



Here are the facts and the press release stating the position of Countrywide in the wake of the lawsuit they recently settled that we have all been hearing about. Remember that the bank still has the “banks” best interests in mind even though they have the best intentions of keeping people in their homes. Be sure to read the fact sheet at the end of the press release. You will see that they will start by trying to use the FHA Hope for Homeowners plan first (***this is the first and only bank we have heard about that will use this program and it really was only because of this lawsuit they settled***). This of course will require a write down of the principal balance but they will retain the yielded interest rate based on current market conditions (6.00-6.750%). They have also made it clear that they will try to modify loan terms to market rates in general if possible. As we have said so many times consider using an attorney or attorney services if you qualify or are contacted to assure you get the best deal for your situation. I always look at it this way. I am capable of filing my own taxes but I think it’s always served me much better that I use a Certified Public Accountant (CPA).

Editor: National Mortgage Network

Bank of America Announces Nationwide Homeownership Retention Program for Countrywide Customers. Program will systematically modify troubled mortgages with up to \$8.4 billion in interest rate and principal reductions for nearly 400,000 Countrywide Financial Corporation customers nationwide.

- Read the press release below to learn more about this announcement.

Bank of America Announces Nationwide Homeownership Retention Program for Countrywide Customers

Nearly 400,000 Countrywide Borrowers Could Benefit After Program Launches December 1

CALABASAS, CA - Bank of America today announced the creation of a proactive home retention program that will systematically modify troubled mortgages with up to \$8.4 billion in interest rate and principal reductions for nearly 400,000 Countrywide Financial Corporation customers nationwide.

The program was developed together with state Attorneys General and is designed to achieve affordable and sustainable mortgage payments for borrowers who financed their homes with subprime loans or pay option adjustable rate mortgages serviced by Countrywide and originated prior to December 31, 2007. Bank of America acquired Countrywide July 1, 2008.

"We are confident that together with the Attorneys General we have developed a comprehensive program that provides more solutions than ever before to assist troubled borrowers and put them back on the path to sustained home ownership," said Barbara Desoer, president, Bank of America Mortgage, Home Equity and Insurance Services. "Since acquiring Countrywide in July, we have committed significant resources and developed innovative programs to help as many Countrywide customers as possible stay in their homes."

Countrywide mortgage servicing personnel will be equipped to serve eligible borrowers with new program elements by December 1, 2008 and will then begin proactive outreach to eligible customers. Foreclosure sales will not be initiated or advanced for borrowers likely to qualify until Countrywide has made an affirmative decision on the borrower's eligibility.

The centerpiece of the program is a proactive loan modification process to provide relief to eligible borrowers who are seriously delinquent or are likely to become seriously delinquent as a result of loan features, such as rate resets or payment recasts.

Various options will be considered for eligible customers to ensure modifications are affordable and sustainable. First-year payments of principal, interest, taxes and insurance will be targeted to equate to 34 percent of the borrower's income. Modified loans feature limited step-rate interest rate adjustments to ensure annual principal and interest payments increase at levels with minimal risk of payment shock. Modification options include, among others:

- FHA refinancing under the HOPE for Homeowners Program;
- Interest rate reductions, which may be granted automatically through streamlined processing; and
- Principal reductions on Pay Option adjustable rate mortgages that restore lost equity for certain borrowers.

The program applies to eligible mortgage loan customers serviced by Countrywide and who occupy the home as their primary residence. Under the national program, Countrywide will not charge eligible borrowers loan modification fees, and Countrywide will waive prepayment penalties for subprime and pay option ARM loans that it or its affiliates own. Some loan modifications will be subject to compliance with servicing contracts and some will require investor approval.

"Now more than ever homeowners and home buyers are looking to Bank of America as the lender they trust and as a leader that can renew America's confidence in home ownership," said Desoer. "Combined with our strong track record in responsible lending and previously announced lending practices commitments, this bold new program makes it clear that Bank of America is committed to be the leader in responsible mortgage lending practices."

