

# FHFA SHOWS TURBOTAX TIMMEH GEITHNER WHAT A REAL LONG WEEKEND IS

Because after the bomb they just dropped on the finance world, I would imagine Geithner will be busy.

Here's the list of banks they're suing:

1. Ally Financial Inc. f/k/a  
GMAC, LLC
2. Bank of America Corporation
3. Barclays Bank PLC
4. Citigroup, Inc.
5. Countrywide Financial  
Corporation
6. Credit Suisse Holdings  
(USA), Inc.
7. Deutsche Bank AG
8. First Horizon National  
Corporation
9. General Electric Company
10. Goldman Sachs & Co.
11. HSBC North America Holdings,  
Inc.
12. JPMorgan Chase & Co.
13. Merrill Lynch & Co. / First  
Franklin Financial Corp.
14. Morgan Stanley
15. Nomura Holding America Inc.
16. The Royal Bank of Scotland  
Group PLC
17. Société Générale

FHFA explains,

These complaints were filed in federal or state court in New York or the federal court in Connecticut. The complaints seek damages and civil penalties under the Securities Act of 1933, similar in content to the complaint FHFA filed against UBS Americas, Inc. on July 27, 2011. In addition, each complaint seeks compensatory damages for negligent misrepresentation. Certain complaints also allege state securities law violations or common law fraud.

Finally, someone calls it fraud.

Update: Just scanned the BoA suit. Their suit is based on \$6B of certificates, between Fannie and Freddie. The defaults and foreclosures range from 7.6 to 61.6%, perhaps averaging 30%.

To emphasize what a stinker BoA was, the complaint notes that even Countrywide thought BoA was going after high-risk loans very aggressively (note FHFA sued Countrywide in separate capacity).

BOA was one of the most aggressive competitors in the mortgage origination market. Even the top executives of Countrywide Financial Corp., the notorious mortgage lender singled out by the FCIC for having originated high-risk loans destined to bring "financial and reputational catastrophe," FCIC Report at xxii, complained to each other at the time that BOA's appetite for risky products was greater than that of Countywide. In a June 13, 2005 e-mail Countrywide CEO Angelo Mozilo wrote to President and COO David Sambol: "This is the third deal in the last 10 days that BoA has offered that is impossible to beat. In fact the other two were substantially worse than this one. It appears to me that BofA is making an aggressive move into mortgages once again." [Emphasis in the complaint]

Yet in spite of the fact that they lay this out in detail, they specifically do not make any

claim of fraud.

Plaintiff realleges each allegation above as if fully set forth herein, except to the extent that Plaintiff expressly excludes any allegation that could be construed as alleging fraud.

I find that rather curious—are they going easy on BoA because they're already broke?

Though that can't be it—they allege fraud throughout the Countrywide complaint.

Update: Here's an interesting detail. The naming convention used for most of these complaints is FHFA v. [BankName]. But it's different for five of them. Société Générale is a big long number (including, but not limited to, today's date). Morgan Stanley and GE (two of the last ones uploaded) have some version of "Final Complaint." And Countrywide and Ally have that plus a "Filing Copy" in the name.

I'm guessing that suggests additional iterations for those banks.