

**Angelo Mozilo/Managing
Directors/CF/CCI**

08/30/2007 11:31:53 AM

To CapBob1225@aol.com@CWEXTERNAL
cc

bcc dave Sambol/Managing Directors/CF/CCI
Subject Re: (no subject)

Thanks for your expression of concern for my well-being. I very much appreciate it. We are working on a backup facility for our \$5 billion in AAA's to avoid the dangers of daily rolls. That facility is going to cost \$25 million for a 6 month commitment from Lehman. It's clearly a flagrant exploitation by Lehman but we have few if any other options at this time. As far as Citigroup's deal is concerned we simply could not accept the proposal because it required a payment of \$100 million for a \$5 billion repo facility. The problems with this proposal is that if we accepted it we would signal to Moody's and the other rating agencies that we are being treated as a junk credit and that we are willing to trade as a non investment grade borrower. We believe that this would lead to an immediate downgrade by Moody's which means that we would have to close down our operations. We have to be careful as to how we negotiate these transactions because we must remain transparent to the rating agencies and at the same time not put ourselves in a position of being the architect of our own demise. Hopefully this explains our position in the matter that you raised.

CapBob1225@aol.com
08/30/2007 03:48 AM

To angelo_mozilo@countrywide.com
cc
bcc
Subject (no subject)

Dear Ange:

It is very important that you don't let these attacks by the press and the politicians affect your ability to focus on the critical issues. I realize these vicious attacks are aimed at you and your integrity.....and therefore very hurtful and debilitating .

Your ability to lead the "baby" through this difficult time will be determined by you maintaining your stamina and termination. Having said that you MUST force your self to get some REST and nourishment! You are not super human and if you don't pace yourself you will not achieve your goals. You and your team need to remain healthy and clear minded. You have performed at an extraordinary level and I am proud of you! Even Derek Jeter has to take a rest during this pennant race!

I think you should reconsider whether or not we should pay the fee's to the banks to assure the day to day liquidity we need. It may be worth it to give you and your team the respite you need to get through these next two months. I believe the terms could be structured properly so as not to cause more problems. Think about the cost as an insurance policy as well as the positive impact on the regulators ,employees and the markets. After all at the end of the day, the cost will be justified by the calming affect it will have on everyone. Just might be the bst money we spend.

In light of the potential write downs we ,the industry and the investment banks et al will have to take in the 3rd quarter, the banks fee for a repo line will just be another cost to absorb.

Never for a moment doubt your ability to get through this crisis and come out stronger. But you must pace yourself and your team!

Whatever the future is I am with you all the way!

PLEASE TAKE CARE OF YOURSLF!

Love you!

Bob

Bob

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