

**From:** Neil Garfield [REDACTED]  
**Sent:** Monday, May 17, 2021 5:13 PM  
**To:** Muraywid, Sumaya A. <[SMuraywid@FDIC.gov](mailto:SMuraywid@FDIC.gov)>; Friedman, David J. <[dfriedman@FDIC.gov](mailto:dfriedman@FDIC.gov)>  
**Subject:** [EXTERNAL MESSAGE] Fwd: Agencies Extend Comment Period on Request for Information on Artificial Intelligence

This is in response to the latest CFPB request for information regarding comments on financial institutions' use of artificial intelligence (AI), including machine learning (ML).

I have been a practicing trial lawyer for 44 years. For the last 16 years I have become aware of a practice that prevent any human being from receiving, considering, analyzing or responding to any questions or comments by consumer lenders, particularly in the area of transactions in which financial institutions claim to have initiated a loan agreement.

It has become extremely obvious to me and thousands of homeowners and lawyers that statement, notices, referrals for Foreclosure, and responses are generated completely by AI and ML. This enables the financial institutions to claim plausible deniability for false representation, and illegal claims.

As part of the claim infrastructure, multiple companies claim to be performing the duties of a lender, Servicer or creditor while a third-party vendor is actually performing all of those duties on behalf of a financial institution who is principal Business is the sale of securities and his business does not include consumer lending.

This has made enforcement nearly impossible. It has also prevented consumers from knowing about appropriate meritorious defenses that could be raised against illegal claims. The corroboration of this view has already been accomplished. Settlements involving hundreds of billions of dollars have been paid in conjunction with promises to stop generating falls, fabricated, backdated, forged, and Robosigned documents.

Based upon my experience as an investment banker, and based upon actual admissions during litigation, it is my conclusion that the loan account receivable as an entry on any account ledger is extinguished the moment that the transaction with the consumer is subject to false claims of securitization.

Securitization is the process of breaking up an asset and selling it in pieces to investors who purchase the asset for value and exchange for ownership of a pro-rata share. No such sale occurs in the securitization of consumer debt and in particular transactions with homeowners. Therefore all claims regarding the existence, ownership, or authority to enforce promises made by the homeowner or false if they rely upon the illusion that a debt has been securitized.

This is not based upon theory or any matter subject to debate. It is memorialized in article 9 section 203 of the uniform commercial code which has been adopted in all US jurisdictions verbatim. In most actions designed to enforce the original promised to make payments issued by the consumer, none of the named claimants have paid value for any underlying obligation nor have they received a legal transfer of ownership of any legal debt.

In court, a Robo witness is produced to provide testimony that is intended to be the foundation for the introduction of a payment history that is actually produced by third parties as described above. It is not a business record. It is merely a print out of a report prepared by unknown parties to meet unknown specifications that can never be tested.

But it is always presented as though it was a business record created at or near the time of a business transaction in which a company claiming to be a servicer was a party who received or disbursed a payment. Such companies are never allowed to receive or disburse payments from homeowners or to investors.

Under lockbox arrangements and contracts, these companies are divested of any rate title or interest to the collection of any funds and therefore have no duty to disburse any funds. The company actually receiving payments and depositing them into the depository account of a depository institution is not subject to the control of the company that is claiming to be the servicer. Because of the use of AI and ML, all actions appear to be performed by the companies claiming to be servicers.

This produces layers of protection from liability for direct violations of federal and state statutes, together with rules and regulations governing lending, servicing and the collection of a debt. Qualified written requests and debt validation letters I met with evasive responses that do not address the central question of the existence, ownership and authority over the alleged debt. If this issue could be resolved most litigation complaints and administrative complaints with disappear. Or, in the alternative, most attempts to claim ownership or administrative rights would disappear along with any attempt to enforce.

I personally have been lead counsel in a very substantial number of cases where the homeowner received judgment for the reasons expressed in this letter. AI and ML must be subject to regulation and control, particularly with respect to the generation of statements, notices and referrals for legal action to law firms that will receive their instructions electronically. In most cases the law firms have absolutely no contact with the party that they claim to represent and they have no authority to enforce the administration, collection or foreclosure proceedings that are about to swap the courts again.