As part of agreements to resolve outstanding claims against Countrywide by certain states, borrowers in participating states will additionally be eligible to access their share of:

- A Foreclosure Relief Program of \$150 million on a nationwide basis for payment to eligible Countrywide servicing customers who suffered foreclosure or are currently at serious risk of foreclosure having made only minimal payments since the time their mortgages were originated by Countrywide; and
- An additional program, projected to make payments up to \$70 million to support customers with loans serviced by Countrywide who face imminent foreclosure, providing financial assistance with their transition from home ownership.

As part of the state agreements, Countrywide is further committing to eligible borrowers in participating states that it will waive late fees associated with a borrower's default in finalizing modifications under the program.

In addition, states that have not yet become participants in Bank of America's program will be provided an opportunity to do so, which would enable their residents to become eligible for these benefits.

"Our program represents principal and interest reductions over time to borrowers on loans Countrywide owns and on loans Countrywide services on behalf of investors," said Joe Price, Bank of America Chief Financial Officer. "By taking projected foreclosure losses and instead directing those funds into these proactive foreclosure prevention efforts, we create a solution in the best interests of both our customers and the investors whose loans and securities we service. Of the eligible loans, about 12 percent are now held by Bank of America. The cost of restructuring these loans is within the range of losses we estimated when we acquired Countrywide."

Bank of America is one of the world's largest financial institutions, serving individual consumers, small and middle market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk-management products and services. The company provides unmatched convenience in the United States, serving more than 59 million consumer and small business relationships with more than 6,100 retail banking offices, more than 18,500 ATMs and award-winning online banking with more than 25 million active users. Bank of America offers industry leading support to more than 4 million small business owners through a suite of innovative, easy-to-use online products and services. The company serves clients in more than 150 countries and has

relationships with 99 percent of the U.S. Fortune 500 companies and 83 percent of the Fortune Global 500. Bank of America Corporation stock (NYSE: BAC) is a component of the Dow Jones Industrial Average and is listed on the New York Stock Exchange.

Countrywide Customer Contact: Homeownership Retention Program not available until Dec. 1. Countrywide will begin its proactive outreach to eligible borrowers on December 1, 2008.

Homeownership Retention Division: 800.669.6650

General Customer Service: 800.669.6607

Media Contact: Dan Frahm, 800.796.8448

Investor Contact: Kevin Stitt, 704.386.5567, or Lee McEntire, 704.388.6780

Bank of America's Nationwide Homeownership Retention Program for Countrywide Customers Fact Sheet

- Countrywide and state Attorneys General has cooperated in the development of a comprehensive home retention program to systematically modify troubled mortgages with aggressive solutions, including interest rate and principal reductions.
- It is anticipated that the loan modification program in this agreement will result in an estimated \$8.4 billion in permanent payment relief to an estimated 400,000 Countrywide borrowers nationwide.
- In participating states, the agreement provides up to \$150 million in payments to borrowers who defaulted early in their loan terms, while committing to a "soft landing" program to help borrowers who are unable to retain their homes with relocation costs.
- Countrywide will begin its proactive outreach to eligible borrowers on December 1, 2008.

Formalization of Existing Commitments

- Countrywide no longer offers "subprime," "high cost" or "negative amortization" mortgages and has significantly curtailed no- and low-documentations loans.
- Broker compensation will be limited to 4% of the amount borrowed.
- Countrywide will retain, for at least one year following the acquisition of BAC, a minimum of 3,900 personnel to assist with loan modifications and other foreclosure avoidance measures.
- We will continue to proactively seek delinquent borrowers and offer streamlined loan modifications and report the progress of this agreement on a regular basis.

Home Retention Programs

- Beginning December 1, 2008, Countrywide will proactively contact subprime and Pay Option ARM borrowers whose loans are scheduled for an interest rate change. We will invite them to contact us if they believe they will not be able to afford the new payments.
- Countrywide will not advance foreclosures for eligible borrowers for the time necessary to determine the borrowers' interest in staying in the home and their ability to afford the new terms as well as the investor's willingness to accept a loan modification.
- Countrywide will waive late/delinquency fees for missed payments when modifying loans and will not charge modification fees to borrowers in the participating states.
- When possible, Countrywide will waive prepayment penalties in connection with any workout or refinance, whether or not the new loan is originated with Countrywide.

