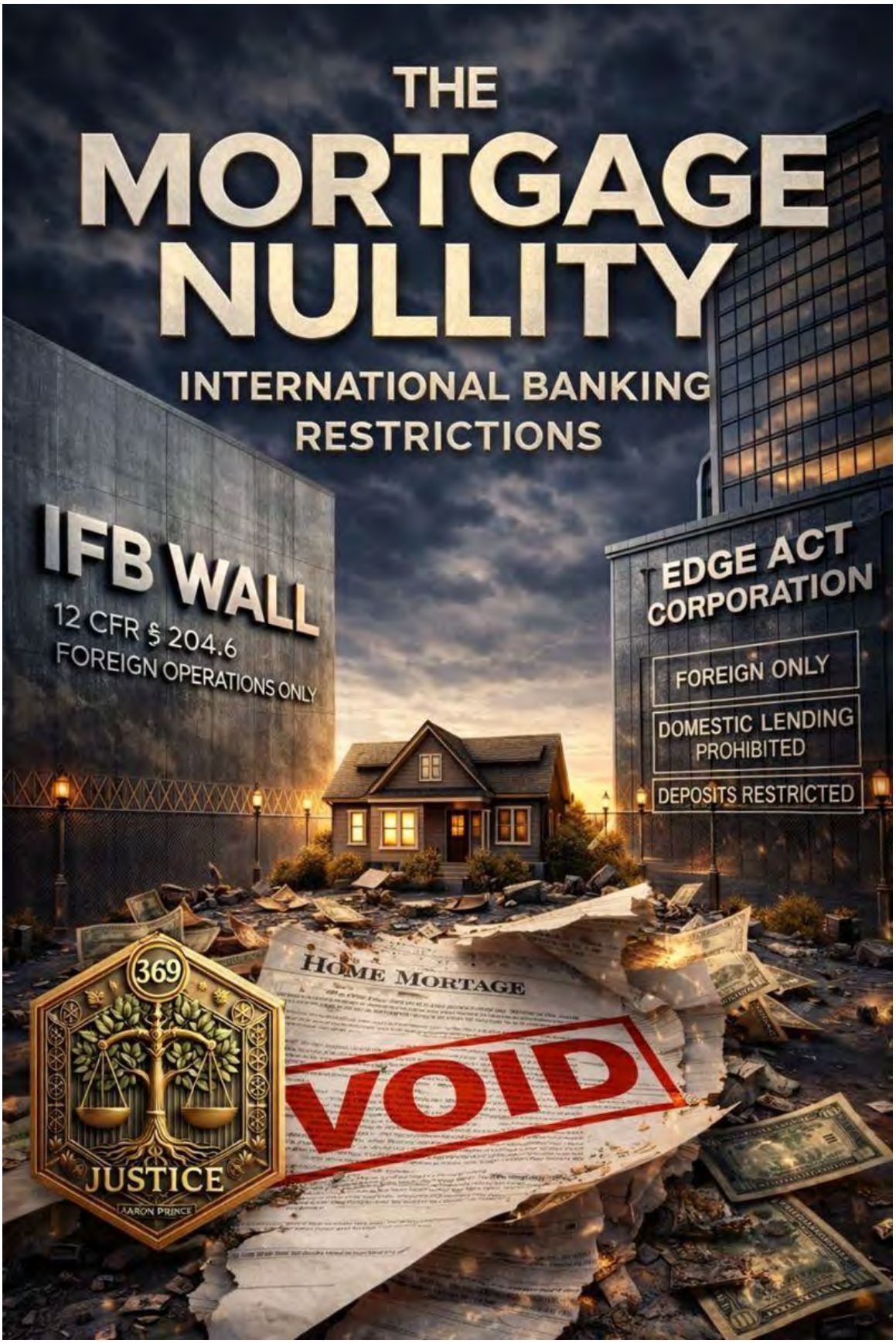
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MORTGAGE
NULLITY
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12 CFR § 204.6
FOREIGN OPERATIONS ONLY
EDGE ACT
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FOREIGN ONLY
DOMESTIC LENDING
PROHIBITED
DEPOSITS RESTRICTED
HOME MORTAGE
VOID
369
JUSTICE
AARON PRINCE

Brief Regarding Void Contracts, Jurisdictional Defects, And the Limits of Federal Banking Authority

I. Introduction

This brief addresses the fundamental legal defects that render the alleged mortgage contract and associated enforcement actions **void ab initio** under binding Supreme Court precedent, statutory limitations enacted by Congress, and restrictions imposed on national banking associations and loan servicers under Title 12 U.S.C., Title 18 U.S.C., and relevant sections of the Federal Reserve Act. Federal law establishes that the validity of a contract cannot exist apart from its lawful remedy, and where Congress has withheld enforcement authority, the contract is void *ipso facto* as stated in *Von Hoffman v. City of Quincy*, 71 U.S. 535 (1866). Likewise, Congress has never enacted any provision in Title 12 that compels any American citizen to make a deposit, payment, or tender in furtherance of a presumptive banking contract, nor has Congress granted national banks the constitutional authority to establish domestic real-property lending systems operating within the several states. Because jurisdictional authority cannot be presumed, cannot be conferred by private contract, and cannot be exercised contrary to statutory limitations, all actions taken in derogation of those statutes constitute **structural defects**, **extrinsic fraud**, and **fatal jurisdictional defects** that void any judgment or enforcement action.

