

State of Connecticut

GEORGE C. JEPSEN
ATTORNEY GENERAL



Hartford

May 20, 2011

Mr. Brian T. Moynihan
President and CEO
Bank of America Corporation
100 N. Tryon Street
Charlotte, NC 28263

RE: Loss Mitigation and Default Servicing Resources

Dear Mr. Moynihan:

I write to express my continued concern that Bank of America is failing to devote adequate resources to loss mitigation and default servicing of residential mortgage loans in Connecticut. Although I appreciated the information provided by bank representatives during our recent meeting, I remain highly skeptical that Bank of America is devoting sufficient resources to meet the challenges presented by large numbers of distressed borrowers.

My office continues to receive numerous complaints from consumers whose loans are serviced by Bank of America. Just this week my office received a complaint from a former Navy Corpsman who described his two-year ordeal with the bank as a "nightmare." This customer's experience is far from unique. Indeed, our colleagues at the Connecticut Department of Banking and the Connecticut Fair Housing Center report that they continue to assist many consumers who are experiencing significant difficulties with Bank of America.

Despite having had more than two years to "right-size" your staff and establish effective procedures and systems, Bank of America has so far not prevented even the most common consumer complaints regarding lost documentation, poor communication, misinformation, dual tracking, and lack of a single point of contact. Such consumer complaints are common and a clear indication that Bank of America has not devoted sufficient resources toward addressing its well-documented default servicing problems.

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Indeed, I am unaware that Bank of America has undertaken any baseline analysis to determine the staffing levels and training necessary to effectively service the distressed loans in its portfolio. While I appreciate that Bank of America has added some servicing staff, without this basic information, how does Bank of America have any confidence that its hiring and training is adequate to address the problem? I certainly do not.

Bank of America's plan to establish 40 new customer assistance centers nationwide -- including one located in Dedham, MA, intended to serve all of New England -- could improve the loss mitigation process for some borrowers. Nevertheless, only those borrowers living in close proximity to a center will likely be able to take full advantage of the new "in-person" approach. Given the scope of Bank of America's default servicing problems, the large volume of loans it services, and the vast geographic distribution of borrowers, establishing one center staffed by a dozen people to cover all of New England is woefully inadequate. Additionally, given that Bank of America is apparently poised to lift its moratorium on Connecticut foreclosures, I do not see that it has any credible plan to deal with the inevitable increase in borrower loss mitigation requests likely to occur.

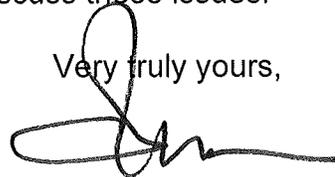
I express these concerns on behalf of the thousands of distressed Connecticut borrowers who continue to experience significant difficulties due to Bank of America's failure to devote adequate resources to loss mitigation. I am constantly reminded that the recession which followed in the wake of the financial crises continues to devastate families and wreak havoc on our local communities. It is true that Bank of America has repaid TARP monies loaned by taxpayers -- funds which likely prevented its demise. Such repayment, however, does not mean that the bank has fulfilled its obligation to take all reasonable measures to ameliorate the effects of the foreclosure crises that it helped create. Bank of America can and should do much more.

I remain hopeful that the outcome of Bank of America's current settlement negotiations with the state Attorneys General and its compliance with recent orders issued by its federal regulator will yield positive changes to its default servicing practices. I will not, however, be fully satisfied with those efforts until I have confidence that Bank of America has plans in place to bolster its loss mitigation resources in Connecticut so that distressed Connecticut borrowers receive fair and honest treatment. I look forward to further discussion with you regarding such plans.

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Please do not hesitate to contact me if you have questions or concerns. You may also contact Assistant Attorneys General Matthew Budzik or Joseph J. Chambers of my Finance Department at (860) 808-5270 to discuss these issues.

Very truly yours,



GEORGE JEPSEN

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