
FEDERAL HOUSING FINANCE AGENCY



STATEMENT

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FHFA Statement on Fannie Mae Agreement with Bank of America

The Federal Housing Finance Agency (FHFA) has approved an agreement between Fannie Mae and Bank of America to resolve certain claims related to mortgages sold to Fannie Mae between 2000 and 2008, including the repurchase of approximately 30,000 loans by Bank of America. In addition, FHFA has approved the transfer of servicing for roughly one million loans from Bank of America to specialty servicers. The approval of these agreements is consistent with FHFA's responsibilities as conservator of Fannie Mae. The agreements were also reviewed and approved by the Fannie Mae Board of Directors.

"Resolving these issues at this time is in the best interest of taxpayers and reduces uncertainty in the nation's mortgage finance market," said Edward J. DeMarco, FHFA Acting Director. "This is a major step forward in resolving issues from the past and providing greater certainty in the marketplace, which remain critical FHFA goals as conservator. I am pleased with the resolution achieved and thank everyone involved for their efforts."

The transfer of mortgage servicing to specialty servicers is structured to benefit borrowers and reduce future credit losses to Fannie Mae. In connection with this servicing transfer, the companies agreed to resolve outstanding and certain expected compensatory fees owed by Bank of America due to delays in delinquent borrower resolution timelines.

The agreements together provide Fannie Mae with a recovery of losses from origination and servicing defects that have been, or could have been absorbed by taxpayers in the absence of a resolution of these matters.

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.