II. Contracts Void for Lack of Remedy, Authority, And Enforcement Mechanism

The enforceability of any alleged mortgage obligation depends upon statutory authorization for both the existence of the contract and the remedy for its enforcement. The Supreme Court's holding in *Von Hoffman v. City of Quincy*, 71 U.S. 535 (1866), establishes that the "means of enforcement" is an essential component of the obligation itself, and without a statutory remedy the purported contract "may be said not to exist." Nowhere in Title 12 has Congress imposed upon citizens any duty to validate, perform, or cure alleged mortgage obligations through deposits or payments, nor has Congress provided any mechanism permitting national banking associations, bank holding companies, or their servicers to enforce such obligations in state courts. These absences are not merely procedural gaps—they constitute a structural and jurisdictional void because Congress lacks constitutional authority to create a domestic banking system for the several states, and any contract dependent on such unauthorized powers is void *ipso facto*.

Congress identified the necessity of statutory enforcement mechanisms in the Act of March 3, 1791, 1 Stat. 199, which reflects the constitutional requirement that federal obligations possess a lawful remedy codified at (28 U.S.C. § 1651). The Statutes at Large for the National Bank Act of

1864, 13 Stat. 99, contain no provision granting national banks authority to enforce domestic real-property obligations through state tribunals, nor do they impose any obligation on citizens to validate private banking contracts through deposits. In *Von Hoffman v. City of Quincy*, 71 U.S. 535 (1866), the Court held that contracts lacking a remedy "may be said not to exist," and in *Ex parte Virginia*, 100 U.S. 339 (1879), the Court confirmed that acts taken without jurisdictional authority are void. Because no Act of Congress provides a remedy or enforcement authority for domestic mortgage obligations asserted by international or federally restricted banking entities, the alleged contract is void *ipso facto* under federal law.

III. Limits on Federal Jurisdiction Over Banking Disputes

Federal jurisdiction over banking disputes is tightly restricted by statute, and Wells Fargo's representation to the Supreme Court acknowledges that **12 U.S.C. § 632** applies only to suits "arising out of transactions involving international or foreign banking." Congress expressly confined jurisdiction under this statute to disputes involving foreign governments, foreign persons, foreign financial instruments, or foreign banking operations; it did not authorize domestic mortgage enforcement, foreclosure proceedings, promissory-note disputes, or residential real-property claims. National banks, Edge Act corporations, Agreement Corporations, and loan servicers are restricted by Congress to international or foreign banking activity and cannot invoke § 632 to litigate domestic contractual disputes in state or federal courts. Therefore, any attempt to assert jurisdiction under this statute in a domestic foreclosure or mortgage enforcement action is a structural and jurisdictional defect, rendering the proceeding void *ipso facto* because the forum lacks statutory authority to hear the matter.

Congress enacted the Federal Reserve Act of 1913, 38 Stat. 251, which confines the jurisdiction granted under its provisions to international or foreign banking transactions codified in (12 U.S.C. § 632). The Statutes at Large reflect that Congress never extended this jurisdiction to domestic mortgage obligations, promissory notes, or real-property disputes, nor did it authorize private law firms or loan servicers to invoke federal sovereignty in such matters. In *Ex parte Virginia*, 100 U.S. 339 (1879), the Supreme Court held that any action taken without statutory authority is void, and in *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83 (1998), the Court reaffirmed that a tribunal cannot proceed without express jurisdiction granted by Congress. Because no Act of Congress provides jurisdiction for domestic mortgage litigation under § 632, any attempt to invoke this statute is a fatal jurisdictional defect that renders the action void.

IV. Loan Servicers, Mortgagees, And the Absence of Any Authority to Lend Money or Accept Deposits

Federal banking law expressly limits the activities of loan servicers, mortgagees, and loan-production offices, creating a structural defect in any claim that such entities funded, originated, or enforced a domestic mortgage obligation. Under **12 C.F.R. § 7.1004**, loan production offices are prohibited from lending money, accepting deposits, or engaging in any banking activities within the meaning of **12 U.S.C. §§ 36 and 81**, demonstrating that these entities do not possess creditor status and cannot lawfully originate or consummate a loan. Representations by servicers that they "hold the note," "funded the loan," or "accepted payments" are legally impossible under federal statute because such institutions lack statutory authority to lend or receive money in any form. Further, **18 U.S.C. § 891** defines obligations arising from transactions in which no money was actually lent as unenforceable, making any attempt to enforce such purported obligations void as a matter of federal law due to the absence of lawful consideration, capacity, and statutory authority.

