

BARTLIT BECK REPRESENTED INVESTOR GROUP OF HEDGE FUNDS AND INSURERS IN MARKET-LEADING RESIDENTIAL MORTGAGE- BACKED SECURITIES SETTLEMENT



04.2014

Steve Nachtwey and a Bartlit Beck team represented an ad hoc group of investors, comprised of hedge funds and insurance companies, in nine Countrywide residential mortgage-backed securities trusts insured by Financial Guaranty Insurance Company (FGIC) in facilitating a \$950 million settlement among Bank of America, FGIC, and BNY Mellon as Trustee for the nine trusts. The settlement, the first of its kind involving a mono-line insurer and bondholders working together to resolve mortgage repurchase claims, provided for more than \$355 million in direct recoveries from Bank of America to the RMBS Trusts, while FGIC received almost \$585 million. Bondholders also recovered, along with all other FGIC creditors, a share of the approximately \$585 million FGIC recovery made to policyholders as part of its Plan of Rehabilitation. The settlement did not require any court approval and has already been funded. The settlement has been recognized as providing superior value to investors as compared to prior settlements.

ATTORNEYS

Steven J. Nachtwey