Eligibility

Borrowers eligible for loan modifications under this program must have received a qualifying subprime mortgage or a Pay Option adjustable rate mortgage prior to December 31, 2007, and the property must be a 1-4 unit owner-occupied residential property. In addition, certain other requirements are set out in the program:

- The borrower is 60 days or more delinquent and the current loan-to-value ratio is 75% or higher;
- The borrower is current today but becomes 60 days or more delinquent at any time prior to June 30, 2012, and the loan-to-value ratio at the time of the modification is 75% or higher;
- The borrower has a subprime hybrid ARM and the borrower is current but reasonably likely to become 60 days or more delinquent as a consequence of a rate reset, and the loan-to-value ratio at the time of the modification is 75% or higher;
- The borrower has a Pay Option ARM and the borrower is current but reasonably likely to become 60 days or more delinquent as a consequence of a rate reset or payment recast based on negative amortization, and the loan-to-value ratio at the time of the modification is 75% or higher.

In addition, customers may be eligible for the early payment default benefit of this program if: (1) the customer has a Countrywide-originated first lien loan; (2) the loan was on or prior to December 31, 2007; (3) the customer's primary residence is the property that secures the loan; (4) the customer has made three or fewer payments over the life of the loan (the borrower's state may expand eligibility); and (5) the customer has either lost his home to foreclosure or is at least 120 days in arrears on mortgage payments.

Loan Modification Program Details

Countrywide will first offer eligible borrowers an FHA refinance under the HOPE for Homeowners Program. If not eligible for that program, Countrywide will offer these specific programs based on product type.

Subprime 2-, 3- 5-, 7- and 10-Year Hybrid ARM borrowers will receive an unsolicited extension/restoration of the introductory rate for five years and an invitation to contact Countrywide for additional relief if affordability concerns persist. Borrowers who cannot afford the introductory rate will be considered on a streamlined basis for a five-year interest rate reduction to as low as 3.5% (based on the affordability equation) and a conversion to a fixed-rate mortgage at the end of five years.

Pay Option ARM borrowers accepting a streamlined loan modification option will have the negative amortization feature eliminated from their loan. The mortgage interest rate will be reduced to as low as 2.5%, and the loan will be converted into either a fixed-rate mortgage or a ten-year interest-only loan. For single property owners who currently have no equity in their homes, Countrywide will write-down the principal balance to as low as 95% of the current value of the property to restore an equity position.

Subprime Fixed-Rate borrowers will receive a streamlined loan modification, by reducing the mortgage interest rate to as low as 2.5% and converting the loan into a fixed-rate or 10-year interest only loan with affordable step rate increases and lifetime cap.

Loan modification programs will provide payments within the limits of an Affordability Equation set out in the agreement and be targeted to equate to 34% of the borrower's household income.

Foreclosure Relief Programs

These additional programs are available to Countrywide borrowers in states participating in this agreement. Currently, these programs are available in the following states: Arizona, California, Connecticut, Florida, Illinois, Iowa, Michigan, Nevada, North Carolina, Ohio, Texas, Pennsylvania, and Washington.

Relocation Assistance Program

- Countrywide borrowers facing foreclosure who agree to voluntarily leave the premises at the time of the foreclosure sale will be provided with a cash payment. Countrywide anticipates payments to 35,000 borrowers in a total amount of more than \$70 million to assist with relocation costs.

Foreclosure Relief Program

- Countrywide will allocate up to \$150 million nationally under a foreclosure relief program to provide relief for borrowers whose loans were originated directly by Countrywide (or through brokers) with owner-occupied properties who have either experienced a foreclosure sale or are 120 days or more delinquent as of the date of this agreement. These borrowers will be eligible for the payment if they made three or fewer payments over the life of the loan (or meet more inclusive criteria determined by each state). The funds will be allocated for each state through a pro-rata formula based on the number of eligible borrowers with a Countrywide-originated first mortgage.