Congress enacted the National Bank Act of 1864, 13 Stat. 99, which grants national banks limited authority that does not include lending through loan production offices or accepting deposits outside statutory locations codified at (12 U.S.C. § 36). The Banking Act of 1933, 48 Stat. 162, likewise provides no authority for servicers or non-depository entities to lend money or hold themselves out as creditors under federal law codified in (12 U.S.C. § 81). In *Ex parte Virginia*, 100 U.S. 339 (1879), the Supreme Court held that any act taken without statutory authority is void, and in *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83 (1998), the Court confirmed that jurisdiction cannot exist where Congress has withheld capacity to act. Because no Act of Congress authorizes servicers or loan-production offices to lend money, accept deposits, or enforce obligations arising from such prohibited activities, any alleged mortgage obligation is void *ipso facto*.

V. National Banks and The Prohibition Against Mortgages for Future Advances

The National Bank Act strictly limits the types of security interests national banks may lawfully take, and courts applying the Act have long recognized that mortgages securing future advances fall outside those statutory limits. In *Crocker v. Whitney*, 71 N.Y. 161 (1877), the court held that Congress intended national banks to accept mortgages only as **payment** for preexisting corporate debts—not as instruments through which banks could issue credit or treat real property as collateral for new or future loans. Because Congress never delegated authority permitting national banks to create mortgage-based lending structures or to use mortgages as lending instruments, any attempt to characterize a mortgage as evidence of a debt, a loan, or a credit extension exceeds statutory authority. Accordingly, when a national bank frames a mortgage as a loan or attempts enforcement on the theory that the mortgage secures a lending obligation, the resulting transaction is void *ipso facto*, because it violates the limitations imposed by Congress under the National Bank Act and the Federal Reserve Act.

Congress enacted the National Bank Act of 1864, 13 Stat. 99, which did not authorize national banks to take mortgages as security for future advances, and this limitation is reflected in the Act's codification at (12 U.S.C. § 24). The Federal Reserve Act of 1913, 38 Stat. 251, likewise contains no provision permitting national banks to extend credit secured by domestic real property, maintaining the statutory restriction that mortgages may serve only as payment for existing obligations. In *Ex parte Virginia*, 100 U.S. 339 (1879), the Supreme Court held that acts performed without statutory authority are void, and in *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83 (1998), the Court confirmed that jurisdiction cannot be exercised without a lawful grant of authority from Congress. Because no Act of Congress authorizes national banks to enforce mortgages securing future advances, any such instrument is void *ipso facto*.

VI. Edge Act Corporations, Agreement Corporations, And Foreign Banking Restrictions

Edge Act Corporations and Agreement Corporations—such as U.S. Bank, Citibank, Chase Bank, and Bank of America—operate pursuant to strict statutory limitations under **12 U.S.C. §§ 611–631**, which authorize such institutions to conduct *international* or *foreign* banking activities exclusively. Under **12 C.F.R. § 211.6**, these entities may receive deposits only from foreign governments or foreign persons, and may extend credit solely to facilitate operations conducted outside the territorial United States, reflecting Congress's deliberate segregation of international banking from domestic real-property commerce. Nothing in the Edge Act, the Federal Reserve Act, or Title 12 empowers these corporations to originate, purchase, securitize, hold, or enforce obligations relating to residential real estate located within the several states. Therefore, any claim by an Edge or Agreement Corporation asserting creditor status, enforcement authority, or real-property interests within the United States exceeds statutory limits and is void *ipso facto* as an act performed without lawful delegation.

Congress enacted the Edge Act of 1919, 40 Stat. 516, authorizing corporations organized under its provisions to engage only in international banking and foreign financial operations codified at (12 U.S.C. § 611). The Act's Statutes at Large contain no language granting authority to conduct domestic lending, originate mortgages, or enforce obligations tied to residential property within the several states. In *Ex parte Virginia*, 100 U.S. 339 (1879), the Supreme Court held that actions taken without statutory authority are void, and in *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83 (1998), the Court confirmed that jurisdiction cannot exist absent an express congressional grant. Because no Act of Congress authorizes Edge Act or Agreement Corporations to assert claims against domestic real property, any such attempt is void *ipso facto*.

