



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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FDIC Announces Settlement With Bank of America Settlement of Claims Totals \$1.03 Billion

FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation (FDIC) as Receiver for 26 failed banks has announced a \$1,031,000,000 settlement with Bank of America Corporation, Banc of America Funding Corporation, Banc of America Securities LLC, Banc of America Mortgage Securities, Inc., Bank of America, N.A., NB Holdings, Inc., Countrywide Financial Corporation, Countrywide Securities Corporation, Countrywide Home Loans, Inc., CWMBBS, Inc., CWALT, Inc., CWABS, Inc., CWHEQ, Inc., Countrywide Capital Markets, LLC, Merrill Lynch Mortgage Capital Inc., Merrill Lynch Mortgage Investors Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc. (BofA Entities) of certain of the receiverships' claims. The settlement funds will be distributed among the 26 receiverships.

The settlement resolves several sets of claims. One set of those claims is federal and state securities law claims based on misrepresentations in the offering documents for 155 residential mortgage-backed securities (RMBS) purchased by failed banks in FDIC receivership. As receiver for failed financial institutions, the FDIC may sue professionals and entities whose conduct resulted in losses to those institutions in order to maximize recoveries. From January 2011 to January 2014, the FDIC as Receiver for seven failed banks inherited or filed 14 lawsuits against the BofA Entities and other defendants for violations of federal and state securities laws in connection with the sale of 63 RMBS. In October 2013, the FDIC as Receiver for 19 failed banks objected to a proposed class settlement of claims arising from their purchase of 92 RMBS in three class action lawsuits based on misrepresentations in RMBS offering documents. As of July 31, 2014, the FDIC has authorized lawsuits based on the sale of RMBS to a total of eight



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-69-2014

failed institutions and has filed 19 lawsuits, including the 14 lawsuits against the BofA Entities, seeking damages for violations of federal and state securities laws. The settlement resolves the FDIC's claims against the BofA Entities in those 14 lawsuits and the three class action lawsuits.

Other claims resolved by the settlement include breach of contract claims brought by the FDIC as Receiver for Colonial Bank against Bank of America, N.A., as custodian and bailee for 4,808 Colonial Bank loans, tort claims brought by Bank of America, N.A. against the FDIC as Receiver for both Colonial Bank and Platinum Community Bank, a related Administrative Procedure Act claim brought by Bank of America, N.A. against the FDIC as Receiver for Colonial Bank, and a FOIA claim brought on behalf of Bank of America, N.A. against the FDIC in its corporate capacity.

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