p>	<p><u>Hunterdon County</u> Hunterdon County Bar Association Lawyer Referral Service (908)735-2611</p> <p>Hunterdon County Legal Services (908)782-7979</p>	<p><u>Somerset County</u> Somerset County Bar Association Lawyer Referral Service (908)685-2323</p> <p>Somerset-Sussex Legal Services (908)231-0840</p>
<p><u>Burlington County</u> Burlington County Bar Association Lawyer Referral Service (609)261-4862</p> <p>*Regional Legal Services (609)261-1088</p>	<p><u>Mercer County</u> Mercer County Bar Association Lawyer Referral Service (609)585-6200</p> <p>Legal Aid Society-Mercer County (609)695-6249</p>	<p><u>Sussex County</u> Sussex County Bar Association Lawyer Referral Service (973)267-5882</p> <p>Somerset-Sussex Legal Services (973)383-7400</p>
<p><u>Camden County</u> Camden County Bar Association Lawyer Referral Service (856)964-4520</p> <p>*Regional Legal Services (800)496-3001</p>	<p><u>Middlesex County</u> Middlesex County Bar Association Lawyer Referral Service (732)828-0053</p> <p>Middlesex County Legal Services (732)249-7600</p>	<p><u>Union County</u> Union County Bar Association Lawyer Referral Service (908)353-4715</p> <p>Union County Legal Services (908)354-4340</p>
<p><u>Cape May County</u> Cape May County Bar Association Lawyer Referral Service (609)463-0313</p> <p>Cape-Atlantic Legal Services (609)465-3001</p>	<p><u>Monmouth County</u> Monmouth County Bar Association Lawyer Referral Service (732)431-5544</p> <p>Ocean-Monmouth Legal Services (732)866-0020</p>	<p><u>Warren County</u> Warren County Bar Association Lawyer Referral Service (973)267-5882</p> <p>Warren County Legal Services (908)475-2010</p>
<p><u>Cumberland County</u> Cumberland County Bar Assoc. Lawyer Referral Service (609)692-6207</p> <p>Legal Aid Society (609)451-0003</p>	<p><u>Morris County</u> Morris County Bar Association Lawyer Referral Service (973)267-5882</p> <p>Legal Aid Society of Morris (973)285-6911</p>	
<p><u>Essex County</u> Essex County Bar Association Lawyer Referral Service (973)622-6207</p> <p>Essex County Legal Aid Assoc. (973)622-1513</p>	<p><u>Ocean County</u> Ocean County Bar Association Lawyer Referral Service (732)240-3666</p> <p>Ocean-Monmouth Legal Services (732)341-2727</p>	<p>* Camden Regional Legal Services, Inc. serves Burlington, Cumberland, Gloucester and Salem Counties.</p>

LEGAL SERVICES OF NEW JERSEY, INC.
Melville D. Miller, Jr., President
100 Metroplex Drive, Suite 402
Edison, NJ 08818-1357
Tel.: (732) 572-9100 Fax: (732) 572-0066
Attorneys for Defendant, William P. Wolf
By: Rebecca Schore



THE BANK OF NEW YORK, as Trustee for the
Holders of Structured Asset Mortgage Investments
II Trust 2006-AR8, Mortgage Pass-Through
Certificates, Series 2006-AR8,

Plaintiff,

vs.

WILLIAM P. WOLF, his heirs, devisees, and
personal representatives and his/her, their, or any of
their successors in right, title and interest,
MRS. WOLF, wife of William P. Wolf, her heirs,
devisees, and personal representatives and his/her,
their, or any of their successors in right, title and
interest, DONNA J. RANEY, her heirs, devisees,
and personal representatives and his/her, their, or any
of their successors in right, title and interest,
MR. RANEY, husband of Donna J. Raney, his heirs,
devisees, and personal representatives and his/her,
their, or any of their successors in right, title
and interest, STATE OF NEW JERSEY,

Defendants.

: SUPERIOR COURT OF NEW JERSEY
: CHANCERY DIVISION
: OCEAN COUNTY
:
:
:

: DOCKET NO. F-12418-08

: Civil Action

: **CERTIFICATION OF REBECCA
SCHORE, ESQ. IN SUPPORT OF
MOTION TO VACATE JUDGMENT**

Rebecca Schore, attorney at law in the State of New Jersey, certifies as follows:

1. I am the employed by Legal Services of New Jersey, attorneys for defendant in the above-titled action. I am the attorney primarily responsible for this matter. As such, I have personal knowledge of the facts set forth herein.
2. I submit this Certification in support of Mr. Wolf's Motion to Vacate Final Judgment.

