

OFFICE OF THRIFT SUPERVISION

Approval of Application to Rescind a Condition of Approval

Order No.: 2008-21
Date: June 26, 2008
OTS No.: 18039

Countrywide Bank, FSB, Alexandria, Virginia (Savings Bank), seeks approval of the Office of Thrift Supervision (OTS) of an application to rescind a condition of approval (Condition 7) that was originally imposed by OTS Order No. 2007-08, dated March 5, 2007 (Order). The Order approved, among other things, the conversion of the Savings Bank from a national bank to a federal savings bank, and its acquisition by Countrywide Financial Corporation (Countrywide) and two of Countrywide's subsidiaries (collectively, the Holding Company). Condition 7 requires that:

At least 40 percent of the [Savings Bank's] board of directors must be individuals who are not officers or employees of the [Holding Company] or affiliates thereof, and who have not otherwise been determined by the [West] Regional Director to lack sufficient independence. At least two members of the [Savings Bank's] board of directors must be individuals who are not officers, directors or employees of the [Holding Company] or any affiliate, and who are not officers or employees of the [Savings Bank], and who have not otherwise been determined by the [West] Regional Director to lack sufficient independence. At least 50 percent of any audit committee established by the [Savings Bank] must be directors who are not officers or employees of the [Savings Bank], the [Holding Company] or any affiliates, and who have not otherwise been determined by the [West] Regional Director to lack sufficient independence.

On January 11, 2008, the Holding Company agreed to be acquired by Bank of America Corporation, Charlotte, North Carolina (Financial Holding Company), a financial holding company regulated by the Board of Governors of the Federal Reserve System.

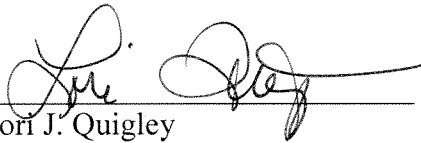
The Financial Holding Company proposes to install persons on the board of directors of the Savings Bank who also serve as directors of the Bank of America, a subsidiary of the Financial Holding Company. The persons the Financial Holding Company expects to install as directors of the Savings Bank have extensive banking and credit-related experience. The Savings Bank, in anticipation of its acquisition by the Financial Holding Company, requests the rescission of Condition 7.

OTS has the legal authority to impose conditions of approval on applications, in order to ensure that the relevant approval criteria are satisfied. When circumstances pertinent to the savings association change, it may be appropriate to reconsider conditions that are pertinent to the savings association.

The Financial Holding Company is a financial holding company as defined in 12 U.S.C. § 1841(p), and is therefore subject to the requirements set forth in 12 U.S.C. § 1843(l)(1). Specifically, each of the Financial Holding Company's depository institution subsidiaries must be well capitalized and well managed.¹ To the extent the Financial Holding Company meets these criteria, it appears that the Financial Holding Company and its subsidiaries have functioned effectively without the existence of the board composition requirements set forth in Condition 7. In addition, the Holding Company and its subsidiaries are currently addressing significant developments, and the acquisition of the Savings Bank by the Financial Holding Company will help address these developments. Based on the foregoing, OTS concludes that the future prospects and probability of success of the Savings Bank are acceptable in the absence of Condition 7.

Accordingly, OTS hereby rescinds Condition 7 of the Order effective upon consummation of the acquisition of the Holding Company by the Financial Holding Company. The remaining conditions of the Order remain in effect.

By order of the Director of the Office of Thrift Supervision, or his designee, effective June 26, 2008.



Lori J. Quigley
Managing Director
Examinations and Supervision-Operations

¹ See 12 U.S.C. § 1843(l)(1)(A) and (B).