



**JO ANNE BERNAL**  
EL PASO COUNTY ATTORNEY  
500 EAST SAN ANTONIO  
ROOM 503, COUNTY COURTHOUSE  
EL PASO, TEXAS 79901

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**For More Information Contact:**  
Elhiu Dominguez  
Public Affairs Officer  
Phone: (915) 546-2016  
Cell: (915) 472-1354  
FAX: (915) 546-2133  
[Elhiu.dominguez@epcounty.com](mailto:Elhiu.dominguez@epcounty.com)

**EL PASO COUNTY SUES BANKS ASSOCIATED WITH  
NATIONAL REAL ESTATE REGISTRY KNOWN AS “MERS”**

**Suit alleges defendants unlawfully avoided payment of millions of dollars  
in recording fees**

El Paso County, along with nine other Texas counties, has filed a lawsuit against national financial institutions associated with Mortgage Electronic Registration Systems, Inc., a corporation commonly known as MERS.

MERS is a “private national electronic registry” created by the defendant banks in order to circumvent recording mortgages in the public land records. The lawsuit alleges that MERS is a fraudulent scheme that misrepresented the need to record mortgage assignments, and that the defendants used MERS to avoid paying millions of dollars in recording fees to the County.

According to El Paso County Attorney Jo Anne Bernal, “Defendants have operated MERS in a manner designed to unlawfully transfer interests in mortgages while avoiding payment of recording fees to counties. As part of the MERS scheme, the defendants have misled investors and the general public regarding the need for properly recording mortgage conveyances.”

According to the counties, they will not know the full extent of their damages until the defendants reveal how many transactions they failed to record with each county. However, the damages to El Paso County are estimated to be in the millions of dollars.

The lawsuit, filed last week in a federal district court in Austin, Texas, will be litigated on behalf of the plaintiffs by the law firms of Ted B. Lyon & Associates and Blume, Faulkner, Skeen & Northam, PLLC.

Other Texas counties that have joined the litigation are Cass County, Hidalgo County, Kaufman County, Navarro County, Panola County, Rusk County, Smith County, Starr County and Webb County.

The defendants are: The Bank Of New York Mellon; Bank of America Corporation; Chase Home Mortgage Corporation of the Southeast; Citimortgage, Inc.; HSBC Finance Corporation; Merrill Lynch Credit Corporation; Nationwide Advantage Mortgage Company; Suntrust Mortgage, Inc.; United Guaranty Corporation; Washington Mutual Bank; Wells Fargo Bank, N.A.; Deutsche Bank, A.G.; U.S. Bank, N.A.; J.P. Morgan Chase Bank, N.A.; HSBC Bank USA, N.A.; and La Salle Bank, N.A.

No court hearings have been set on the case yet.

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