3. Attached as Exhibit A is a copy of the Note filed with the Court by Plaintiff in support of its motion for final judgment. No allonge was attached to the Note.
4. Attached as Exhibit B is a copy of the Assignment filed with the Court by Plaintiff in support of its motion for final judgment.
5. This office is experiencing a tremendous increase in the number of applications for legal assistance as a result of the foreclosure crisis. As a result, despite our best efforts, applicants are placed on a waiting list for attorney appointments. At its worst, the waiting list has been about a month long.
6. I contacted Plaintiff's attorneys in early October, 2009 and asked that Plaintiff voluntarily consent to vacate default or at least consent to an adjournment of Sheriff's Sale to permit this application to be filed. Plaintiff's counsel declined both requests.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: October 19, 2009



Rebecca Schore, Esq.

EXHIBIT A

LOAN #: 143884876
I certify this to be a true copy.

ADJUSTABLE RATE NOTE

(MTA - Twelve Month Average Index - Payment Caps)

Sarah E. Powers, An Attorney-
at-Law of the State of New Jersey.

THIS NOTE CONTAINS PROVISIONS THAT WILL CHANGE THE INTEREST RATE AND THE MONTHLY PAYMENT. THERE MAY BE A LIMIT ON THE AMOUNT THAT THE MONTHLY PAYMENT CAN INCREASE OR DECREASE. THE PRINCIPAL AMOUNT TO REPAY COULD BE GREATER THAN THE AMOUNT ORIGINALLY BORROWED, BUT NOT MORE THAN THE MAXIMUM LIMIT STATED IN THIS NOTE.

SEPTEMBER 07, 2006
[Date]

MANCHESTER
[City]

NEW JERSEY
[State]

2340 Woodland Rd, Manchester, NJ 08759-6134
[Property Address]

ORIGINAL

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 240,000.00 (this amount is called "Principal"), plus interest, to the order of Lender. The Principal amount may increase as provided under the terms of this Note but will never exceed 115 percent of the Principal amount I originally borrowed. This is called the "Maximum Limit." Lender is Countrywide Bank, N.A.

I will make all payments under this Note in the form of cash, check or money order.

I understand that Lender may transfer this Note. Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

(A) Interest Rate

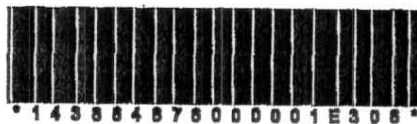
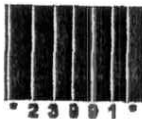
Interest will be charged on unpaid Principal until the full amount of Principal has been paid. Up until the first day of the calendar month that immediately precedes the first monthly payment due date set forth in Section 3 of this Note, I will pay interest at a yearly rate of 8.125 %. Additional days interest collected prior to the first monthly payment due date is sometimes called "Per Diem" interest and is due at the time I close my loan. Thereafter until the first Interest Rate Change Date, defined below in Section 2(B), I will pay interest at a yearly rate of 2.500 %. This rate is sometimes referred to as the "Start Rate" and is used to calculate the initial monthly payment described in Section 3. The interest rate required by this Section 2 of this Note is the rate I will pay both before and after any default described in Section 7(B) of this Note.

(B) Interest Rate Change Dates

The interest rate I will pay may change on the first day of NOVEMBER, 2006, and on that day every month thereafter. Each date on which my interest rate could change is called an "Interest Rate Change Date." The new rate of interest will become effective on each Interest Rate Change Date. The interest rate may change monthly, but the monthly payment is recalculated in accordance with Section 3.

(C) Index

Beginning with the first Interest Rate Change Date, my adjustable interest rate will be based on an Index. The "Index" is the "Twelve-Month Average" of the annual yields on actively traded United States Treasury Securities adjusted to a constant maturity of one year as published by the Federal Reserve Board in the Federal Reserve Statistical Release entitled "Selected Interest Rates



(H.15)" (the "Monthly Yields"). The Twelve Month Average is determined by adding together the Monthly Yields for the most recently available twelve months and dividing by 12. The most recent Index figure available as of the date 15 days before each Interest Rate Change Date is called the "Current Index".

