Which Obligation?

How many obligations in regards to a promissory note executed for funding a real estate purchase.

All things considering, an obligor typically signs one promissory note and a security instrument that attaches and perfects to the promissory note typically allowing for an alternate means to collect upon the promissory note. Such attachment and perfection as it affects real property is to be in accordance to local laws of jurisdiction of the state.

Cleary in the millions of real estate financings there is typically only one obligation a purchaser executes and signs, the promissory note.

Recent events elude that the title companies, banks, etc… believe a obligor who has only signed one promissory obligations has in essence created multiple obligations. Factors note that if there is only one promissory obligation signed by an obligor, what was the source of creation of these alternate obligations? Very common is it that the banks in legal actions only present a single obligatory note (promissory note), why not then present these obligations unsigned by an obligor. Could it be that the financials wizards have concluded that the security instrument that attaches to the promissory note is the obligation and thus reach the conclusion that the promissory note follows the security instrument? If such conclusion that the note follows the security is reached then applications of law and court opinions of decades past have been breached and thus no certainty would exist in the commercial paper arena.

So what are the originations of these alternate obligations? This writer will only address two maybe three of these obligations not created by the obligor but created by an “Account Debtor.” Even at the risk of facing suit by not following law, title companies avoid fiduciary duty to an obligor by claiming that another obligation exists with the same force as the personal obligation signed by the obligor being that of the promissory note.

Fact and law provide that an intangible obligation being a payment stream whose source of funds is derived from the only personal obligation signed by obligor is allowable under law. This intangible obligation is not an obligation created by the obligor but an obligation, actually an intangible obligation created by the Account Debtor who under guise of a different hat could be that of the Obligee to the Obligor’s personal obligation. This creation is obligation 2. Whereas an Account Debtor sales the intangible obligation or themselves creates a trust investment vehicle (Fannie, Freddie or Private trust) and offers certificates of ownership to the trust has created a third obligation offered up by another Account Debtor. To further complicate the intangible obligation, the claim that the obligor’s note was indorsed in blank by terms of “Pay to the Order Of” is not bearer paper and requires the Indorsee to be identified and to indorse the instrument in its name to create bearer paper. Such was clearly noted by the wording found in 578 S.W.2d 454 (1979), Roger HOSS, v. Leo H. FABACHER, Court of Civil Appeals of Texas, Houston (1st Dist.)”

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> *“Paragraph (c) is reworded to remove any possible implication that "Pay to the order of _____" makes the instrument payable*

to bearer. It is an incomplete order instrument and falls under Section 3-115" as cited in "

Whereas if a bankruptcy court discharges an obligor's unsecured obligation and considering that the obligor had only a singular created obligation, one has to question as to why an obligation exists. Existence of an obligation after discharge could not in a prudent person's mind be seen as an obligation of the obligor, but could only be seen as an obligation created by an Account Debtor.

So it matters not what label is applied to an obligor's discharged obligation, personal, secondary, primary, such obligation whose whole source of existent depends upon the obligor's promissory note would cease to end upon the promissory note's dissolution. One note many names, one by obligor, possible many by the Account Debtor but it appears many in the financial sector would face a financial hardship if the rule of law became a finality. Thus let's dazzle and BS everyone to believe that the Account Debtor's obligation is really a personal obligation owed by the obligor. And it appears that many lawyers and judges buy that miscarriage of justice…

Hint, "Prudent Man Test"

Den of Thieves, the list of names is long!!!