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Bank of America Announces Agreement with Freddie Mac on Mortgage Repurchase Claims

*Agreement Resolves All Outstanding and Potential Residential Mortgage Representation and Warranties Claims for Loans Sold to Freddie Mac Through the End of 2009**Payments Covered by Existing Reserves as of September 30, 2013*CATEGORY: [Corporate and Financial News](#)

Monday, December 2, 2013 7:30 am EST

Bank of America today announced an agreement with the Federal Home Loan Mortgage Corporation (Freddie Mac) to resolve all remaining representations and warranties claims for residential mortgage loans sold to Freddie Mac through the end of 2009.

Under terms of the agreement, Bank of America will pay Freddie Mac a total of \$404 million (less credits of \$13 million) to resolve all outstanding and potential mortgage repurchase and make-whole claims related to loans sold to Freddie Mac from January 1, 2000 to December 31, 2009, and to compensate Freddie Mac for certain past losses and potential future losses relating to denials, rescissions and cancellations of mortgage insurance. The payments are fully covered by existing reserves as of September 30, 2013.

Previously, Bank of America announced an agreement with Freddie Mac to resolve all outstanding and potential representations and warranties claims related to whole loans sold by legacy Countrywide and legacy Bank of America to Fannie Mae through 2008, and a pair of agreements with Fannie Mae that, taken together, resolved all outstanding and potential representations and warranties claims related to whole loans sold by legacy Countrywide and legacy Bank of America to Fannie Mae through 2008.

With this settlement, Bank of America has resolved all outstanding and potential representations and warranties claims on whole loans sold by legacy Bank of America and Countrywide to Fannie Mae and Freddie Mac through the dates outlined above, subject to certain exceptions which Bank of America does not believe are material.

Today's agreement does not cover loan servicing obligations, loans contained in private label securitizations or securities and disclosure claims.

Bank of America

Bank of America is one of the world's largest financial institutions, serving individual consumers, small- and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. We serve approximately 51 million consumer and small business relationships with approximately 5,200 retail banking offices and approximately 16,200 ATMs and award-winning online banking with 30 million active users and more than 14 million mobile users. Bank of America is among the world's leading wealth management companies and is a global leader in corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading support to approximately 3 million small business owners through a suite of innovative, easy-to-use online products and services. The company serves clients through operations in more than 40 countries. Bank of America Corporation stock (NYSE: BAC) is listed on the New York Stock Exchange.

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