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(D) Calculation of Interest Rate Changes

Before each Interest Rate Change Date, the Note Holder will calculate my new interest rate by adding THREE & 575/1000 percentage point(s) 3.575 ("Margin") to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be my new interest rate until the next Interest Rate Change Date. My interest will never be greater than 9.950 %. Beginning with the first Interest Rate Change Date, my interest rate will never be lower than the Margin.

3. PAYMENTS

(A) Time and Place of Payments

I will make a payment every month.

I will make my monthly payments on the first NOVEMBER 01, 2006 day of each month beginning on . I will make these payments every month until I have paid all the Principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on OCTOBER 01, 2036, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at

P.O. Box 660694, Dallas, TX 75266-0694

or at a different place if required by the Note Holder.

(B) Amount of My Initial Monthly Payments

Each of my initial monthly payments until the first Payment Change Date will be in the amount of U.S. \$948.29, unless adjusted under Section 3(F).

(C) Payment Change Dates

My monthly payment may change as required by Section 3(D) below beginning on the first NOVEMBER, 2007 day of, and on that day every 12th month thereafter. Each of these dates is called a "Payment Change Date." My monthly payment also will change at any time Section 3(F) or 3(G) below requires me to pay a different monthly payment. The "Minimum Payment" is the minimum amount Note Holder will accept for my monthly payment which is determined at the last Payment Change Date or as provided in Section 3(F) or 3(G) below. If the Minimum Payment is not sufficient to cover the amount of the interest due then negative amortization will occur.

I will pay the amount of my new Minimum Payment each month beginning on each Payment Change Date or as provided in Section 3(F) or 3(G) below.

(D) Calculation of Monthly Payment Changes

At least 30 days before each Payment Change Date, the Note Holder will calculate the amount of the monthly payment that would be sufficient to repay the unpaid Principal that I am expected to owe at the Payment Change Date in full on the maturity date in substantially equal payments at the interest rate effective during the month preceding the Payment Change Date. The result of this calculation is called the "Full Payment." Unless Section 3(F) or 3(G) apply, the amount of my new monthly payment effective on a Payment Change Date, will not increase by more than 7.500% of my prior monthly payment. This 7.500% limitation is called the "Payment Cap." This Payment Cap applies only to the Principal and interest payment and does not apply to any escrow payments Lender may require under the Security Instrument. The Note Holder will apply the Payment Cap by taking the amount of my Minimum Payment due the month preceding the Payment Change Date and multiplying it by the number 1.075. The result of this calculation is called the "Limited Payment." Unless Section 3(F) or 3(G) below requires me to pay a different amount, my new Minimum Payment will be the lesser of the Limited Payment and the Full Payment.

(E) Additions to My Unpaid Principal

Since my monthly payment amount changes less frequently than the interest rate, and since the monthly payment is subject to the payment limitations described in Section 3(D), my Minimum Payment could be less than or greater than the amount of the interest portion of the monthly payment that would be sufficient to repay the unpaid Principal I owe at the monthly payment date.

in full on the Maturity Date in substantially equal payments. For each month that my monthly payment is less than the interest portion, the Note Holder will subtract the amount of my monthly payment from the amount of the interest portion and will add the difference to my unpaid Principal, and interest will accrue on the amount of this difference at the interest rate required by Section 2. For each month that the monthly payment is greater than the interest portion, the Note Holder will apply the payment as provided in Section 3(A).

(F) Limit on My Unpaid Principal; Increased Monthly Payment

My unpaid Principal can never exceed the Maximum Limit equal to ONE HUNDRED FIFTEEN percent (11.5 %) of the Principal amount I originally borrowed. My unpaid Principal could exceed that Maximum Limit due to Minimum Payments and interest rate increases. In that event, on the date that my paying my Minimum Payment would cause me to exceed that limit, I will instead pay a new Minimum Payment. This means that my monthly payment may change more frequently than annually and such payment changes will not be limited by the Payment Cap. The new Minimum Payment will be in an amount that would be sufficient to repay my then unpaid Principal in full on the Maturity Date in substantially equal payments at the current interest rate.

(G) Required Full Payment

On the tenth Payment Change Date and on each succeeding fifth Payment Change Date thereafter, I will begin paying the Full Payment as my Minimum Payment until my monthly payment changes again. I also will begin paying the Full Payment as my Minimum Payment on the final Payment Change Date.

