Exhibit 11

to

**Affidavit of Daniel M. Reilly
in Support of Joint Memorandum of
Law in Opposition to Proposed Settlement**

For Release: 06/07/2010

Countrywide Will Pay $108 Million for Overcharging Struggling Homeowners; Loan Servicer Inflated Fees, Mishandled Loans of Borrowers in Bankruptcy

Two Countrywide mortgage servicing companies will pay $108 million to settle Federal Trade Commission charges that they collected excessive fees from cash-strapped borrowers who were struggling to keep their homes. The $108 million represents one of the largest judgments imposed in an FTC case, and the largest mortgage servicing case. It will be used to reimburse overcharged homeowners whose loans were serviced by Countrywide before it was acquired by Bank of America in July 2008.

"Life is hard enough for homeowners who are having trouble paying their mortgage. To have a major loan servicer like Countrywide piling on illegal and excessive fees is indefensible," said FTC Chairman Jon Leibowitz. "We're very pleased that homeowners will be reimbursed as a result of our settlement."

According to the complaint filed by the FTC, Countrywide's loan-servicing operation deceived homeowners who were behind on their mortgage payments into paying inflated fees – fees that could add up to hundreds or even thousands of dollars. Many of the homeowners had taken out loans originated or funded by Countrywide's lending arm, including subprime or "nontraditional" mortgages such as payment option adjustable rate mortgages, interest-only mortgages, and loans made with little or no income or asset documentation, the complaint states.

Mortgage servicers are responsible for the day-to-day management of homeowners' mortgage loans, including collecting and crediting monthly loan payments. Homeowners cannot choose their mortgage servicer. In March 2008, before being acquired by Bank of America, Countrywide was ranked as the top mortgage servicer in the United States, with a balance of more than $1.4 trillion in its servicing portfolio.

When homeowners fell behind on their payments and were in default on their loans, Countrywide ordered property inspections, lawn mowing, and other services meant to protect the lender's interest in the property, according to the FTC complaint. But rather than simply hire third-party vendors to perform the services, Countrywide created subsidiaries to hire the vendors. The subsidiaries marked up the price of the services charged by the vendors – often by 100% or more – and Countrywide then charged the homeowners the marked-up fees. The complaint alleges that the company's strategy was to increase profits from default-related service fees in bad economic times. As a result, even as the mortgage market collapsed and more homeowners fell into delinquency, Countrywide earned substantial profits by funneling default-related services through subsidiaries that it created solely to generate revenue.

According to the FTC, under most mortgage contracts, homeowners must pay for necessary default-related services, but mortgage servicers may not mark up the cost to make a profit or charge homeowners for services that are not reasonable or appropriate to protect the mortgage holder's interest in the property. Homeowners do not have any choice in who performs default-related services or the cost of those services, and they have no option to shop for those services.

In addition, in servicing loans for borrowers trying to save their homes in Chapter 13 bankruptcy

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Federal Trade Commission, Plaintiff, v. Countrywide Home Loans, Inc. and BAC Home Loans Servicing, LP, Defendants.
(United States District Court for the Central District of California)
FTC File No. 082 3205

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Consumer Information:

- Mortgage Servicing: Making Sure Your Payments Count
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proceedings, the complaint charges that Countrywide made false or unsupported claims to borrowers about amounts owed or the status of their loans. Countrywide also failed to tell borrowers in bankruptcy when new fees and escrow charges were being added to their loan accounts. The FTC alleges that after the bankruptcy case closed and borrowers no longer had bankruptcy court protection, Countrywide unfairly tried to collect those amounts, including in some cases via foreclosure.

Settlement Terms

The FTC's complaint and settlement order name two mortgage servicers as defendants: Countrywide Home Loans, Inc. and BAC Home Loans Servicing LP, formerly doing business as Countrywide Home Loans Servicing LP. The settlement requires Countrywide to pay $108 million, which will be refunded to homeowners who Countrywide overcharged before July 2008.

In addition, the settlement order prohibits Countrywide from taking advantage of borrowers who have fallen behind on their payments. The defendants continue to service millions of mortgage loans, including tens of thousands of loans involving borrowers in bankruptcy and foreclosure. In the servicing of loans, the defendants are permanently barred from:

- Making false or unsubstantiated representations about loan accounts, such as amounts owed.
- Charging any fee for a service unless it is authorized by the loan instruments, by law, or by the consumer for a specific service requested by the consumer.
- Charging any fee for a default-related service unless it is a reasonable fee charged by a third party for work actually performed. If the service is provided by an affiliate of a defendant, the fee must be within limits set by state law, investor guidelines, and market rates. Defendants must obtain annual, independent market reviews of their affiliates' fees to ensure that they are not excessive.

In addition, Countrywide must advise consumers if it intends to use affiliates for default-related services and, if so, provide a fee schedule of the amounts charged by the affiliates.

The settlement also requires Countrywide to make significant changes to its bankruptcy servicing practices. For example, Countrywide must send borrowers in Chapter 13 bankruptcy a monthly notice with information about what amounts the borrower owes – including any fees assessed during the prior month. The defendants also must implement a data integrity program to ensure the accuracy and completeness of the data they use to service loans in Chapter 13 bankruptcy.

This case was brought with the invaluable assistance of the United States Trustee Program, the component of the Department of Justice that oversees the administration of bankruptcy cases and private trustees. This action represents the FTC's continuing work to help consumers who have been hurt by the economic downturn.

For more information about the case and the FTC's refund program, see www.ftc.gov/countrywide.

The Commission vote to authorize staff to file the complaint and settlement was 5-0. The complaint and settlement were filed in the U.S. District Court for the Central District of California.

The Federal Trade Commission is a member of the interagency Financial Fraud Enforcement Task Force. For more information on the Task Force, visit www.stopfraud.gov.

NOTE: The Commission files a complaint when it has "reason to believe" that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. The complaint is not a finding or ruling that the defendants have actually violated the law. Stipulated court orders are for settlement purposes only and do not necessarily constitute an admission by the defendants of a law violation. Stipulated orders have the full force of law when signed by the judge.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC's online Complaint Assistant or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 1,800 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC's Web site provides free information on a variety of consumer topics.

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(FTC File No. 0823205)
(Countrywide)

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Last Modified: Friday, June 24, 2011