VII. Fraud, Due Process, And the Void Judgment Doctrine

Fraud affecting judicial proceedings is divided into two categories in federal jurisprudence—**intrinsic fraud**, occurring within the adversarial process, and **extrinsic fraud**, which prevents a party from participating in the process at all. Congress has long recognized this distinction, codifying penalties for fraud upon the United States in the Crimes Act of 1790 (1 Stat. 112) and in modern form at (18 U.S.C. § 1001), as well as rights of redress under the Enforcement Act of 1871 (17 Stat. 13) encoded at (42 U.S.C. § 1983) when fraud is used under color of law to deprive a citizen of due process. The Supreme Court in *Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U.S. 238 (1944), held that fraud which corrupts the judicial process is not merely error but an attack on the integrity of the federal system itself, empowering courts to vacate judgments obtained through deception regardless of the passage of time. Likewise, in *United States v. Throckmorton*, 98 U.S. 61 (1878), the Court explained that **extrinsic fraud**—fraud preventing a fair hearing—renders a judgment **void**, not voidable, because it strips the judicial act of jurisdictional legitimacy.

Procedural fraud—such as falsified notices, false affidavits of service, fabricated assignments, or misrepresentations regarding standing—constitutes a procedural defect, but becomes a structural defect when it obstructs access to the tribunal or prevents meaningful opportunity to be heard. Where a party never receives lawful notice under statutes such as the Judiciary Act of 1789 (1 Stat. 73), or is misled regarding the identity of the real party in interest, the resulting judgment is constitutionally defective and wholly invalid under the Due Process Clause. The Supreme Court reaffirmed in *Mullane v. Central Hanover Bank*, 339 U.S. 306 (1950), that notice is the "minimum constitutional precondition" for any judgment binding a property owner, and absence of proper notice voids the judgment *ipso facto*. When servicers, Edge Act corporations, or agreement corporations represented as lenders were never legally authorized under Title 12 to lend money, accept deposits, or enforce domestic property contracts, representations of standing constitute extrinsic fraud because they deprive the defendant of the ability to challenge the tribunal's jurisdiction.

Additionally, foreclosure actions initiated by parties forbidden under federal statute from operating within the several states—including those restricted by **12 U.S.C. §§ 611–631**, **12 C.F.R. § 211.6**, or loan production offices prohibited from lending or accepting deposits under **12 C.F.R. § 7.1004**—constitute misrepresentations that exceed statutory authority and therefore render the proceedings void. Congress, through these statutes and restrictions, has expressly withheld enforcement authority from foreign and quasi-foreign banking corporations with respect to domestic real property, making any attempt to prosecute foreclosure or debt enforcement an act undertaken without lawful jurisdiction. Because jurisdiction cannot be conferred by consent, contract, or appearance, the use of misleading documents or incorrect statutory presumptions constitutes structural fraud undermining the tribunal's constitutional competency. Such actions are void under *Ex parte Virginia*, 100 U.S. 339 (1879), which held that actions taken without jurisdiction "are nullities," and under *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83 (1998), which confirmed that a court without statutory authority "cannot proceed at all."

Extrinsic fraud is also implicated when a party's private residential property is falsely represented as a "security," "mortgage-backed instrument," or asset of a foreign trust or nebulous investment vehicle, particularly when the Government National Mortgage Association (GNMA) or other entities appear as alleged "real parties in interest" without statutory authority. Fraudulent classification of real property as a security triggers the penal provisions of (18 U.S.C. § 1005) and violates restrictions under 12 C.F.R. Part 380 governing the definition of "financial activities that are usual in connection with banking… abroad," demonstrating that such claims fall outside the scope of domestic banking authority. When parties misrepresent domestic property as part of a foreign or federally regulated securities transaction, they not only exceed statutory banking restrictions but also commit extrinsic fraud by obstructing the defendant's ability to challenge jurisdiction, ownership, and the validity of the alleged debt. Under constitutional doctrine and Supreme Court authority, such fraud renders any judgment **void ab initio**, not merely voidable, because the tribunal lacked lawful authority over the subject matter from the outset.

VIII. Misapplication of The Real Estate Settlement Procedures Act (Respa) And Federal Limits on Real Estate Authority

Congress enacted the Real Estate Settlement Procedures Act of 1974 (RESPA), Public Law 93-533, to address settlement-process abuses, but nothing in the Act authorizes the federal government, national banking associations, Edge Act corporations, or agreement corporations to enforce residential real-property contracts within the several states. The Supreme Court, in *United States v. Stadium Apartments, Inc.*, 425 F.2d 358 (9th Cir. 1970), citing Supreme Court authority, held that "the federal government is not in the real estate business," reaffirming that neither Article I powers nor delegations to federal banking agencies permit intrusion into domestic land title or foreclosure matters. Congress's authority under the Federal Reserve Act, the Home Owners' Loan Act, and the various Banking Acts pertains only to enumerated international, foreign, or interstate financial activities; it has no constitutional power to transform private residential property into federally regulated securities or enforceable banking instruments. Because Congress expressly restricted federal real-estate involvement to circumstances outside the United States, RESPA does not and cannot supply jurisdictional authority for domestic foreclosure actions, securitization constructs, or private enforcement claims asserted by bank holding companies or servicers.

