

Brian Moynihan

President of Global Consumer, Small Business, and Card Services

Bank of America

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Good morning Mr. Chairman, Congressman Issa, Sub-Committee Chairman Kucinich, Ranking Member Jordan, committee members.

My name is Brian Moynihan. I am president of the Global Consumer, Small Business, and Card Services at Bank of America. I have had the opportunity to serve as president of other businesses at Bank of America, including the Merrill Lynch businesses acquired in January of this year. I also served as General Counsel at Bank of America and Deputy General Counsel for FleetBoston Financial, a predecessor company. Prior to that I was a law partner in private practice, where I specialized in M&A in the financial sector.

In my time at Bank of America and predecessor companies, I have been fortunate to lead businesses serving individual customers, small and medium sized businesses, large corporate customers, and institutional investors. I have seen firsthand the difference a financial partner can make by helping people and companies reach their full potential. I am proud of the role Bank of America plays in the U.S. and global economy during this period of economic difficulty. It is a responsibility I and my 300,000 fellow associates in 36 states and scores of countries take seriously.

I want to touch briefly on two key points today:

First, while not the specific point of today's hearing, I want to discuss how Bank of America continues to help homeowners, families, and businesses of all sizes weather the economic challenges.

Second, our acquisition of Merrill Lynch helped prevent a further financial collapse last fall. The deal has turned out to be a good deal for our shareholders, our customers, and the taxpayers who provided the assistance to help close the deal. We acted in good faith, and with the best interests of our shareholders and the country in mind.

Let me turn to my first point. I want to take just a moment and provide some information that I hope you will find helpful. I know you hear from constituents probably every day about the challenges they are facing in today's economy. We know that households, businesses of all sizes, and communities across America feel the financial strain.

Bank of America is doing all we can to help revitalize the economy. We understand that the public expects that of us, in particular because we are a financial institution that has benefited from taxpayer assistance in the past year.

We are committed to demonstrating that to the public and its elected representatives. As we recently announced in our quarterly Lending and Investing Initiative report, we have extended \$759 billion in new credit since we filed our first report in the fourth quarter of 2008. That represents almost \$17 for every dollar of the \$45 billion of taxpayer assistance to Bank of America. This is in addition to more than \$2.5 billion in dividend payments to the U.S. Treasury.

Making home loans continues to be one of our highest priorities. Between July and September of this year alone, the company extended \$96 billion in first mortgages, helping nearly 450,000 people purchase a home or refinance an existing mortgage. In the first nine months of the year, we extended \$292 billion in first mortgages to more than 1.3 million customers. We also made \$78 billion in small business and commercial loans from July through September, and \$255 billion during the first nine months of 2009.

Bank of America also is responding to consumers' needs for simpler, clearer products and pricing with such initiatives as the Home Loans Clarity Commitment and new Basic BankAmerica Visa Card.

In addition to consumer and business lending, we are providing credit to municipalities and nonprofits that serve local needs and communities across the country. This includes \$7 billion from July to September, and \$26 billion in 2009, to some 7,500 governmental entities and more than 1,400 large nonprofit clients.

These figures do not include Bank of America's commitment to lend and invest \$1.5 trillion in low and moderate income communities over the next ten years. We also will provide \$200 million in charitable giving to support non-profit organizations that help to assure the vibrancy of our nation's communities.

I turn now to my second point, and the prime topic of today's hearing. Of the many businesses I have had the good fortune of leading for Bank of America, I am particularly gratified to have been able to lead those businesses that most directly benefited from our acquisition of Merrill Lynch.

I think it is important to keep one thought front and center throughout our discussion today: Although the transaction was severely impacted by the worst dislocation of the financial markets and most severe recession since the depression, Bank of America's acquisition of Merrill Lynch is a success.

First, the acquisition has provided benefits to Bank of America customers. A stable Bank of America-Merrill Lynch has been able to provide more capital to businesses in these tough times.

Second, the taxpayers are also benefiting – from a stronger financial system, and more directly in the form of the financial return they are receiving from the investment.

Third, the deal was in the best interest of the financial system, the economy, and the country. As the committee has heard in prior testimony, the failure of Merrill Lynch, particularly on the heels of the failure of Lehman and other firms, could have exacerbated the systemic havoc the country faced. I am proud that Bank of America stepped forward.

Bank of America has cooperated and will continue to cooperate with this committee as you seek to better understand the circumstances surrounding this transaction. Our Chief Executive Officer and several other current and former executives have met with you and with committee staff. We have provided hundreds of thousands of documents.

The record created by that testimony and those documents shows, as I hope my testimony today will show, that throughout the deliberations around our acquisition of Merrill Lynch, Bank of America acted in good faith and consulted

with one of the premier law firms in the United States to work through a very difficult issue.

Business people, confronted with complex business and legal issues, acted in an open and honest manner. All parties involved, including the lawyers, did their best to address difficult questions in a time of great stress and in the face of unprecedented economic conditions.

Thank you for the opportunity to make this statement, and I am pleased to answer your questions.