

**MEMORANDUM OF AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA AND
BANK OF AMERICA CORPORATION**

INTRODUCTION AND BACKGROUND

This Memorandum of Agreement (“Agreement”) is entered into by the United States and Bank of America Corporation (“Bank of America” or “the Bank”) to resolve the United States’ claim that Bank of America violated the Servicemembers Civil Relief Act (“SCRA”), 50 U.S.C. App. § 501, *et seq.*, by failing to lower the interest rate on servicemembers’ credit card loans to six percent, or to maintain the reduced interest rate through the entire period of military service after those servicemembers provided it with activation orders and requested a reduction in the interest rate between October 2003 and December 2007.¹

AGREEMENT

The parties have entered into this Agreement to resolve the claims asserted by the United States in order and to avoid the risks and burdens of litigation. The parties agree that full implementation of the terms of this Agreement will provide a fair and reasonable resolution of the allegations of the United States regarding credit card loan obligations in a manner consistent with the Bank’s legitimate business interests. The Bank denies any wrongdoing as alleged by the United States or otherwise.

1. Bank of America, including all of its officers, employees, agents, representatives, assignees, and successors in interest, and all those in active concert or participation with any of them, will not charge interest (including the charges and fees listed in Section

¹ The term “military service” is defined by Section 511 of the SCRA, 50 U.S.C. App. § 511(1). The term “servicemember” means a member of the uniformed services, as that term is defined in Section 101(a)(5) of Title 10 of the United States Code. 50 U.S.C. App. § 511(1).

527(d)(1)) in excess of six percent during a period of military service on any credit card loans originated prior to military service for which a servicemember requests SCRA protection, as required by Section 527 of the SCRA, 50 U.S.C. App. § 527.² In the event the Bank seeks to transfer or assign all or part of its credit card operations,³ and the successor or assign intends to carry on the same or similar use, the Bank shall, as a condition of sale, obtain the written agreement of the successor or assign to be bound by any obligations remaining under this Agreement for the remaining term of this Agreement.

2. The effective date of this Agreement shall be the last date on which it is signed by a counsel for the parties.
3. The Bank shall implement SCRA Policies and Procedures to ensure that it does not impose fees or interest rates in excess of six percent on servicemembers' credit card loan obligations, if those obligations originated prior to the period of military service. Specifically, the Bank will revise its SCRA policies and procedures, subject to the approval of the United States, to include the following provisions:
 - a. The Bank shall accept servicemembers' requests for reduced credit card interest rates pursuant to the SCRA via facsimile, U.S. Mail, Federal Express or other overnight/express delivery to facsimile numbers and addresses designated by the Bank, and in-person delivery at its branch locations. If the servicemember

² The Bank may seek a court order pursuant to Section 527(c) if it wishes to obtain relief from the requirements of Section 527.

³ For purposes of this paragraph, the requirements relating to the transfer or assignment of "operations" does not include the transfer or assignment of portions of its portfolio of credit card accounts or receivables to an independent third party entity.

fails to provide documentation entitling the servicemember to the interest rate cap, the Bank will request additional information in accordance with paragraph 3(c) before making a final determination that the borrower is not eligible for the interest rate cap. The Bank shall also ensure that it has a designated telephone number at which servicemembers may reach Bank of America representatives to address questions or concerns regarding requests for reduced interest rates pursuant to the SCRA.

b. When the Bank receives a written request from a servicemember for a reduced credit card interest rate pursuant to the SCRA, the Bank will review all credit card accounts held by the requesting servicemember and the interest rates applied to those accounts in determining the servicemember's eligibility for the reduced interest rate.

c. The Bank shall seek only orders identifying the beginning date of the applicable period of military service from the requesting servicemember, taking into account whether the servicemember is a member of the National Guard, Reserves or the regular uniformed services of the United States.

d. Before concluding that the SCRA permits raising the interest rate on the servicemember's credit card loan obligations higher than six percent, the Bank shall access the Department of Defense Manpower Data Center ("DMDC") website to determine the dates of active duty military service of those servicemembers who request reduced interest rates pursuant to the SCRA. The Bank will raise the interest rate on the servicemember's credit card loan

obligations higher than six percent only if the information on the DMDC website shows that the borrower is no longer in military service.

e. For those servicemembers who request a reduced interest rate pursuant to the SCRA, but are determined not to be eligible for the reduced rate, the Bank shall notify the servicemembers in writing of the reasons for the denial. The Bank shall ensure that such servicemembers are given an opportunity to provide additional documentation or information to establish eligibility for the reduced interest rate; and

f. The Bank shall ensure that all of its employees and/or agents who serve customers at Bank of America branches located on United States military bases, or who answer calls received at the designated telephone number described in paragraph 3(a) or have significant involvement in setting and/or approving interest rates on credit card loan obligations, are trained in the requirements of the SCRA and the policies and procedures developed as a result of this Agreement.

4. The Bank shall provide a copy of the proposed SCRA Policies and Procedures required under paragraph 3 to counsel for the United States within thirty days of the effective date of this Agreement.⁴ The United States shall have thirty days from receipt of these

⁴ All material required by this Order to be sent to counsel for the United States shall be sent by commercial overnight delivery service addressed as follows: Chief, Housing and Civil Enforcement Section, Civil Rights Division, U.S. Department of Justice, 1800 G Street NW, Washington, DC 20006, Attn: DJ 216-55-1, or by facsimile to 202-514-1116.

documents to raise any objections to the Bank's SCRA Policies and Procedures, and, if it raises any, the parties shall confer to resolve their differences.

