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Bank of America Introduces Program to Extend Mortgage Protections for Servicemembers Beyond Active Duty

Unique Program Includes Interest Rate Reductions, Targeted Principal Forgiveness, and Dedicated Mortgage Servicing Team to Assist Military Customers

CALABASAS, Calif. – Bank of America today announced programs for its mortgage customers serving in the United States military, improving key benefits for those on active duty and extending mortgage protections for servicemembers beyond active duty. The newly introduced programs include a principal forgiveness loan modification program for military borrowers behind on their payments when leaving active duty; a reduced 4-percent interest rate on mortgages for customers who are eligible for Servicemembers Civil Relief Act (SCRA) protection; and a mortgage customer service unit dedicated to servicing military customers.

“Our new Military Loan Modification Program builds on our long-standing commitment to the United States military forces and will help address the heavy burden of financial matters at home that can weigh on those who are protecting our freedoms,” said Terry Laughlin, executive vice president for Bank of America. “Military men and women face extraordinary circumstances, and they make unique sacrifices for all of us. For these reasons, we want this combination of tools to address their needs and help them when they need it most.”

Bank of America’s Military Loan Modification Program goes above and beyond existing programs to assist military customers who are leaving active duty domestically or abroad and are struggling to afford their mortgage payment. The program builds on the government’s Home Affordable Modification Program (HAMP) and provides a waterfall of solutions starting with principal reduction measures to help customers achieve a more affordable mortgage payment as set forth in the HAMP guidelines:

- First, immediate principal forgiveness to reduce the amounts owed related to their mortgage to as low as 100 percent of the current market value.
- Then, as needed, a reduction of the interest rate, and subsequent extension of the term of the loan to help customers achieve a more affordable mortgage payment.

Beginning April 1, 2011, Bank of America will also offer a 4-percent interest rate on mortgages for active duty military personnel while they are under Servicemembers Civil Relief Act (SCRA) protection. This is lower than the 6-percent rate required by SCRA guidelines. The 4-percent rate will be applicable for the duration of the borrowers’ active duty and for 12 months after release.

Bank of America initially will offer the specialized loan modification program and reduced interest rate to distressed military customers with loans owned and serviced by the bank. The bank is engaged in conversations with investors in other mortgages it services in the interest of expanding these benefits to all the military customers. Participation by those investors is subject to their approval.

Bank of America previously announced it has established a dedicated customer service team for military customers within its mortgage servicing unit. This unit provides servicemembers who have Bank of America mortgages with a single team to contact for assistance with questions or needs related to the bank's full range of mortgage options and related SCRA benefits. The unit is staffed by associates with specialized training and detailed knowledge of SCRA policies and guidelines.

Servicemembers with Bank of America mortgages may reach the dedicated customer service unit at 888.325.5357.

"We recognize the complexity and special considerations of serving customers who are in the military and we are committed to working with the Department of Defense and other stakeholders to help servicemembers who are currently in or exiting active duty and in need of mortgage relief," said Laughlin.

Bank of America has provided specialized financial services to military personnel since 1920 with a long-standing commitment that includes:

- Partnership with the Department of Defense providing full-service banking to troops and contractors domestically and overseas, with nearly 80 branches and 300 ATM locations outside the U.S.
- Employment of more than 5,000 active and veteran U.S. military servicemembers.
- An employee-based Military Support Affinity Group, which provides networking, mentoring and information forums to help in the advancement and leadership development of service veterans.
- Nearly \$2 million in grants and other financial support for non-profit partners who serve military servicemembers, veterans and their families since 2008.

Bank of America

Bank of America is one of the world's largest financial institutions, serving individual consumers, small- and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. The company provides unmatched convenience in the United States, serving approximately 57 million consumer and small business relationships with more than 5,800 retail banking offices and approximately 18,000 ATMs and award-winning online banking with 29 million active users. Bank of America is among the world's leading wealth management companies and is a global leader in corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading

support to approximately 4 million small business owners through a suite of innovative, easy-to-use online products and services. The company serves clients through operations in more than 40 countries. Bank of America Corporation stock (NYSE: BAC) is a component of the Dow Jones Industrial Average and is listed on the New York Stock Exchange.

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