

From: Angelo_Mozilo@countrywide.com
Date: 09/26/2006 02:15:45 PM
To: CN=Dave Sambol/OU=Managing Directors/OU=CF/O=CCI@COUNTRYWIDE; CN=Carlos Garcia/OU=Managing Directors/OU=CF/O=CCI@COUNTRYWIDE; CN=Kevin Bartlett/OU=Managing Directors/OU=CF/O=CCI@Countrywide; jim furash
CC: Walter_Smiechewicz@Countrywide.Com
Subject: Fw: Bank Option ARM Bidding & Purchasing

----- Forwarded by Angelo Mozilo/Managing Directors/CF/CCI on 09/26/2006 11:14 AM -----

John McMurray/Managing Directors/CF/CCI

09/26/2006 11:08 AM

To: Angelo Mozilo/Managing Directors/CF/CCI@COUNTRYWIDE
cc:
Subject: Fw: Bank Option ARM Bidding & Purchasing

Here's another recent email I sent to the Bank on Pay Option.

----- Forwarded by John McMurray/Managing Directors/CF/CCI on 09/26/2006 11:05 AM -----

John McMurray/Managing Directors/CF/CCI

08/31/2006 11:04 AM

To: Jim Furash/Executive/Bank/CCI, Mike Muir/Executive/Bank/CCI
cc:
Subject: Bank Option ARM Bidding & Purchasing

Jim & Mike, a couple questions/concerns with respect to the Bank's continued aggressive bidding/buying of Option ARMs:

1. **Strategic Consistency & Integration.** At least on the surface, this investment strategy seems inconsistent with broader strategic initiatives.
 - a. Pay Option Summit. Is this aggressive bidding/purchasing of Option ARMs consistent with the recent Pay Option Summit? My understanding coming out of the Summit was reduced emphasis on Pay Option.
 - b. Corporate Messaging. There's been lots of external attention, almost universally negative, on Option ARMs. We're already the largest originator of these loans. If someone (an investor, the business press, etc.) asks why we're further loading up on Option ARMs, have we worked out a response that explains the rationale?
 - c. Channel Conflict. It seems like we're potentially enabling a competitor with these purchases. I suspect you've already visited with Drew on this issue, but have the channel conflicts been discussed and resolved?
2. **Accounting & Return Implications.** Have you resolved the concerns raised around the accounting and return implications of the high premiums associated with these purchases?

Thanks.

Junfeng Bai/Bank/CF/CCI

08/31/2006 09:47 AM

To
Clifford Rossi/Lending/Bank/CCI@Countrywide, Craig
Naselow/ALManagement/Bank/CCI@Countrywide, Jim
Furash/Executive/Bank/CCI@Countrywide, John McMurray/Managing
Directors/CF/CCI@Countrywide, Kathleen
Conte/ALManagement/Bank/CCI@COUNTRYWIDE, Larry Wu/Bank/CF/CC@Countrywide,
Marito Domingo/Bank/CF/CCI@Countrywide, Mike
Muir/Executive/Bank/CCI@COUNTRYWIDE, Raymond
Hawkins/Bank/CF/CCI@Countrywide, Robert Adipietro/Bank/CF/CCI@Countrywide, Susan
Williams/ALManagement/Bank/CCI@Countrywide, Tim
Wennes/Administration/Bank/CCI@Countrywide

cc
Larry Wu/Bank/CF/CCI@Countrywide

Subject
\$1.5B PayOption Trade Ticket with RFC

An ALCO committee quorum having voted via email in the affirmative, ALCO approves the \$1.5B limit request to bid on the PayOption portfolio from RFC and trade signing authorization as indicated below.

Jack

Clifford Rossi/Lending/Bank/CCI

08/31/2006 09:26 AM

To
Junfeng Bai/Bank/CF/CCI@Countrywide, Raymond Hawkins/Bank/CF/CCI, Craig
Naselow/ALManagement/Bank/CCI, Jim Furash/Executive/Bank/CCI, Kathleen
Conte/ALManagement/Bank/CCI, Marito Domingo/Bank/CF/CCI, Mike
Muir/Executive/Bank/CCI, Robert Adipietro/Bank/CF/CCI, Susan
Williams/ALManagement/Bank/CCI, Tim Wennes/Administration/Bank/CCI

cc
Larry Wu/Bank/CF/CCI, john mcmurray

Subject
Re: \$1.5B PayOption Trade Ticket with RFC

Approve. These seem to occur with some frequency. Should we revisit our limit process at some point in the future?

Cliff Rossi

From: Junfeng Bai
Sent: 08/31/2006 09:16 AM
To: Raymond Hawkins; Clifford Rossi; Craig Naselow; Jim Furash; Kathleen Conte; Marito Domingo; Mike Muir; Raymond Hawkins; Robert Adipietro; Susan Williams; Tim Wennes
Cc: Larry Wu
Subject: \$1.5B PayOption Trade Ticket with RFC

To the ALCO members,

This is a time-critical request: please communicate your agreement/disagreement at your earliest convenience.

Due to current \$1.0 billion trade limit and this bid is up to \$1.5 billion. The CIO requests a \$1.5 B signing authority for a PayOption trade ticket with RFC.

Yours,

Jack (representing Ray)

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Main document changes and comments

Header and footer changes

Text Box changes

Header and footer text box changes

Footnote changes

Endnote changes