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ATTORNEY GENERAL MASTO ANNOUNCES TWO HISTORIC MORTGAGE SERVICING FORECLOSURE SETTLEMENTS

*Nevada to Receive \$1.5 Billion in Mortgage Relief for Struggling Homeowners, Will
Continue to Investigate, Prosecute Civil and Criminal Foreclosure Fraud*

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced today a settlement with Bank of America that will help Nevada homeowners. As part of the agreement, Masto joined the \$25 billion joint federal-state settlement with the nation's five largest mortgage servicers over foreclosure abuses and unacceptable nationwide mortgage servicing practices.

The Nevada settlement of the Bank of America lawsuit will set aside \$750 million in first and second lien principal reduction and short sales in Nevada, require Bank of America to suspend its foreclosure sales of any borrower eligible for the National Homeownership Retention Program, solicit eligible homeowners, fund an aggressive outreach effort to ensure that borrowers are made aware of the relief available to them and pay \$30 million to the State of Nevada for consumer protection efforts.

"I fought for and consequently received additional coverage that is above and beyond what is included in the national multistate settlement for Nevada homeowners who have been devastated by the foreclosure crisis," said Masto. "My team and I have taken our time to surgically review and subsequently change the national settlement to ensure that it delivers adequate and immediate consumer relief, without the associated years and risk of litigation."

The Nevada Bank of America settlement will bring in more money for Nevadans than what would have been available under the multistate settlement alone. The settlements are in proportion to that of California, who has also been devastated by the foreclosure crisis.

The Silver State's estimated share of the national settlement is \$1.5 billion:

- Nevada borrowers will receive an estimated \$1.3 billion in benefits from loan term modifications and other direct relief.
- Nevada borrowers who lost their home to foreclosure from January 1, 2008 through December 31, 2011 and suffered servicing abuse would qualify for \$57 million in cash payments to borrowers.
- The value of refinanced loans to Nevada underwater borrowers would be an estimated \$42 million.
- The state will receive a direct payment of \$60 million in addition to the \$30 million settlement with BoA.

“We are continuing our criminal prosecutions and civil investigations of the foreclosure crisis. After careful deliberation, and negotiation with our federal partners and banks, and critical feedback from Nevadans including constituents, elected officials, and community leaders, I decided it was in the State’s best interest to opt into the national foreclosure settlement,” said Masto. “This settlement represents a step in the right direction. Nevada did well. ”

The settlements do not prohibit Nevada from continuing to pursue criminal actions against the banks. The agreement does not prevent homeowners or investors from pursuing individual, institutional or class action civil cases against the five servicers. The pact also enables state attorneys general and federal agencies to investigate and pursue other aspects of the mortgage crisis, including securities cases.

AG Masto has led the fight in pursuing foreclosure fraud by being the first attorney general in the nation to criminally indict suspects for robo-signing and to file a civil lawsuit against a major bank for its servicing practices. The settlement allows Nevada to continue to pursue its lawsuit against Lender Processing Services for engaging in deceptive foreclosure practices against Nevada consumers.

In 2010 Masto issued investigative subpoenas to Fannie Mae and Freddie Mac to examine their role in the foreclosure crisis and will continue to pursue this matter. Neither settlement includes Fannie Mae or Freddie Mac loans.

The Nevada specific Bank of America settlement will be filed and enforced in Nevada. Unlike the larger multistate agreement, which is enforceable in a federal court in Washington, D.C., this payment provision empowers the Attorney General to summon Bank of America to Nevada state court.

The settlement also includes new servicing standards that stop many past foreclosure abuses including improper documentation and lost paperwork through new mortgage servicing standards, requires strict oversight of foreclosure processing, mandates that mortgages servicers will have to evaluate homeowners for other loan mitigation options before foreclosures, restricts banks from foreclosing while the homeowner is being considered for a loan modification, and creates a single point of contact for borrowers seeking information about their loans and adequate staff to handle calls. These new standards will be enforced by court order and overseen by an independent monitor.

These new servicing standards will work in conjunction with Assembly Bill 284, which Masto supported during the last legislative session. AB 284 creates security, legitimacy, and transparency by requiring a party seeking to foreclose in Nevada to record a notarized *Affidavit of Authority to Foreclose* and criminalizes violations. In Dec. 2010 Masto announced a joint investigation alliance, with California Attorney General Kamala Harris, designed to assist homeowners who have been harmed by misconduct and fraud in the mortgage industry.

Because of the complexity of the mortgage market and this agreement, which will span a three year period, in some cases participating mortgage servicers will contact borrowers directly regarding loan modification options. However, borrowers should contact their mortgage servicer to obtain more information about specific loan modification programs and whether they qualify under terms of this settlement. Settlement administrators or state attorneys general may also contact borrowers regarding certain aspects of the settlement.

Additional details on the settlement will be posted on www.ag.state.nv.us and www.NationalMortgageSettlement.com.

Nevada consumers who believe they have been a victim of foreclosure fraud are strongly encouraged to submit a written complaint to the Nevada Attorney General's Office. Contact the Nevada Attorney General's Bureau of Consumer Protection Hotline at 702-486-3132 and press "0" to receive instructions on how to submit a complaint.

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