



Attorneys at Law

The New York Attorney General has filed suit against Credit Suisse for mortgage securities fraud. In the lawsuit, the New York AG accused the Swiss bank of misleading investors over the quality of residential mortgage-backed securities. The deception resulted in losses to investors of some \$11.2 billion, according to the lawsuit.

The New York AG's suit follows a similar lawsuit against JPMorgan Chase over mortgage-backed securities packaged and sold by Bear Sterns. The suits came out of the Residential Mortgage-Backed Securities Working Group, a state-federal task force created by President Obama in early 2012 to investigate those responsible for misconduct contributing to the financial crisis through the pooling and sale of residential mortgage-backed securities. Fannie Mae and Freddie Mac were listed among the investor victims in the Credit Suisse case. The lawsuit asserts that Fannie Mae and Freddie Mac sustained significant losses which have thus far be borne entirely by taxpayers.

The federal government has been successful in recouping a significant amount of its losses through similar suits against other banks and through fines levied against financial institutions. The Working Group is seen as the "last best chance" to recover government losses from the 2008 financial crisis and to impose liability on those responsible for contributing to it.