RESPA's legislative findings in §2(a) expressly limit its reach to improving consumer disclosures—not conferring enforcement authority or validating private contracts arising from purported mortgage transactions. The Act contains no provisions granting national banks, loan servicers, GNMA-related trusts, or securitization entities any right to litigate residential property interests in state courts or federal courts, nor does it authorize any federal agency to adjudicate debt obligations arising from such property. This silence is constitutionally significant: where Congress has not spoken, no federal authority exists, and where Congress is forbidden to act—as in the case

of domestic real estate—no private entity may claim derivative authority under federal statute. Any attempt to use RESPA as an enforcement mechanism thus constitutes a structural defect, because the statute itself provides no remedy capable of sustaining jurisdiction under *Von Hoffman v. City of Quincy*, 71 U.S. 535 (1866), which held that remedies must be statutorily granted or the contract is deemed not to exist.

Further, because RESPA neither validates loan contracts nor supplies a statutory enforcement remedy, it cannot cure defects arising from the underlying transaction—such as the absence of lawful consideration, lack of statutory authority to lend, or the involvement of institutions legally prohibited from operating within the United States under **12 U.S.C. §§ 611–631** and **12 C.F.R. § 211.6**. The Supreme Court in *Youngstown Sheet & Tube Co. v. Sawyer*, 343 U.S. 579 (1952), reaffirmed that federal power must derive from Congress or the Constitution, and absent such authority, federal actors—and certainly private banks—cannot lawfully seize or regulate private property. Therefore, when banks or servicers invoke RESPA in foreclosure actions or contractual disputes, they do so without any statutory basis, converting the action into extrinsic fraud by misrepresenting the existence of federal authority where none exists. Under *Hazel-Atlas* and *Throckmorton*, such misrepresentations void any resulting judgment because they prevent the defendant from understanding the true jurisdictional basis of the proceeding.

Finally, reliance on RESPA by parties lacking statutory authority creates a fatal defect, because jurisdiction cannot be created by implication or by misinterpretation of a consumer-disclosure statute. Congress has repeatedly confined federal banking entities to international or foreign operations, and has never enacted legislation authorizing national banks or their servicers to enforce domestic real-property interests as debts. Because RESPA provides only disclosure duties and no enforcement rights, attempts to treat it as validating mortgage contracts exceed statutory authority and collapse under the constitutional principle that federal statutes must be interpreted according to the powers actually granted. As such, foreclosure actions or enforcement efforts premised on RESPA or related banking statutes, where the actor lacks statutory authority, are **void ab initio** and constitutionally unenforceable.

IX. UCC Inapplicability Within the States

The Uniform Commercial Code (UCC) is widely misunderstood in foreclosure and banking litigation, particularly where national banks, Edge Act corporations, agreement corporations, and international banking facilities (IBFs) are involved. Although the UCC references the term "bank," federal law—specifically Federal Reserve Board regulations—defines "bank" in this context as a **depository institution**, **foreign bank**, **Edge corporation**, or **agreement corporation**, each of which is restricted to *international* banking activities and prohibited from domestic banking operations within the several states. Because UCC Article 4 and Article 4A operate only where the defined term "bank" applies, and because federal regulation explicitly excludes domestic

operations by such institutions, the UCC cannot lawfully govern residential mortgage transactions or alleged domestic extensions of credit purportedly issued by these entities. The legal inapplicability of the UCC within the states is therefore a structural and jurisdictional defect, not a matter of contract interpretation.

A. Federal Regulations Establish That "Banks" Under the UCC Are International Banking Facilities, Not Domestic Lenders

Federal Reserve Board commentary at **12 CFR Part 229, Appendix E** makes clear that the UCC's use of the term **"bank"** conforms to the federal definition applicable to international banking. The regulation expressly states that, for the purposes of Subpart B, the term **does not include** corporations organized under section 25A of the Federal Reserve Act (Edge corporations) or corporations operating under agreements pursuant to section 25 (agreement corporations). These institutions are strictly limited to receiving deposits from foreign governments or foreign persons, financing operations abroad, and engaging in international wire transfers and document collection; they have no statutory authority to lend money or enforce domestic real estate contracts. Because these entities are the only ones that fit the UCC definition of "bank," the UCC has no applicability to alleged domestic mortgage transactions.

B. The Federal Reserve's International Banking Facility Rules Exclude Domestic Real Estate and Consumer Transactions

Under **12 CFR § 204.8**, International Banking Facilities may maintain accounts and extend credit only to foreign branches, foreign banks, foreign governments, or offices located outside the United States. IBF time deposits and extensions of credit explicitly require that the funds support operations outside the United States. The Federal Reserve Board further states as policy that IBF deposits and credit may **not** be used to support domestic operations within the several states. Therefore, any purported extension of credit for residential real estate originated through entities subject to these regulations is necessarily outside statutory authority, rendering such transactions void and removing them from any possible UCC governance.

