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DATE: October 6, 2008

ATTORNEY GENERAL ANNOUNCES SETTLEMENT WITH COUNTRYWIDE TO HELP BORROWERS FACING FORECLOSURE

Las Vegas, NV— Attorney General Catherine Cortez Masto announced today that her office has reached an agreement with Countrywide Financial that will help almost 400,000 borrowers across the nation facing foreclosure.

"Our citizens are suffering from the mortgage foreclosure crisis. We lead the nation in foreclosures. My office has been working with Countrywide and the larger settlement states to bring some immediate relief for Nevada homeowners. Today, we are finalizing the details of the proposed settlement. The proposed settlement is intended to help those eligible Nevadans stay in their homes during these pressing economic times. We will have more details available in the coming days," Masto said.

General Masto said Monday that mortgage lender Countrywide Financial Corp. has agreed to provide loan modifications to up to 397,000 borrowers nationwide under a settlement with Nevada and other states. Permanent relief to borrowers could equal about $7 to $8 billion nationwide, the states believe.

The tentative agreement was reached late Sunday by several states with Bank of America, which acquired Countrywide Financial on July 1, 2008.

Under the agreement, eligible subprime borrowers will be able to modify the terms of their loans to make monthly payments more affordable. Modified loan terms will vary according to the circumstances of the borrower, but they may include an automatic freeze or reduction in interest rates, conversion to fixed-term loans, and refinancing or reduction of principal owed.

Assuming every eligible borrower and investor participates, this loan modification program will provide benefits to eligible borrowers in Nevada as follows:

• Suspension of foreclosures for eligible borrowers with subprime and pay-option adjustable rate loans pending determination of borrower ability to afford loan modifications;

• Loan modifications valued at up to $219 million worth of reduced interest payments and, for certain borrowers, reduction of their principal balances;

• Waiver of late fees of up to $2.2 million;

• Waiver of prepayment penalties of up to $2.16 million for borrowers who receive modifications to, pay off, or refinance their loans;

• $3 million in payments to borrowers who are 120 or more days delinquent or whose homes have already been foreclosed; and

• Approximately $4.8 million in additional payments to borrowers who, in the future, will be unable to afford monthly payments under the loan modification program and lose their homes to foreclosure.

Countrywide said the loan modification program will be ready for implementation by December 1, 2008, and that the company would engage in proactive outreach to eligible customers by then. Countrywide also noted that foreclosure sales will not be initiated or advanced for borrowers likely to qualify until Countrywide has made an affirmative decision on a borrower's eligibility.

The toll-free number for Countrywide subprime customers who want more information is 800-669-6607. There also will be information soon at Countrywide's website, www.countrywide.com.

The tentative settlement resolves allegations that Countrywide used unfair and deceptive tactics in its loan origination and servicing activities – and that borrowers often were put in structurally unfair and unaffordable loans. Countrywide is the largest provider of subprime mortgages in the U.S.

Countrywide said the loan modification program was designed to achieve affordable and sustainable mortgage payments for borrowers who financed their homes with subprime loans or pay-option adjustable rate mortgages ("ARMs") serviced by Countrywide that were originated prior to December 31, 2007, and who are seriously delinquent or are likely to become seriously delinquent as a result of loan features, such as interest rate resets or payment recasts.

Under the settlement, which does not constitute an admission of wrongdoing, Bank of America/Countrywide also agreed to: stop offering pay option ARMs and significantly curtail offering "low-documentation" and "no-documentation" loans; initiate an early identification and contact program for people who have trouble making their payments; and continue working with non-profits, federal agencies, and state Attorneys General on ways to use REO (real estate owned) and other properties for community development.

The Bank of America/Countrywide settlement resolves investigations into Countrywide's lending practices in Arizona, Iowa, Nevada, Ohio, Texas and Washington. The settlement also resolves lawsuits against Countrywide initiated by Illinois, California and

Florida. Other states also are participating in the settlement.

Additional information as well as other valuable information on consumer protection, is also available on the Attorney General's website at www.ag.state.nv.us.

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