

**EXHIBIT 3**

**FEDERAL RESERVE BANK *of* NEW YORK**

33 LIBERTY STREET, NEW YORK, NY 10045-0001

**THOMAS C. BAXTER, JR.**  
GENERAL COUNSEL AND  
EXECUTIVE VICE PRESIDENT

October 11, 2011

Mr. Thomas A. Russo  
Executive Vice President and General Counsel  
American International Group, Inc.  
180 Maiden Lane, 41st Floor  
New York, NY 10038

Re: American International Group, Inc. v. Bank of America Corporation

Dear Tom:

Thank you for your letters of October 3, 2011 setting forth those items to which AIG would agree with respect to its complaint in the Bank of America litigation.

We believe that the representation in the second bullet point is too narrow insofar as it only covers "contractual mortgage repurchase claims." The contract claims that Maiden Lane II LLC ("ML II") is entitled to assert by virtue of the Asset Purchase Agreement (the "APA") include claims based upon any of the "Related Instruments" (as defined in the APA), namely "any participation, pooling, servicing or other agreement, document or instrument pursuant to which an RMBS Issue has been created, pooled, securitized, issued, sold, serviced, enhanced, insured or guaranteed and each other agreement, document, indenture and instrument that governs or affects the terms of, or secures the obligations represented by, such RMBS Issue or of which the holders of such RMBS Issue are the beneficiaries." (Section 7.01) Therefore, we request that you revise the second bullet point as follows:

For those RMBS that AIG sold to Maiden Lane II LLC, AIG will not assert any claim for breach of a contract under which the RMBS were created, pooled, securitized, issued, sold, serviced, enhanced, insured or guaranteed.

With respect to the third bullet point, we agree that AIG has the right to seek damages under Section 12(a)(2) of the Securities Act of 1933 for those RMBS that it sold to ML II and we are pleased to see the representation that AIG "will not offer to tender securities that it does not own." As the complaint is currently drafted, however, it appears that AIG is offering to tender

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securities sold to ML II. The list of "12(a)(2) Certificates" in paragraph 489 includes securities sold to ML II. Furthermore, in paragraph 501, AIG states:

AIG sustained material damages in connection with its investments in the Section 12(a)(2) Certificates and accordingly has the right to rescind and recover the consideration paid for the Section 12(a)(2) Certificates, with interest thereon, in exchange for tendering the Section 12(a)(2) Certificates. *AIG hereby demands rescission and offers to tender its Section 12(a)(2) Certificates.*

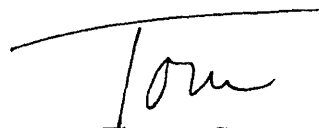
(emphasis added.) Nowhere in the complaint does AIG specify or segregate (i) those Section 12(a)(2) Certificates that it still owns and can tender or (ii) those for which AIG alternatively seeks damages. As a result, the complaint, and in particular the Fourth Cause of Action, is unclear and leaves the impression that AIG seeks to tender all Section 12(a)(2) Certificates regardless of whether it subsequently sold some of those RMBS to ML II. Therefore, we request that AIG agree to amend its complaint to distinguish those RMBS that AIG seeks to tender and those for which AIG seeks damages.

Finally, let me address the subject of your second letter. We believe that the settlement of the Countrywide/Bank of America litigation is in the best interests of ML II and Maiden Lane III LLC ("ML III"), vehicles in which the Federal Reserve Bank of New York and AIG have an interest. The Federal Reserve Bank of New York, as the managing member of these vehicles, has concluded that the settlement will benefit both vehicles, and we strongly support it. My request that AIG withdraw AIG's objection to Bank of New York Mellon's Article 77 proceeding is based upon my view that the settlement is good for the vehicles, and therefore good for the Federal Reserve Bank of New York and AIG. While I understand AIG's desire to use its objection in the Article 77 proceeding as leverage to advance settlement discussions with Bank of America related to the claims made in *American International Group et al. v. Bank of America, Corp. et al.*, I believe that it is harmful to the financial interests of the vehicles.

Nothing in this letter constitutes an express or implied waiver of any of ML II or ML III's rights, claims, or remedies in connection with this matter, all of which are expressly reserved.

We appreciate your continued cooperation in this matter.

Sincerely,



Thomas C. Baxter, Jr.  
General Counsel and  
Executive Vice President