



08/17/2010

Freddie Mac Holds Banks Accountable

Government sponsored financial mogul Freddie Mac intends on holding banks accountable for roughly \$5.6 billion in faulty loans sold to them in the past. National financial institutions such as Bank of America, J.P. Morgan Chase & Co., Wells Fargo & Co, and Citigroup are among those Mac is seeking restitution from.

Freddie Mac plans to initiate penalties for institutions that fail to buy back the defective mortgages in a timely manner.

Banking big wigs Wells Fargo, Bank of American, and J.P. Morgan Chase account for roughly 53% of Freddie's single-family mortgage purchase volume. Lenders, however, are standing up to Freddie Mac. Barbara Desoer, president of Bank of America's mortgage business, stated "We continue to fight the battle at a loan-by-loan level."

Mortgages waiting for repurchase date back to 2006-2008.