C. UCC § 4-103 Confirms That Federal Reserve Regulations Override the UCC

UCC § 4-103 provides that:

"Federal Reserve regulations and operating circulars, clearing-house rules, and the like have the effect of agreements…"

This means the UCC explicitly yields to Federal Reserve regulations. Where federal law limits the authority of banking institutions to international transactions, the UCC cannot expand those powers. Thus, because national banking associations and auxiliary entities are federally restricted

from domestic lending, servicing, and deposit-taking, the UCC is legally inapplicable to residential mortgages or foreclosure actions within the United States.

D. The UCC Cannot Validate Contracts Where Congress Has Provided No Authority

A contract that cannot be legally performed cannot be enforced. The Supreme Court made this clear in *Von Hoffman v. City of Quincy*, 71 U.S. 535 (1866), holding that a contract without a statutory remedy "may be said not to exist." Congress has enacted no statute compelling citizens to validate or perform banking contracts through deposits, nor has it authorized domestic real estate lending by institutions confined by statute to foreign operations. Therefore, the UCC cannot validate a transaction that federal law forbids and that Congress lacks constitutional authority to regulate within the states.

E. The Resulting Defect Is Both Structural and Fatal

Because the UCC does not apply to domestic real estate, and because the entities involved in alleged mortgage transactions are federally barred from engaging in domestic banking, the entire transaction is jurisdictionally defective. Structural defects—defects that undermine the authority of the adjudicating body—cannot be waived and render any resulting judgment void. Likewise, where the party initiating foreclosure lacked statutory authority to originate, service, hold, or enforce the alleged obligation, the defect is **fatal**, rendering enforcement impossible as a matter of law. No state or federal court may enforce a contract that is void *ipso facto* under federal statute.

X. International Banking Facility Restrictions

International Banking Facilities (IBFs) were created under Federal Reserve regulations implementing Section 19 of the Federal Reserve Act, codified at **12 U.S.C. § 461**, and defined in detail at **12 C.F.R. § 204.8**. Congress permitted IBFs to exist solely for the purpose of facilitating *international* banking by allowing foreign governments, foreign financial institutions, and foreign offices of U.S. banks to conduct time deposits and credit transactions isolated from domestic banking activities. Under 12 C.F.R. § 204.8(a)(1), an IBF is segregated on the books of the institution and is permitted to maintain only IBF-eligible time deposits and IBF-eligible extensions of credit, each of which must be tied to the operations of a foreign office or foreign person. As a result, IBFs are categorically prohibited from engaging in any domestic lending, accepting deposits from U.S. residents, or supporting any credit transaction related to domestic real estate, consumer financial activity, or internal economic activity within the several states.

A. IBF Deposits and Extensions of Credit Are Restricted Exclusively to Foreign Entities

Under **12 C.F.R. § 204.8(a)(2)(ii)(B)**, IBF time deposits must be issued exclusively to:

1. Any office outside the United States of a depository institution or Edge/Agreement corporation;
2. Any office outside the United States of a foreign bank;
3. Any "foreign person," as defined by Federal Reserve regulation.

Similarly, **12 C.F.R. § 204.8(a)(3)(vi)** mandates that IBF extensions of credit may be used only to finance operations *outside* the United States. These regulations not only restrict who may transact with IBFs, but also restrict *how* the funds may lawfully be used, making it impossible for any IBF-regulated institution to originate, purchase, service, securitize, or enforce a domestic mortgage or a residential-property obligation within the United States. Any representation by a bank or loan servicer that an IBF-regulated entity is party to a domestic "loan" is factually and legally impossible.

B. Federal Reserve Policy Explicitly Prohibits IBFs From Supporting Domestic Operations

Federal Reserve Board policy accompanying § 204.8 makes clear that:

"Deposits received by international banking facilities may be used only to support the depositor's operations outside the United States... and extensions of credit by IBFs may be used only to finance operations outside of the United States."

This policy is not interpretive—it is binding. It means that even if an IBF-regulated institution wished to participate in a domestic mortgage, or even if a borrower wished to treat a mortgage as an IBF-eligible obligation, federal law prohibits this categorically. Because statutory authority defines jurisdictional limits, an IBF-related claim involving domestic property is void *ipso facto* under the Supreme Court's doctrine in *Ex parte Virginia*, 100 U.S. 339 (1879), which holds that actions taken without statutory authority are legal nullities. The Supreme Court's decision in *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83 (1998), further confirms that courts cannot exercise jurisdiction where Congress has withheld authority, rendering any IBF-based domestic enforcement action constitutionally invalid.