(H) Payment Options

After the first Interest Rate Change Date, the Note Holder may provide me with up to three (3) additional payment options that are greater than the Minimum Payment, which are called "Payment Options." The Payment Options are calculated using the new interest rate in accordance with Section 2(D). I may be given the following Payment Options:

(i) **Interest Only Payment:** the amount that would pay the interest portion of the monthly payment. The Principal balance will not be decreased by this Payment Option and it is only available if the interest portion exceeds the Minimum Payment.

(ii) **Amortized Payment:** the amount necessary to pay the loan off (Principal and interest) at the Maturity Date in substantially equal payments. This monthly payment amount is calculated on the assumption that the current rate will remain in effect for the remaining term.

(iii) **15 Year Amortized Payment:** the amount necessary to pay the loan off (Principal and interest) within a fifteen (15) year term from the first payment due date in substantially equal payments. This monthly payment amount is calculated on the assumption that the current rate will remain in effect for the remaining term.

These Payment Options are only applicable if they are greater than the Minimum Payment.

4. NOTICE OF CHANGES

The Note Holder will deliver or mail to me a notice of any changes in the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

5. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under this Note.

I may make a full Prepayment or partial Prepayments without paying any Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. If I make a partial Prepayment, there will be no changes in the due dates of my monthly payments. My partial Prepayment may reduce the amount of my monthly payments after the first Payment Change Date following my partial Prepayment. However, any reduction due to my partial Prepayment may be offset by an interest rate increase.

6. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me

that exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

7. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charges for Overdue Payments

If the Note Holder has not received the full amount of any Minimum Payment by the end of fifteen (15) calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.000 % of the Minimum Payment. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each Minimum Payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the Minimum Payment by a certain date, the Note Holder may require me to pay immediately the full amount of Principal that has not been paid and all the interest that I owe. The date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. These expenses include, for example, reasonable attorneys' fees.

8. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Unless the Note Holder requires a different method, any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

9. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all the amounts owed under this Note.

10. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

11. SECURED NOTE

In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses that might result if I do not keep the promises that I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of these conditions are described as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond

for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

William P. Wolf ORIGINAL

WILLIAM P. WOLF - Borrower

- Borrower

- Borrower

- Borrower

EXHIBIT B

I certify this to be a true copy.

INSTR # 2008053229
DR BK 14009 PG 0242
RECORDED 05/13/2008 09:39:00 AM
CARL W. BLOCK, COUNTY CLERK
OCEAN COUNTY, NEW JERSEY

Sarah E. Powers
Sarah E. Powers, An Attorney-
at-Law of the State of New Jersey.

2008-0462

ASSIGNMENT OF MORTGAGE

FOR VALUE RECEIVED, the undersigned hereby assigns, transfers and sets over unto: **The Bank of New York, as Trustee for the Holders of Structured Asset Mortgage Investments II Trust 2006-AR8, Mortgage Pass-Through Certificates, Series 2006-AR8**, c/o Countrywide Homes Loans, Inc., 7105 Corporate Drive, PTX-B209, Plano, TX 75024, all of its rights, title and interest in and to a certain mortgage which is dated September 7, 2006 and made by William P. Wolf and Donna J. Raney to Mortgage Electronic Registration Systems, Inc. as nominee for Countrywide Bank, N.A., which mortgage was recorded on September 26, 2006, in the office of the Clerk of Mortgages for the County of Ocean in MORTGAGE BOOK 13344, page 1682&c and covers premises: **2340 Woodland Road, Manchester, New Jersey**, which mortgage secured a certain note/bond in the sum of \$240,000.00.

WITNESS that this assignment is dated March 14, 2008.

Mortgage Electronic Registration Systems,
Inc. as nominee for Countrywide Bank, N.A.

by: *M. Kelly Michie* corp.seal
M. Kelly Michie, 1st Vice President - name
Vice President - title

Duo cash

STATE OF TEXAS

SS

COUNTY OF COLLIN

On MAR 21 2008 before me, the undersigned, a Notary Public in and for the said County and State, personally appeared M. Kelly Michie, 1st Vice President, Vice President to me personally known, who being duly sworn by me, did say that he/she is the Vice President of the Corporation named above which executed the within Assignment of Mortgage, that the seal affixed is the corporate seal; that said instrument was signed and sealed on behalf of the corporation pursuant to its by-laws or a resolution of its Board of Directors and that he/she acknowledged said instrument to be the free act and deed of said Corporation.