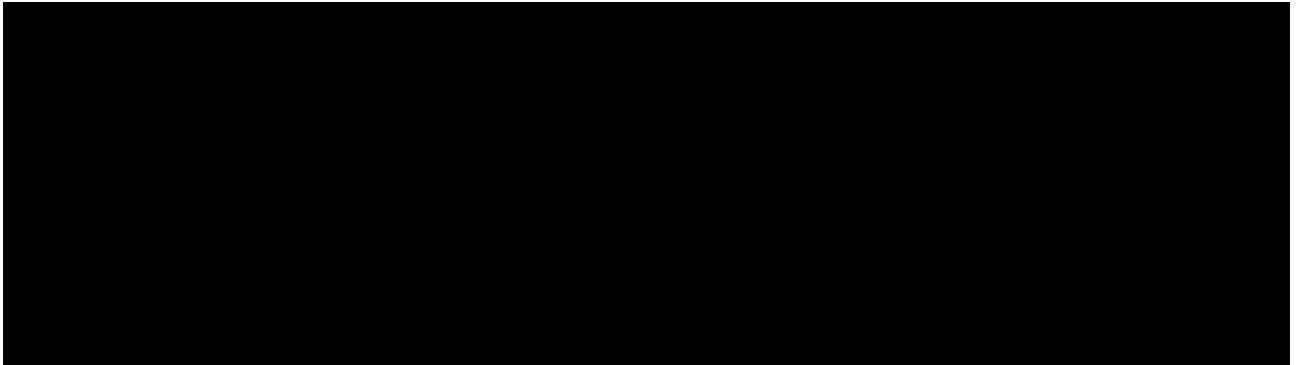
It is impossible to settle, modify or reach any agreement regarding the original transaction with the homeowner if there is no legally authorized party who can claim to be the creditor or who can demonstrate authority to represent an actual creditor who has paid value in exchange for ownership.

All the facts contained in this letter are well-known to many agencies, including the FDIC. The issue is not whether the conclusions of facts and law stated in this letter are true. The issue is whether federal agencies will start doing that job and enforcing existing law.

It is time for regulators to face the music. The current system of securitization is designed for one thing: to sell securities that are ABOUT data and not about ownership. This conflicts with centuries of law, custom, practices and statutes. The apocalyptic threats from Wall Street are not true. They have no ability to collapse the entire financial system, the economy, or our society.

Sheila Bair understood this completely. She was fired for opposing insane rewards to thieves. See the OneWest-IndyMac deal and Chase-WAMU deal.

Regards,  
Neil F Garfield, Esq. M.B.A., J.D.  
THE GARFIELD FIRM



**LEGAL MATTERS: To the extent that anything in this email could be construed as a legal opinion, I am licensed to practice law only in Florida (State and Federal courts) and Washington DC (by reciprocity). Further unless I have personally concluded a thorough case analysis any such statements construed as opinions are only preliminary in nature. This is not a formal legal opinion upon which you should rely. Do not act on anything contained in this email without consulting licensed local counsel.**

----- Forwarded message -----

From: **Consumer Financial Protection Bureau** <[donotreply@info.consumerfinance.gov](mailto:donotreply@info.consumerfinance.gov)>

Date: Mon, May 17, 2021 at 2:04 PM

Subject: Agencies Extend Comment Period on Request for Information on Artificial Intelligence



**FOR IMMEDIATE RELEASE:**

May 17, 2021

**MEDIA CONTACT:**

Office of Communications

Tel: (202) 435-7170

***Agencies Extend Comment Period on Request for Information on  
Artificial Intelligence***

**WASHINGTON, D.C.** – Five federal financial regulatory agencies announced today they will extend the comment period on the request for information on financial institutions’ use of artificial intelligence (AI) until July 1, 2021.

The agencies are seeking information from the public on how financial institutions use AI in their activities, including fraud prevention, personalization of customer services, credit underwriting, and other operations. More specifically, the RFI seeks comments to better understand the use of AI, including machine learning, by financial institutions; appropriate governance, risk management, and controls over AI; and challenges in developing, adopting, and managing AI.

The agencies extended the comment period to allow stakeholders more time to coordinate and prepare their comments, which were originally due by June 1, 2021.

RELATED DOCUMENT

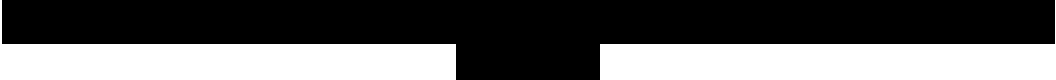
[Request for Information \(RFI\)](#)

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***The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. For more information, visit [consumerfinance.gov](http://consumerfinance.gov).***

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[Consumer Financial Protection Bureau](#) · 1700 G Street, N.W. · Washington, D.C. 20552



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