C. IBFs Cannot Be "Banks" for Purposes of Domestic UCC or Mortgage Law

Because IBFs operate exclusively under the Federal Reserve Act and Regulation D, they do *not* qualify as "banks" for purposes of domestic mortgage law, foreclosure litigation, or Uniform Commercial Code enforcement. Appendix E to **12 C.F.R. Part 229** distinguishes between domestic "banks" and international banking entities, expressly excluding Edge Act and Agreement corporations—both of which operate IBFs—from the definition of "bank" for domestic purposes. As such, any attempt to apply UCC Articles 3, 4, or 9 to alleged mortgage notes, assignments, or

servicing rights involving IBF-regulated institutions is a category error. This renders any enforcement action relying on UCC authority structurally defective and incapable of conferring jurisdiction.

D. IBF Restrictions Demonstrate That Domestic Mortgage Transactions Are Outside Federal Banking Authority

Congress never authorized national banking associations, Edge Act corporations, or IBFs to operate mortgage businesses within the United States, nor did Congress grant authority to enforce real property obligations in state courts or federal courts. When an institution whose authority is restricted to international operations attempts to enforce a domestic obligation, it necessarily acts outside the scope of congressional delegation. Because jurisdiction cannot arise from acts that violate federal statute, domestic mortgage enforcement actions brought by IBF-regulated institutions constitute **fatal jurisdictional defects**, and any resulting judgment is void, not voidable. Under *Youngstown Sheet & Tube Co. v. Sawyer*, 343 U.S. 579 (1952), no federal or private actor can acquire authority not granted by Congress or the Constitution, and the judiciary may not ratify acts taken without statutory capacity.

E. The IBF Framework Confirms That the Alleged Mortgage Transaction Could Not Have Been Legally Funded, Originated, or Serviced

If a purported "lender," "trust," "servicer," or "holder" involved in the transaction operates under the Edge Act, Agreement Corporation authority, or IBF jurisdictional limits, then the institution is legally incapable of:

- receiving deposits from a U.S. resident;
- issuing credit for domestic operations;
- funding a residential mortgage;
- holding a mortgage-related asset;
- securitizing domestic real property; or
- enforcing a domestic debt as a creditor.

Because the claimed transaction falls outside every permissible activity authorized by Congress and the Federal Reserve, the alleged obligation is void and no enforcement action may stand.

XI. Securities Law Misclassifications and FDIC Rules

The misclassification of residential real property and alleged mortgage instruments as "securities" constitutes a profound legal and regulatory defect, because securities law applies only where

Congress has expressly delegated authority under the Securities Act of 1933, the Exchange Act of 1934, and their implementing regulations. Residential real estate located within the several states is not a "security," nor does any provision of Title 15 or Title 12 convert a private home or a presumptive mortgage into a federally regulated investment instrument. FDIC rulemaking—particularly **12 CFR Part 380**—defines activities "predominantly engaged in banking or financial operations abroad," confirming that security-related activities must involve foreign financial operations, foreign persons, or foreign contracts. Because a private residence is neither foreign property nor an investment instrument within the meaning of federal regulations, any claim that a home is a "security" in a mortgage-backed trust is a classification error that renders the asserted enforcement rights void.

A. FDIC Rules Confirm That Securities Activities Are Limited to Foreign or International Banking Operations

FDIC's Final Rule at **78 Fed. Reg. 34726 (June 10, 2013)** explains that financial activities considered "usual in connection with banking" include those tasks performed abroad or related to international transactions. These include underwriting, dealing in mortgage-related securities, issuing GNMA-backed instruments, and providing services to foreign governments or foreign financial institutions—not enforcing domestic mortgage obligations on private citizens. Page 7 of the Federal Reserve's BHC Manual (3000.0.3 Appendix 2) lists permissible activities such as "servicing loans," "asset management," and "collection services," but only in relation to bank-to-bank or foreign-credit operations. Thus, when a bank or servicer claims enforcement rights over domestic residential property by labeling it a "security," it violates federal definitions that limit such activities to international contexts.

B. GNMA, Mortgage-Backed Securities, and the Illusion of Standing

Entities claiming to act on behalf of the Government National Mortgage Association (GNMA) often assert that a domestic mortgage has been securitized and is therefore enforceable under federal securities law. However, **GNMA does not own mortgages**, does not engage in lending, and does not act as a creditor; it guarantees only *qualified mortgage-backed securities* issued by approved entities under strict federal conditions. Those securities, under 12 CFR § 211.6 and the Federal Reserve's foreign banking restrictions, must relate to international financial operations—not domestic real estate owned by private U.S. citizens. Accordingly, any claim that GNMA (or a GNMA-backed trust) is the "real party in interest" in a domestic foreclosure is both factually incorrect and legally forbidden under federal banking and securities law.

