



Comptroller of the Currency
Administrator of National Banks

Western District Office
1225 17th Street, Suite 300
Denver, Colorado 80202-5534
(720) 475-7650; FAX (301) 333-7010

Conditional Approval #719
January 2006

December 5, 2005

Mr. Michael Muir
Managing Director, Chief Financial Officer
Countrywide Bank, National Association
225 West Hillcrest Drive, MS TO-11
Thousand Oaks, CA 91360

RE: Material Non-Cash Contribution to Capital Surplus
Countrywide Bank, N.A., Alexandria, VA
OCC Control Number: 2005-WE-12-0306

Dear Mr. Muir:

The Office of the Comptroller of the Currency (OCC) has conditionally approved Countrywide Bank, National Association's proposal to increase its capital surplus by up to \$22 million as outlined in your application dated November 21, 2005. The bank's parent, Effinity Financial Corporation, will provide the capital contribution, which will be in the form of approximately \$22 million of fixed-rate, first-lien mortgage loans that meet the requirements of the Community Reinvestment Act. All loans are from the inventory of Countrywide Home Loans, Inc., an affiliate of the bank.

The conditional approval is subject to the following conditions "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. § 1818 and, as such, are enforceable under 12 U.S.C. § 1818:

1. The bank should submit to the Supervisory Office, within 15 days of the date of this letter, the results of the aggregate portfolio valuation performed by an independent, qualified firm, which substantiates the fair market value of the portfolio to be contributed to surplus. The bank shall immediately correct any deficiency to the satisfaction of the Supervisory Office.

2. Immediately following the capital contribution, the bank will retain a qualified independent accounting firm to verify that the loans were transferred using the value methodology represented in the application and, within 10 days of receipt of the report, submit the results to Kim Scherer, Examiner-in-Charge. The bank shall promptly correct, to the satisfaction of the Supervisory Office, any deficiencies noted.

Additionally, this approval is subject to the representations detailed in the bank's application dated November 21, 2005. Specifically, the bank represents the following:

1. The loans will meet the bank's criteria for inclusion in the capital contribution, specifically including weighted average coupons, FICO scores, current loan-to-value ratios, coupon stratifications, and weighted average margins.
2. The capital contribution loans will be contributed at the lower of historical cost or market value.
3. Substitutions of capital contribution loans will have at least the same credit characteristics as identified in #1 above or better in order to maintain a total pool of up to an amount of \$22 million.

We have no objection to management's plan to substitute loans of at least the same type and same quality or better provided that loan substitutions comply with the criteria outlined above.

This conditional approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the bank's representatives.

The change in capital should be completed within one year of the date of this letter. Please notify the OCC after you have completed the change and complied with legal requirements. Upon receipt of your notification, the OCC will authorize the increase in capital, provided you have satisfied the pre-contribution requirements.

This conditional approval and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U.S., any agency or entity of the U.S., or any officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC of the U.S.

If you have questions, please contact Sherry R. Gorospe, Licensing Analyst at (720) 475-7653 or by email at Sherry.Gorospe@occ.treas.gov.

Sincerely,

/s/ James A. Bundy

James A. Bundy
Senior Licensing Analyst