Patricia Lucas
Notary Public
Commission Expires

RECORD AND RETURN TO:
POWERS KIRN, LLC
728 Marne Highway
P.O. Box 848
Moorestown, NJ 08057
(856) 802-1000



LEGAL SERVICES OF NEW JERSEY, INC.
Melville D. Miller, Jr., President
100 Metroplex Drive, Suite 402
Edison, NJ 08818-1357
Tel.: (732) 572-9100 Fax: (732) 572-0066
Attorneys for Defendant, William P. Wolf
By: Rebecca Schore

THE BANK OF NEW YORK, as Trustee for the : SUPERIOR COURT OF NEW JERSEY
Holders of Structured Asset Mortgage Investments : CHANCERY DIVISION
II Trust 2006-AR8, Mortgage Pass-Through : OCEAN COUNTY
Certificates, Series 2006-AR8, :
:

Plaintiff, :

vs. :

WILLIAM P. WOLF, his heirs, devisees, and :
personal representatives and his/her, their, or any of :
their successors in right, title and interest, :
MRS. WOLF, wife of William P. Wolf, her heirs, :
devisees, and personal representatives and his/her, :
their, or any of their successors in right, title and :
interest, DONNA J. RANEY, her heirs, devisees, :
and personal representatives and his/her, their, or any :
of their successors in right, title and interest, :
MR. RANEY, husband of Donna J. Raney, his heirs, :
devisees, and personal representatives and his/her, :
their, or any of their successors in right, title :
and interest, STATE OF NEW JERSEY, :

Defendants. :

WILLIAM P. WOLF, :

Plaintiff :

vs. :

FIRST LINCOLN MORTGAGE CORP., :

Defendant :

: DOCKET NO. F-12418-08

: Civil Action

**ANSWER, AFFIRMATIVE
DEFENSES, COUNTERCLAIM
AND THIRD PARTY
COMPLAINT**

Defendant William P. Wolf residing at 2340 Woodland Road, Manchester, Ocean County, New Jersey by way of Answer to the Foreclosure Complaint of The Bank of New York as Trustee for the Holders of Structured Asset Mortgage Investments II Trust 2006-AR8, Mortgage Pass-Through Certificates, Series 2006-AR8 says:

AS TO THE FIRST COUNT

1. Defendant admits subparagraphs 1-a, 1-b, 1-c, and 1-f. Defendant denies 1-d, 1-g, 1-h and 1-I subject to the Defenses, Counterclaims and Third Party Complaint set forth herein.
2. Defendant lacks sufficient knowledge to either admit or deny the allegations and leaves Plaintiff to its proofs.
3. Defendant lacks sufficient knowledge to either admit or deny the allegations and leaves Plaintiff to its proofs.
4. Denied.
5. Admitted.
6. (a) Defendant admits that he executed the Mortgage as an unmarried person and states that he remains unmarried.
 - (b) Requires no Answer as it is not directed at Defendant.
 - (c) Defendant lacks sufficient knowledge to either admit or deny the allegations and leaves Plaintiff to its proofs.
7. Admitted.
8. Denied.
9. Admitted.
10. Requires no Answer as it is not directed at Defendant.
11. Requires no Answer as it is not directed at Defendant.

3. Based on the foregoing, the court lacks subject matter jurisdiction to hear Plaintiff's Complaint for Foreclosure.

WHEREFORE, Defendants demand judgment dismissing the Complaint with prejudice for lack of subject matter jurisdiction and/or failure to state a claim upon which relief may be granted.

SECOND SEPARATE DEFENSE

The Plaintiff's claim is barred for lack of standing and/or privity of contract.

THIRD SEPARATE DEFENSE

The Plaintiff's claim is barred because of the Plaintiff's failure to add indispensable parties.

FOURTH SEPARATE DEFENSE

The Plaintiff's claim is barred because of the doctrine of unclean hands.

FIFTH SEPARATE DEFENSE

The Plaintiff's claim is barred because of the Entire Controversy Doctrine.

