

## [GEORGIA FEDERAL AND STATE COURTS RULE IN MERS' FAVOR](#)

Reston, Virginia – June 24, 2015 – (RealEstateRama) — MERSCORP Holdings, Inc. today announced that the United States District Court for the Northern District of Georgia dismissed *Dean v. Mortgage Elec. Registration Sys.*, while the Superior Court of Fulton County granted MERS' Motion for Summary Judgment in *Johnson v. Mortgage Elec. Registration Sys., Inc.*

First, in [pdf Dean v. Mortgage Elec. Registration Sys. \(80 KB\)](#), the plaintiffs filed a quiet title suit against MERS and other defendants. But, as the Court points out, the plaintiffs admit that they executed a security deed in favor of MERS, who held record title and later assigned its interest, so the Plaintiff cannot bring a quiet title claim because they do not hold record title. In his decision, Judge Mark H. Cohen of the United States District Court for the Atlanta Division of the Northern District of Georgia, found that MERS and its assignee had a valid interest in the security deed and determined that, “... on the basis of the facts alleged, Plaintiffs' Complaint is frivolous and fails to state a claim on which relief can be granted.”

Also, in [pdf Johnson v. Mortgage Elec. Registration Sys. Inc. \(3.44 MB\)](#), the plaintiff alleged the MERS Security Deed was unenforceable and MERS Assignment to GMAC was invalid because they contained an erroneous legal description of the property. In his opinion, Judge John J. Goger with the Fulton County Superior Court held, “... the Security Deed Plaintiff executed in favor of MERS and that was subsequently transferred to GMAC is valid and binding ...” The court reasoned that the error in the legal description had no effect on the validity of security deed because it was merely a typographical error, and MERS and its assignee therefore had authority under the security deed to enforce its terms.

Both decisions cited a 2013 Georgia Court of Appeals decision, [pdf Montgomery v. Bank of America \(72 KB\)](#), which affirmed that MERS, as the grantee named in the security deed, has an interest in and the authority to assign the security deed.

“We are pleased to see the validity of MERS' role as grantee under the security deed is becoming well established in Georgia law and that claims to the contrary are being rejected as frivolous,” said MERSCORP Holdings Director, Corporate Communications, Sandra Troutman. “Courts in Georgia

and across the country are consistently holding that MERS has a valid interest in security instruments and the authority to assign that interest.”

For descriptions of cases and other materials pertaining to MERS’ business model and role in U.S. housing, please visit [www.mersinc.org](http://www.mersinc.org).

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MERSCORP Holdings, Inc. is a privately held corporation that owns and manages the MERS® System and all other MERS® products. It is a member-based organization made up of thousands of lenders, servicers, sub-servicers, investors and government institutions. Mortgage Electronic Registration Systems, Inc. (MERS) serves as the mortgagee in the land records for loans registered on the MERS® System, and is a nominee (or agent) for the owner of the promissory note. The MERS® System is a national electronic database that tracks changes in mortgage servicing and beneficial ownership interests in residential mortgage loans on behalf of its members.

- See more at: <http://georgia.realestaterama.com/2015/06/24/georgia-federal-and-state-courts-rule-in-mers%E2%80%99-favor-ID0667.html#sthash.68gb2jxK.dpuf>