

The United States Department of Justice ("DOJ") is seeking \$2.1 billion in fines from Bank of America ("B of A") related to mortgage fraud on the part of Countrywide Financial. The case involves mortgages sold in 2007 and 2008 to Fannie Mae and Freddie Mac, the two government-backed mortgage finance companies. The loans were made under a Countrywide program known as the "High-Speed Swim Lane," which was known internally at the lender as "the Hustle." A jury found Bank of America guilty of fraud in October 2013 in a civil case involving Countrywide's actions. Countrywide was acquired by Bank of America in 2008.

In a motion filed on January 29, 2014, DOJ argues that Countrywide's gross proceeds from the sale of mortgage loans involved in the case topped \$5 billion and that experts have determined that 43 percent of those loans were "defective and sold with misrepresentations." That figure was used in computing the amount of fines that would be sought by the federal government.

The case pursued by DOJ was originally brought by Edward O'Donnell, a former Countrywide executive who says he complained repeatedly about loan quality standards at Countrywide. O'Donnell could be awarded up to \$1.6 million in the case as the original whistleblower.