SIXTH SEPARATE DEFENSE

The Plaintiff's claim is barred because any alleged loss to the Plaintiff is caused by its own negligence, or the negligence of third parties over which the Defendant has no control.

SEVENTH SEPARATE DEFENSE

The Plaintiff's claim is barred because any alleged loss to the Plaintiff is caused by the fraud of the Plaintiff and/or the fraud of third parties over which the Defendant has no control.

EIGHTH SEPARATE DEFENSE

The contract at issue was procedurally and substantively unconscionable and unenforceable.

COUNTERCLAIM AND THIRD PARTY COMPLAINT

PARTIES

1. Plaintiff William P. Wolf owns and resides in a home located at 2340 Woodland Road, Manchester, Ocean County, New Jersey

2. Defendant First Lincoln Mortgage Corporation is a foreign for profit corporation with a primary business address at 33 Walt Whitman Road, Suite LL2, Huntington Station, New York, and a New Jersey address for service care of Registered Agent Solutions, Inc., 208 West State Street, Trenton, New Jersey 08608.

FIRST COUNT

VIOLATION OF THE NEW JERSEY HOME OWNERSHIP SECURITY ACT

(N.J. HOSA) N.J.S.A. 46:10B-22 *et seq.*

1. Attached as Exhibit "A" is a true copy of a document provided to Mr. Wolf at closing entitled "Settlement Statement."

2. The settlement statement indicates that "First Lincoln Mortgage Corp." received fees for serving as a mortgage broker.

3. The settlement statement shows, among other charges, the following items:

- i. Line 808 Broker Origination Fee to First Lincoln Mortgage Corp. in the amount of \$1,892.00;
- ii. Line 809 Broker Application Fee to First Lincoln Mortgage Corp. in the amount of \$495.00;
- iii. Line 810 Premium paid to First Lincoln Mortgage by lender in the amount of \$6,900.00 paid outside of closing;
- iv. Line 813 Commitment Fee to Countrywide Bank, N.A. in the amount of \$525.00.

4. Mr. Wolf was charged Attorney's Fees of \$550.00.

5. Upon information and belief, no attorney services were provided to Mr. Wolf in connection with the loan.

6. The loan contains a prepayment penalty addendum that states in part:

If within the first THIRTY SIX months after the execution of this Note, I make prepayment(s), the total of which exceeds twenty (20) percent of the original principal amount of this Note, 'I agree to pay a Prepayment Penalty in an amount equal to the payment of six (6) months' advance interest on the amount by which the total of my prepayment(s) during the twelve (12) month period immediately preceding the date of the prepayment exceeds twenty (20) percent of the original Principal amount of this Note. Interest will be calculated using the rate in effect at the time of prepayment.

7. The HOSA definition of "Points and Fees" includes "the maximum prepayment fees and penalties that may be charged or collected under the terms of the loan documents." N.J.S.A. 46:10B-24.

8. Certain charges associated with the loan fail to satisfy 12 C.F.R. § 226.4(c)(7) and/or 12 C.F.R. § 226.4(d)(2) and are therefore properly included in the calculation of points and fees.

(a) Mr. Wolf was charged a recording fee of \$250.00 (Exhibit A, Line 1201).

(b) The actual fee paid to a public official to record the mortgage was less than \$250.00.

(c) Upon information and belief, the fee for recording the release of the prior mortgage was charged and collected by the prior mortgagee in connection with the payoff of the prior loan.

(d) Mr. Wolf was also charged an additional \$75.00 fee for recording a release of mortgage (Exhibit A, Line 1201).

(e) The \$75.00 fee collected for recording the release was not actually paid to a public official for perfecting, releasing or satisfying a security interest.

9. The total points and fees set forth above exceed 4.5% of the total loan amount.

10. Certain points and fees were financed in connection with the loan.

11. Plaintiff did not receive certification from a third-party nonprofit credit counselor that the borrower received counseling on the advisability of the loan transaction.

12. The loan does not contain the notice required by N.J.S.A. 46:10B-26(f).

13. The loan contains payment terms under which the outstanding principal balance will increase at any time over the course of the loan because the regular periodic payments do not cover the amount of interest due.

WHEREFORE Counterclaimant/Third-Party Plaintiff seeks a judgment against Plaintiff and Third-Party Defendant, as follows:

- A. Awarding statutory damages equal to the finance charge agreed to in the home loan agreement plus up to 10% of the amount financed;
- B. Awarding punitive damages;
- C. Awarding Attorney's fees and costs;
- D. Granting such other relief as this Court deems just and equitable.