5. The Bank's compliance with the terms of this Agreement shall fully and finally resolve the United States' claim that the Bank violated the SCRA by failing to lower the interest rate on servicemembers' credit card loans to six percent, or to maintain the reduced interest rate through the entire period of military service after those servicemembers provided it with activation orders and requested a reduction in the interest rate between October 2003 and December 2007.

COMPENSATION OF AGGRIEVED PERSONS

6. Within ten (10) business days after execution of this Memorandum of Agreement, the Bank shall deposit the sum of EIGHTY-SIX THOUSAND AND TWENTY-THREE DOLLARS (\$86,023) into an interest-bearing account (the "Settlement Fund") for the purpose of compensating the nine (9) persons whom the United States has alleged to be victims of the Bank's actions in violation of the SCRA (hereinafter "aggrieved persons") in the amounts determined by the United States. In addition, within ten (10) business days of the entry of this Agreement, the Bank shall submit proof to the United States that this account has been established and the funds deposited.
7. Aggrieved persons shall have two years from the date of entry of this Agreement to provide a signed release in the form of Exhibit B. Any amount left in the fund at the end of the two-year period shall be retained by the Bank.
8. Within ten (10) days of notification by the United States that a release(s) in the form of Exhibit B has been received, the Bank shall deliver to counsel for the United States a

check(s) payable from the designated account to the aggrieved person(s) in the amounts determined by the United States. The United States shall deliver the check(s) to the aggrieved person(s) and the original, signed release(s) to counsel for the Bank.

RECORD KEEPING AND REPORTING REQUIREMENTS

9. For the duration of this Agreement, the Bank shall retain all records relating to its obligations hereunder, including its records with respect to any credit card account for which a servicemember seeks a reduced interest rate pursuant to the SCRA, whether or not that request is granted by the Bank, as well as its compliance activities as set forth herein. The United States shall have the right to review and copy such records, including electronic data, upon request during the period of this Agreement.
10. During the term of this Agreement, the Bank shall send to counsel for the United States every six (6) months copies of any written SCRA complaints against the Bank or any of the Bank's agents or employees relating to an interest rate imposed on a credit card obligation and shall inform the United States in writing of the terms of any resolution of such complaints. The notification shall include the complainant's name, address, and telephone number. The Bank shall also promptly provide the United States all information it may request concerning any such complaint.

ADMINISTRATION

11. This Agreement shall be in effect for three (3) years, except as specified below.
12. Any time limits for performance fixed by this Agreement may be extended by mutual written agreement of the parties.

13. In the event that any disputes arise about the interpretation of or compliance with the terms of this Agreement, the parties shall endeavor in good faith to resolve any such dispute. The United States agrees that if it reasonably believes that the Bank has violated any provision of this Agreement, it will provide the Bank written notice thereof and allow the Bank thirty (30) days to resolve the alleged violation. In the event that the parties are not able to resolve the issue to the reasonable satisfaction of the United States, the United States may seek to enforce the Agreement, or any provision thereof, in the United States District Court for the Western District of North Carolina through initiation of a lawsuit. Failure of the United States to enforce this entire Agreement or any provision of it with regard to any deadline or any other provision contained herein shall not be construed as a waiver by the United States of any right to do so.

14. Each party to this Agreement shall bear its own costs and attorneys' fees associated with this Agreement.

The parties have agreed to the entry of this Agreement, as indicated by the signatures below.

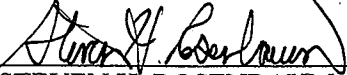
This 20th day of May, 2011


For the United States:

ED RYAN
United States Attorney

THOMAS E. PEREZ
Assistant Attorney General
Civil Rights Division

PAUL TAYLOR
Civil Chief
United States Attorney's Office
227 West Trade Street
Suite 1650
Charlotte, NC 28202
Tel.: (704) 344-6222
Fax: (704) 344-6299


STEVEN H. ROSENBAUM
Chief
Housing and Civil Enforcement Section


ELIZABETH A. SINGER
AMBER R. STANDRIDGE
EMILY S. NOBILE
Trial Attorneys
Housing and Civil Enforcement Section
Civil Rights Division
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530
Tel: (202) 514-4713

For The Bank:



ANDREW L. SANDLER
KIRK D. JENSEN
ELIZABETH E. MCGINN
BuckleySandler LLP
1250 24th Street, NW, Suite 700
Washington, DC 20037
Tel.: (202) 349-8000
Fax.: (202) 349-8080
Email: asandler@buckleysandler.com
kjensen@buckleysandler.com
emcginn@buckleysandler.com
Counsel for Bank of America

EXHIBIT A

Employee/Agent Acknowledgment

I acknowledge that on _____ I was provided training regarding SCRA Compliance, a copy of the Memorandum of Agreement entered into by the United States and Bank of America, and the SCRA Policy and Procedures developed pursuant thereto. I have read and understand these documents and have had my questions about these documents and the SCRA answered. I understand my legal responsibilities and shall comply with those responsibilities.

Signature

Print Name

Job Title

Date

EXHIBIT B

Release

In consideration for the agreement between the United States and Bank of America, and the Bank's payment to me of \$_____, pursuant to the Memorandum of Agreement, I hereby release and forever discharge all claims related to the facts at issue in the Agreement referenced above, or in any way related to that Agreement, and any other claims arising from the SCRA violations alleged in that Agreement up to and including the date of execution of this release, that I may have against the Bank, all related entities, parents, predecessors, successors, subsidiaries, and affiliates, and all of their past and present directors, officers, agents, managers, supervisors, shareholders and employees and their heirs, executors, administrators, successors or assigns.

Executed this ___ day of _____, 20__.

Signature

Print Name

Address