

# NEWS RELEASE

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COMMISSIONER OF BANKS

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**Countrywide Agrees to Refund over \$11 Million to 4,800 North Carolina Borrowers**  
*Countrywide to provide \$2 million to counseling agencies for foreclosure prevention*

RALEIGH—Countrywide Home Loans and Countrywide Mortgage Ventures (Countrywide) have agreed to issue cash refunds totaling up to \$11.5 million to approximately 4,800 borrowers as part of a settlement agreement with the North Carolina Office of the Commissioner of Banks (NCCOB). Countrywide is going to make \$2 million in grants to North Carolina non-profit housing counseling agencies involved in foreclosure prevention, as well as a significant grant to the Nationwide Mortgage Licensing System (NMLS).

Separate from this action, Countrywide has recently implemented an aggressive program to modify unaffordable mortgage loans, through a landmark multi-state agreement reached by North Carolina's Attorney General and other state Attorneys General.

"We found evidence that Countrywide overcharged thousands of North Carolina homeowners. This settlement provides for a full refund of any illegal charges identified in the course of our examination," said Deputy Commissioner of Banks Mark Pearce. Countrywide did not admit to any violations alleged in NCCOB's examination. Refund checks will go out shortly to affected borrowers.

NCCOB began an examination and investigation of Countrywide Home Loans and Countrywide Mortgage Ventures in 2007. Examiners identified serious and systematic violations of North Carolina's lending laws regarding permissible charges on first and second mortgage loans. According to NCCOB's examination, approximately 3,800 borrowers were overcharged on first mortgage loans and 1,000 borrowers were overcharged on second mortgage loans.

NCCOB worked closely with the Attorney General's Office to ensure effective enforcement of North Carolina's lending laws in this matter. The Attorney General's Office reviewed reports involved in the examination and approved the settlement agreement.

"Unfair loans and foreclosures have hurt our families, our communities and our economy," said Attorney General Roy Cooper. "Settlements like this that help consumers and change lending practices push us toward a better economy and help right some of the wrongs."

Countrywide is making \$2 million in grants to 26 non-profit housing counseling agencies providing foreclosure prevention counseling through the State Home Foreclosure Prevention

Project. The State Home Foreclosure Prevention Project, led by the Commissioner of Banks, attempts to identify homeowners struggling to pay subprime loans in order to connect them with resources to prevent foreclosure where possible. In its first two months of operation, nearly 1,000 homeowners have contacted NCCOB for assistance.

Countrywide has also provided \$900,000 to the NMLS to support the further development of the cooperative State effort to improve licensing and regulation of mortgage loan originators.

Homeowners affected by the settlement will receive checks within the next 60 days. Borrowers who wish to inquire if they will receive a refund can contact NCCOB's consumer complaint hotline at 888-384-3811.

The settlement agreement and order are available on NCCOB's website at [http://www.nccob.org/mlenforcements/08\\_170.pdf](http://www.nccob.org/mlenforcements/08_170.pdf).

NCCOB currently regulates state-chartered banks, thrifts, savings and loans, trust companies, and more than 1,300 mortgage lenders/brokers and 16,000 loan officers, as well as numerous consumer finance companies, check-cashers, and other financial services.

More information regarding the State Home Foreclosure Prevention Project may be found at <http://www.ncforeclosurehelp.org/StateForeclosurePreventionProject.aspx> and the NMLS website is at <http://www.stateregulatoryregistry.org/AM/Template.cfm?Section=Home3>.

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