DESIGNATION OF TRIAL COUNSEL

Pursuant to Rule 4:25-4, Rebecca Schore, Esq. of Legal Services of New Jersey is hereby designated as trial counsel for Defendants/Third Party Plaintiffs in this matter.

DEMAND FOR PRODUCTION OF DOCUMENTS

Defendant hereby requests within five (5) days of the date of this request, a copy of all documents and papers to which Plaintiff refers to in the complaint including but not limited to the Notice of Intent to Foreclose with proof of service, and any and all assignments of the mortgage.

CERTIFICATION PURSUANT TO RULE 4:5-1

The undersigned does hereby certify that the matter in controversy is the subject of no other pending lawsuits, proceedings or arbitrations in existence or currently contemplated of which I am aware.

LEGAL SERVICES OF NEW JERSEY
Attorneys for Defendant William Wolf

Dated: 10/20/09

By: 
Rebecca Schore, Esq.

EXHIBIT A

SETTLEMENT STATEMENT - Optional Form for Transactions without Seller

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HUD IA OMB No. 2502-0491

Express Abstract Services Of New Jersey, LLC 1323 Highway 34 Aberdeen, NJ 07747 Phone 732-696-9700 Fax 732-696-9711	PROPERTY LOCATION: 2340 Woodland Rd Manchester, NJ 08759 Township of Manchester, Ocean County, NJ BLOCK: 60.18 LOT: 6	SETTLEMENT DATE: 09/07/2006 Disbursement Date: 09/12/2006 File Number: EXP06-1109 Settlement Agent: Loan No: 143884876
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NAME AND ADDRESS OF BORROWER: William P Wolf Donna J. Rancey 2340 Woodland Rd Manchester, NJ 08759	NAME AND ADDRESS OF LENDER: Countrywide Bank, N. A. 333 Earl Ovington Blvd. Ste. 101 Uniondale, NY 11553	PLACE OF SETTLEMENT: 1323 Highway 34 Aberdeen, NJ 07747
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SETTLEMENT CHARGES				DISBURSEMENT TO OTHERS
800.	Items Payable In Connection With Loan			1501. Greenpoint Mortgage
801.	Loan Origination Fee%			217,139.77
802.	Loan Discount %			
803.	Appraisal Fee to Island Appraisal Services 300.00 POC			1502. Manchester Tax Col. (3rd qtr. + int)
804.	Credit Report to Platinum Credit Services	8.00		681.45
805.	Lenders Inspection Fee to			
806.	Mtg. Insurance App. Fee to			1503.
807.	Mtg. Broker Fee to			
808.	Broker Origination Fee First Lincoln Mortgage Corp.	1,892.00		
809.	Broker Application Fee First Lincoln Mortgage Corp.	495.00		1504.
810.	Premium paid to First Lincoln Mtg. by lender 6,900.00 POC			
811.	Tax Service Fee Countrywide Tax Service Corp.	80.00		
812.	Flood Check Fee LandSafe Flood Determination, Inc.	26.00		1505.
813.	Commitment Fee Countrywide Bank, N. A.	525.00		
900.	ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			
901.	Interest from 09/12/2006 to 10/01/2006 @ \$ 53.42 /day		1,014.98	1506
902.	Mortgage Insurance Premium for Months			
903.	Hazard Insurance Premium Years Allstate Insurance Co.			
904.	Flood Insurance Premium for Years			1507.
905.				
1000.	RESERVES DEPOSITED WITH LENDER			
1001.	Hazard Insurance Months @ \$ Per month			1508.
1002.	Mortgage Insurance Months @ \$ Per month			
1003.	City property taxes Months @ \$ Per month			
1004.	County property taxes Months @ \$ Per month			1509.
1005.	Annual assessments Months @ \$ Per month			
1006.	Flood Insurance Months @ \$ Per month			
1007.				1510.
1008.				
1100.	TITLE CHARGES			
1101.	Settlement or closing fee Express Abstract Services Of New Jersey, LLC	350.00		1511.
1102.	Abstract or title search			
1103.	Title examination			
1104.	Title insurance binder			1512.
1105.	Document preparation			
1106.	Notary fees			
1107.	Attorney's fees Menicucci & Villa Associates	550.00		1513.
	(Includes above items numbers:)			
1108.	Title insurance Express Abstract Services Of New Jersey, LLC	1,006.00		1514.
	(Includes above items numbers:)			
1109.	Lender's Coverage \$ 264,000.00			
1110.	Owners' Coverage \$ 0.00			
1111.				1515.
1112.				
1113.				
1114.				
1200.	GOVERNMENT RECORDING AND TRANSFER CHARGES			1520. TOTAL DISBURSED
1201.	Recording fees: Deed \$ Mtg. \$ 250.00 Rel. 75.00	325.00		217,821.22
1202.	Notice of Settlement Ocean County	20.00		1600. Loan Amount
1203.				240,000.00
1204.				1601. Plus cash/check from Borrower
1205.				
1206.				1602. Minus Total Settlement Charges (Line 1400)
1300.	ADDITIONAL SETTLEMENT CHARGES			6,291.98
1301.	Survey to			1603. Minus Total Disbursements in (Line 1520)
1302.	Pest inspection to			217,821.22
1303.				
1304.				1604. Equals Disbursement to Borrower (After Expiration of any applicable Rescission period required by law)
1305.				15,886.80
1306.				
1307.				
1400.	TOTAL SETTLEMENT CHARGES (enter on line 1602)	6,291.98		

