



PRESS RELEASE

AG Gansler Secures \$75 Million for Maryland Government Entities and Pension Systems from Housing Securities Settlement with Bank of America
\$150 million more will be shared by Maryland, 2 other states for consumer assistance and housing relief efforts
BOA and subsidiaries misled state and local pension system investors over securities that contained toxic mortgages

Baltimore, MD (August 21, 2014) - Attorney General Douglas F. Gansler announced today that multiple governmental entities and pension programs (Maryland and local governments) will share an estimated \$75 million settlement secured by his Securities Division from Bank of America (BOA) and its subsequent acquisitions, Merrill Lynch and Countrywide Financial Corporation. Maryland, joined by five other states and multiple federal agencies, reached a \$16.65 billion settlement that resolves allegations against the banking and securities giant for unlawfully packaging, marketing, issuing and selling residential mortgage backed securities (RMBS) that contained toxic mortgages.

"With this settlement, Maryland takes another step towards resolving the widespread economic damage caused by these lenders and the mortgage crisis they created out of sheer greed," said Attorney General Gansler. "Marylanders will benefit as defrauded state and local government pension plans receive compensation and distressed consumers receive additional mortgage-related relief and assistance."

While \$75 million for Maryland will compensate certain defrauded investors, including government entities and their pension plans, the settlement obligates BOA to provide billions more nationwide in consumer relief. The bank will be required to provide \$7 billion in consumer relief to eligible consumers in the forms of mortgage forgiveness and forbearance, low to moderate income lending, community reinvestment and neighborhood stabilization, and affordable rental housing. A minimum of \$150 million will be expended on these efforts in Maryland, Delaware and Kentucky. While it may not produce the same result as the 2012 National Mortgage Settlement, Maryland was among the states hit hardest by the housing crisis and received the sixth largest share of that agreement among the 49 participating states.

The settlement also provides a special credit incentive to Bank of America to allocate additional funds from the \$7 billion in nationwide consumer relief for consumer assistance in Maryland and the other settling states, above and beyond the \$150 million minimum.

Today's settlement is part of a global agreement that Bank of America, based on its own activities as well as those of Merrill Lynch and Countrywide, reached with the U.S. Department of Justice, Maryland and five other states, and other federal agencies relating to the entities' sales of securities backed by toxic

mortgages that were bundled into defective pooled investments and sold using misleading disclosures to investors.

This settlement resolves only civil claims arising out of the RMBS activities of Bank of America, Merrill Lynch and Countrywide, and does not release any individuals from civil claims or the entities or any individuals from criminal charges. An independent monitor will be appointed to determine whether Bank of America is satisfying its obligations under this settlement.

Bank of America has established a hotline for consumers to call if they have questions about the settlement. The BOA consumer hotline is 877-488-7814.

Today's settlement is the latest legal action from Attorney General Gansler in pursuit of justice for Maryland taxpayers, homeowners and borrowers as a result of the illegal lending practices and unlawful financial misconduct that led to the nationwide housing crisis and the economic damage that was the result. Among those actions are:

- In July, [AG Gansler filed lawsuits against two law firms](#) for allegedly operating illegal loan modification schemes that charge consumers large upfront fees, but often do not help them avoid foreclosure or modify their loans.
- In June, [AG Gansler secured \\$33 million for distressed Maryland homeowners](#) from SunTrust Bank Inc. that addressed mortgage loan origination, servicing, and foreclosure abuses.
- In December 2013, [AG Gansler recovered \\$88 million from Ocwen Financial Corp.](#) for distressed Maryland homeowners victimized by mortgage serving abuses.
- Also in December 2013, [AG Gansler recovered \\$231,000 for defrauded consumers](#) from a Maryland company that illegally charged advance fees for mortgage assistance relief services and exaggerated their ability to provide foreclosure prevention and loan modification services.
- In August 2013, The Federal Monitor for the [National Mortgage Settlement \(NMS\) reported that over 27,000 Maryland consumers received over \\$1.5 billion from the NMS signed in 2012](#) with the five largest mortgage lenders (Ally/GMAC, Bank of America, Citi Bank, JPMorgan Chase/WaMu and Wells Fargo/Wachovia).

The Settlement Documents:

[Annex1 Statement of Facts.pdf](#)

[Annex2 Consumer Relief.pdf](#)

[Annex2 Exhibit1 Loan List.pdf](#)

[Annex2 Exhibit2 Model VA Agreement.pdf](#)

[Annex3 Tax Fund.pdf](#)

[Annex4 Transaction List.pdf \(click here for Excel file\)](#)

[BOA Settlement Agreement.pdf](#)

[Consumer Relief Summary.pdf](#)

[ExhibitA FDIC.pdf](#)