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BofA Settlement Information

As you likely are aware, this past Wednesday (June 29th) Bank of America (BoFA) announced an agreement to resolve nearly all of its repurchase and servicing exposure for legacy Countrywide-issued first-lien residential mortgage-backed securitization (RMBS). The proposed settlement includes a cash payment of \$8.5 billion to the covered trusts to be made after final court approval of the settlement. The trusts involved in the deal had an original principal balance of approximately \$424 billion and total current unpaid principal balance of approximately \$221 billion. If approved, the settlement would result in an approximate 2% recovery on original principal balance and an approximate 4% recovery on outstanding principal balance.

BoFA's settlement is with The Bank of New York Mellon (BNY Mellon), which acts as trustee for the relevant RMBS trusts. Currently, a group of 22 investors is supporting the settlement. The deal struck covers 525 Countrywide first-lien RMBS trusts and five Countrywide second-lien RMBS trusts with mortgage loans principally originated between 2004 and 2008.

The settlement, if approved, would release and discharge all rep and warranty – *i.e.*, put-back – claims and substantially all of BoFA's historical servicing-related claims, including claims related to foreclosure delays and alleged mortgage documentation issues. The settlement does not release any fraud or securities law claims or claims related to other trusts or BoFA deals.

We note the following important dates set forth in the settlement papers:

- Any objections must be submitted by *August 30, 2011*; and
- A court hearing on the settlement is expected to occur in *November 2011*.

For more information, or if you wish to discuss the timing and mechanics of the BoFA settlement – or your investments in other RMBS deals – please contact [Zachary Rosenbaum](#), [Donald Corbett](#), [Jonathan Wishnia](#), or [Scott Walker](#).

For more information about Lowenstein Sandler, its Capital Markets Litigation team, and recent developments in structured finance litigation, please visit <http://www.lowenstein.com/structuredfinancelitigation/>.

The settlement agreement can be found at the following link:
<http://www.lowenstein.com/sflupdates/#BOA>.

The web site below contains more information about the settlement:
<http://www.cwrmbssettlement.com/>.



Contact Us

[Zachary D. Rosenbaum, Esq.](#)
212.204.8690
zrosenbaum@lowenstein.com

[Donald A. Corbett, Esq.](#)
646.414.6832
dcorbett@lowenstein.com

[Jonathan C. Wishnia, Esq.](#)
973.597.2542
jwishnia@lowenstein.com

[Scott L. Walker, Esq.](#)
973.597.2368
swalker@lowenstein.com

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www.lowenstein.com

New York
1251 Avenue of the Americas
New York, NY 10020
212.262.6700

Palo Alto
590 Forest Avenue
Palo Alto, CA 94301
650.433.5800

Roseland
65 Livingston Avenue
Roseland, NJ 07068
973.597.2500

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