



State Groups Ask Congress to Investigate BofA-Countrywide Merger

SAN FRANCISCO, February 1, 2008 – Four statewide consumer groups from across the country asked the U.S. congressional banking committees to hold investigative hearings on the future of Countrywide Financial’s borrowers and employees as the company is acquired by the giant Bank of America.

The California Reinvestment Coalition, Community Reinvestment Association of North Carolina, Neighborhood Economic Development Advocacy Project (New York), and New Jersey Citizen Action sent letters today to Chairman Christopher Dodd of the Senate Banking Committee and Chairman Barney Frank of the House Financial Services Committee asking them to conduct congressional hearings on Bank of America’s proposed acquisition of Countrywide Financial.

“Congress has a one-time opportunity to take millions of current homeowners out of financial jeopardy, and stabilize the financial well-being of countless neighborhoods,” says Alan Fisher, executive director of the California Reinvestment Coalition. “Congress can ensure that this vast amalgamation of these two financial giants has a positive impact, and create the model for resolution of our nation’s growing economic disaster.”

Countrywide’s unscrupulous business practices and lax mortgage lending standards paved the way for a subprime mortgage crisis that has led to thousands of foreclosures nationwide. Hundreds of thousands of Countrywide borrowers are on the verge of losing their homes, the single most important asset in their lives.

Consumer advocates are concerned because Bank of America has not released a specific plan to ensure that every effort will be made to keep borrowers in their homes, and keep neighborhoods and local economies intact. The groups are urging Congress to make certain that during the months leading up to the planned acquisition, and thereafter, that a plan, which includes staffing and policies, is drafted to guarantee borrowers will be offered affordable, fixed rate loans that will enable them to keep their homes.

"Working families and communities will suffer if Bank of America is allowed to take control of Countrywide's portfolio without stringent oversight, and without a concrete commitment to work with distressed borrowers to prevent foreclosure," states Josh Zinner, co-director of the Neighborhood Economic Development Advocacy Project of New York City.

"With this proposed merger, Bank of America undertakes responsibility for hundreds of thousands of potential foreclosures," says Peter Skillern, executive director of the Community Reinvestment Association of North Carolina. "They must make a commitment to mitigate the

damage done by Countrywide Mortgage. A bigger, badder bank is not a solution, a bigger better bank can be."

The Bank of America combination with Countrywide Mortgage will service \$1.9 trillion in home mortgages. It will hold 21 percent of the national mortgage market. The groups highlight in their letter to the representatives that care must also be taken to ensure that Bank of America retains Countrywide employees in their current offices, so that there is sufficient staffing to underwrite and process loan modifications.

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The California Reinvestment Coalition (CRC) is a statewide coalition of more than 250 nonprofit organizations and public agencies that has worked to increase access to credit for affordable housing, community economic development, and consumer services in low-income communities and communities of color since 1986. CRC has comprehensive community reinvestment agreements with major California banks and savings & loans.

The Community Reinvestment Association of North Carolina is a bank watchdog agency advocating for consumer rights.

The Neighborhood Economic Development Advocacy Project (NEDAP) is a resource and advocacy center for community groups in New York. NEDAP's mission is to promote community economic justice and to eliminate discriminatory economic practices that harm communities and perpetuate inequality and poverty.

New Jersey Citizen Action works to protect and expand the rights of individuals and families and to ensure that government officials respond to the needs of people rather than the interests of those with money and power.