



Federal Housing Finance Agency Office of Inspector General

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OVER \$1 BILLION IN PENALTIES IMPOSED BY THE COURT ON BANK OF AMERICA, COUNTRYWIDE, AND REBECCA MAIRONE FOR ENGAGING IN MORTGAGE FRAUD

Washington, D.C. – Today Judge Rakoff ordered Bank of America and Countrywide to pay civil penalties in the amount of \$1,267,491,770 and Rebecca Mairone, a former Countrywide officer, to pay a civil penalty of \$1,000,000 for their actions in luring Fannie Mae and Freddie Mac to pay for fraudulently misrepresented loans.

“A financial penalty such as this clearly sends the message that none of the parties involved are above the law and are in fact responsible for their actions and the harm they caused the victims, namely Fannie Mae and Freddie Mac,” said Acting Inspector General Michael P. Stephens. “Uncovering mortgage fraud, whether criminal or civil, is a lengthy and meticulous battle and it is not over. Uncovering the evidence in these schemes can be like finding a needle in a haystack, however, the needles can and have been found. My office will continue to press for criminal charges against those who have perpetrated criminal fraud, and civil charges where we find civil fraud, whether it is an individual or an institution they can and should be held accountable.”

A jury had previously found that Bank of America, Countrywide, and Mairone had committed mail and wire fraud by selling thousands of toxic mortgages to Fannie Mae and Freddie Mac under the false premise that they were quality investments.

This case was also investigated by SIGTARP, and prosecuted by the U.S. Attorney’s Office for the Southern District of New York.

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