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Bank of America Letter to the FCIC re CRA

Michael J. Sharp

Reginald J. Brown

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Confidential Treatment Requested

WILMERHALE

July 8, 2010

Reginald J. Brown

VIA HAND DELIVERY

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Bradley J. Bondi, Esq.
Financial Crisis Inquiry Commission
1717 Pennsylvania Avenue, N.W., Suite 800
Washington, D.C. 20006-4614

Re: April 21, 2010 Request for Information Regarding the Community Reinvestment Act

Dear Brad:

Below please find Bank of America Corporation's ("BAC" or the "Bank") response to Interrogatory 4 of your request for information dated April 21, 2010, regarding the Community Reinvestment Act ("CRA"). This completes our production in response to this request.

INTERROGATORIES

- (4) **How have the mortgages that were deemed to have helped satisfy CRA commitments affected Bank of America's financial performance in each of the years 2000 through 2010?**

RESPONSE:

Until 2008, CRA-qualified mortgages did not meaningfully affect BAC's financial performance, and the majority of CRA-qualified mortgages that BAC originated were sold to the secondary market. Beginning in 2006 and continuing through the end of 2007, BAC kept on its balance sheet approximately 30 percent of the CRA-qualified mortgages it originated during that period. In 2008 and 2009, BAC kept on its balance sheet about three percent of the CRA-qualified loans it originated.

As BAC disclosed in its form 10-K for 2008, the CRA-qualified mortgages held on balance sheet (referred to in the filing as the "CRA portfolio") were seven percent of residential mortgage loans on the balance sheet but 24 percent of nonperforming residential mortgage loans and 27 percent of residential mortgage net charge-offs. As BAC disclosed in its 10-K for the year 2009, the CRA portfolio was six percent of the total residential mortgage loans on the balance sheet but 17 percent of nonperforming residential mortgage loans and 20 percent of residential mortgage net charge-offs.

In addition, certain loans that the Bank sold in the secondary market have become subject to repurchase because certain underwriting and/or default trigger events have occurred. Some of the loans that the Bank repurchased under these circumstances were CRA eligible at origination.

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BAC's response may contain confidential information, including highly sensitive and proprietary business, client, and supervisory information (collectively "Confidential Information"). Federal securities law recognizes that the use or disclosure of non-public information may result in harm to public investors. Selective disclosures or selective releases of information regarding the timing of any future public disclosures may also result in harm to investors and violate federal securities laws. Accordingly, BAC respectfully requests that the Confidential Information be maintained confidentially by the FCIC and its staff. Neither this letter nor BAC's providing information to the FCIC is intended to, and does not, waive any applicable privilege or other legal basis under which information may not be subject to production. If it were found that any of the information provided by BAC constitutes disclosure of such information, BAC does not intend to waive and has not waived any privilege or other protection.

BAC requests that the FCIC staff provide the undersigned with notice and an opportunity to be heard in the event the FCIC determines that it will disclose any Confidential Information to a third party. Such treatment would be consistent with respect for sensitive and proprietary business information that Congress has shown in the past.

* * *

Please call me at (202) 663-6430 or Michael Sharp at (212) 937-7502 if you have any questions.

Sincerely,



Reginald J. Brown

Michael J. Sharp