

STATEMENT OF COUNTRYWIDE FINANCIAL CORPORATION

November 20, 2007

(Please attribute to the company)

Countrywide is happy to join with Governor Schwarzenegger and be among the first lenders to formally adopt the principles he has set forth to address the home retention needs of California borrowers. We thank the Governor and First Lady Maria Shriver for their concern and leadership in informing borrowers of options available to them.

Countrywide's previously announced and ongoing initiatives place us in a leadership position with regard to these principles:

- Reach out proactively to borrowers well before their loans reset;
- Streamline the processes by which lenders determine whether borrowers may reasonably be expected to be able to make the reset payment; and
- For people who are in their homes and making timely payments now at the starter rate, but who lenders determine cannot make the reset payment, keep them at their initial rate for a sustainable period of time.

Notably, these principles are reflected in Countrywide's previously announced \$16 billion home retention initiative aimed at helping an estimated 82,000 borrowers. Among other things, that program includes proactive outreach to borrowers who are experiencing or may face future payment struggles; streamlined processes to determine borrowers' ability to make a higher reset payment on an adjustable rate loan; and modification of loan terms for borrowers who have made regular payments but may face difficulty when the interest rate resets. All of these efforts are directly in line with the principles announced by Governor Schwarzenegger.

Countrywide is also working with dozens of non-profit counseling groups to provide alternative channels of contact with our borrowers. These include support for programs of the Home Preservation Foundation, NeighborWorks and the Neighborhood Assistance Corporation of America (NACA).

So far this year, Countrywide's 2,700-member HOPE team has completed home retention workout programs with more than 55,000 prime and subprime borrowers, and 80,000 others are currently in some stage of workout activity.

Countrywide is committed to finding homeownership preservation solutions for as many borrowers as possible, in accordance with laws, contractual obligations and prudent lending, servicing and risk management practices.