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West Virginia holds Countrywide accountable

West Virginia has joined California, Connecticut, Florida and Illinois in suing Countrywide Financial Corp., now owned by Bank of America Corp., accusing the lender of knowingly making risky and costly loans to consumers that normally couldn't afford them.

West Virginia's attorney general, Darrell McGraw, announced the lawsuit against Countrywide and its co-founder/former chief executive Angelo Mozillo on Tuesday. In the suit McGraw accuses Countrywide of making "unaffordable and unconscionable" home loans to West Virginia consumers. He contends that Countrywide inappropriately enticed its borrowers with loans that didn't require down payments, along with adjustable-rate mortgages that held low initial "teaser" rates which later reset at much higher rates.

The attorney general also accused Countrywide of inflated appraisals, leaving consumers with home loans they were later unable to refinance.

Bank of America is not commenting on the lawsuit at this time. The North Carolina based bank has, however, continually stated it is committed to responsible lending practices.