C. Misclassification of Domestic Mortgages as Securities Creates Structural and Fatal Defects

When a domestic mortgage is falsely designated as a "security," the party asserting enforcement misrepresents the nature of the contract and its governing law. Because securities are regulated under Titles 12 and 15 only where Congress has spoken, and because Congress has withheld authority to treat domestic real property as a federal investment instrument, the misclassification constitutes **extrinsic fraud**—a deception that prevents the homeowner from understanding the true basis of the claim. Furthermore, because an entity lacking statutory authority cannot enforce a contract, the resulting defect is **structural**, depriving the tribunal of jurisdiction, and **fatal**, rendering the alleged obligation void *ab initio*. Under *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83 (1998), a court cannot proceed without statutory jurisdiction, and misclassification of property as a security cannot manufacture such jurisdiction.

D. Criminal Liability Arises When Banks Misrepresent Securities Status to Enforce Void Contracts

Under **18 U.S.C. § 1005** (Bank Fraud), the making of false entries or reports with the intent to deceive regulators, investors, or the public concerning financial instruments is a federal felony. When banks or servicers falsely represent that a domestic home is a "security" within a GNMA, REMIC, or mortgage-backed trust, they create fraudulent records that fall squarely within the scope of § 1005 violations. Additionally, **18 U.S.C. § 891 et seq.** governs extortionate extensions of credit, defining unenforceable obligations as void and penalizing attempts to collect on them—applicable where no lawful lending occurred and no statutory authority permits enforcement. A foreclosure, eviction, or collection action based on such misclassifications is therefore not merely void—it is potentially criminal.

E. Securities Law Cannot Supply Jurisdiction Where Banking Statutes Withhold Authority

Federal securities law provides no independent basis for enforcing a domestic mortgage obligation, nor does it cure the underlying defect that national banks and IBF-regulated institutions lack authority to lend money or engage in domestic real estate operations. Under *Von Hoffman v. City of Quincy*, a contract without a statutory enforcement mechanism "may be said not to exist," and misclassification under securities law cannot create a remedy Congress did not authorize. Because Congress expressly restricted financial operations in the United States to federally chartered institutions acting within enumerated boundaries—and because those boundaries exclude domestic real estate lending for international institutions—any securities-based enforcement theory collapses under constitutional scrutiny. The result is a **void judgment**, not a voidable one, because the tribunal never had jurisdiction to enforce the alleged obligation.

XII. Conclusion

The cumulative statutory, regulatory, and constitutional limitations examined in this brief establish that the alleged mortgage contract and all related enforcement actions suffer from defects so fundamental that they render the transaction void *ipso facto*. Congress has never authorized national banking associations, Edge Act corporations, Agreement Corporations, International Banking Facilities, or their affiliated servicers to originate, fund, hold, purchase, securitize, or enforce domestic residential real-property obligations within the several states. Nor has Congress created any statutory mechanism permitting citizens to validate such contracts through deposits or payments, leaving the alleged transaction without a lawful remedy—a condition the Supreme Court in *Von Hoffman v. City of Quincy*, 71 U.S. 535 (1866), held causes the contract itself to "not exist" in the eyes of the law. Where statutory authority is absent, jurisdiction is absent, and actions undertaken without jurisdiction—whether by banks, servicers, trusts, or courts—are nullities under *Ex parte Virginia*, 100 U.S. 339 (1879), and *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83 (1998).

Additionally, the pattern of misclassifications, misrepresentations, and structural distortions analyzed herein constitutes extrinsic fraud that prevents a meaningful opportunity to be heard, thereby voiding any resulting judgment under *Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U.S. 238 (1944), and *United States v. Throckmorton*, 98 U.S. 61 (1878). When an entity asserts enforcement rights it does not legally possess, relies upon statutory authorities that do not apply, or claims standing derived from securities classifications or international banking provisions that Congress reserved for foreign operations, the resulting defect is not procedural—it is terminal. Such an action not only exceeds statutory boundaries but also subverts constitutional due process, producing a structural defect that the judiciary cannot overlook or retroactively cure. No court of the United States has the authority to breathe life into a transaction that Congress itself has placed beyond federal jurisdiction.

In sum, the alleged mortgage contract cannot be enforced because no lawful lending occurred, no statutory enforcement mechanism exists, and the entities involved lacked capacity as a matter of federal law to participate in domestic residential real-estate transactions. Every claimed transfer, securitization step, servicing action, and foreclosure proceeding deriving from that void transaction is likewise void, for a void act cannot serve as the foundation of further legal rights. The Constitution, the Acts of Congress, the Statutes at Large, and binding Supreme Court precedent converge upon the same unavoidable legal conclusion: the proceeding is a nullity, the contract is void, and no enforcement action may stand. Accordingly, the Court must dismiss the action for lack of subject-matter jurisdiction, lack of statutory authority, fatal structural defects, and extrinsic fraud that deprives the defendant of due process under the laws of the United States.