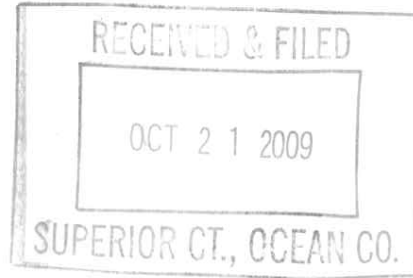
I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Date: 09/07/2006 Borrower: William P Wolf

Settlement Agent: Borrower Donna J. Rancey

Warning: It is a crime to knowingly make false statements to the United States on this or any similar forms. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

LEGAL SERVICES OF NEW JERSEY, INC.
 Melville D. Miller, Jr., President
 100 Metroplex Drive, Suite 402
 Edison, NJ 08818-1357
 Tel.: (732) 572-9100 Fax: (732) 572-0066
 Attorneys for Defendant, William P. Wolf
 By: Rebecca Schore



THE BANK OF NEW YORK, as Trustee for the
 Holders of Structured Asset Mortgage Investments
 II Trust 2006-AR8, Mortgage Pass-Through
 Certificates, Series 2006-AR8,

Plaintiff,

vs.

WILLIAM P. WOLF, his heirs, devisees, and
 personal representatives and his/her, their, or any of
 their successors in right, title and interest,
 MRS. WOLF, wife of William P. Wolf, her heirs,
 devisees, and personal representatives and his/her,
 their, or any of their successors in right, title and
 interest, DONNA J. RANEY, her heirs, devisees,
 and personal representatives and his/her, their, or any
 of their successors in right, title and interest,
 MR. RANEY, husband of Donna J. Raney, his heirs,
 devisees, and personal representatives and his/her,
 their, or any of their successors in right, title
 and interest, STATE OF NEW JERSEY,

Defendants.

: SUPERIOR COURT OF NEW JERSEY
 : CHANCERY DIVISION
 : OCEAN COUNTY

: DOCKET NO. F-12418-08

: Civil Action

: **CERTIFICATION OF SERVICE**

Maria S. Giovene, of full age, hereby certifies as follows:

1. I am employed by Legal Services of New Jersey as an Administrative Assistant.
2. On October 20, 2009, the original and a copy of Notice of Motion to Vacate

Judgment and Permit Answer to be Filed Out of Time were sent to the following by Lawyers

Service:

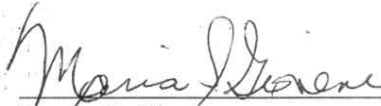
Clerk, Superior Court
Chancery Division, Ocean County
120 Hooper Avenue
Toms River, New Jersey 08754

3. On October 20, 2009, a copy of Notice of Motion to Vacate Judgment and Permit

Answer to be Filed Out of Time w was sent to the following by Lawyers Service:

Powers Kim, LLC
728 Marne Highway, Suite 200
Moorestown, New Jersey 08057
Attn: Sarah Powers/Edward Kim

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.



Maria S. Giovane

Dated: October 20, 2009