

Bank of America Bank Safety Fact Sheet

1. Bailout Amounts and Placement on the FSB List of Too-Big-To-Fail Banks

Bank of America received \$45 billion in bailout funds¹ in the 2008-09 financial crisis.

Bank of America is listed by the Financial Stability Board as a systemically important financial institution.² The Financial Stability Board is an international body that monitors³ the global financial system and is made up of members from the G20 nations.⁴

- ◆ In November 2012, the Financial Stability Board listed Bank of America as one of 28 banks whose failure could cause serious systemic financial/economic problems.⁵
- ◆ Bank of America's placement on the list is in the third tier used for 2012, which indicates that it is among the 14 most critical financial institutions in the global economy. Banks in this category are required by the FSB to have a level of capitalization that is quite low, at 1.5%.
- ◆ FDIC Vice Chairman Thomas Hoenig, testifying before the House Financial Services Committee on June 26, 2013, said the biggest Wall Street banks are “woefully undercapitalized,” while calling the industry underpinnings a “very vulnerable financial system.”

2. Derivatives Holdings

- ◆ Bank of America holds an enormous \$44.543 trillion (notional value) in derivatives, and appears in position 3 of 25 top banks holding derivatives.⁶ During Chapter 11 bankruptcy in the U.S., derivatives counterparties receive “super-priority” status *above all other creditors, including depositors*. This means that derivatives counterparties will get *all* of the bank's assets before *any* other creditors, including depositors, are paid.⁷
- ◆ Due to the contagion effect⁸ of our fractional reserve banking system and Bank of America's investments in derivatives, deposits held with Bank of America may be vulnerable. Bank of America's failure could have a significant impact on our economy in Washington, DC. As noted below Bank of America holds a significant share of deposits for the government of DC.

¹ Bank of America, <http://newsroom.bankofamerica.com/press-release/corporate-and-financial-news/bank-america-repay-entire-45-billion-tarp-us-taxpayers>

² Financial Stability Board, http://www.financialstabilityboard.org/publications/r_111104bb.pdf

³ Financial Stability Board, <http://www.financialstabilityboard.org/about/mandate.htm>

⁴ Financial Stability Board, <http://www.financialstabilityboard.org/members/links.htm>

⁵ Financial Stability Board, http://www.financialstabilityboard.org/publications/r_121031ac.pdf

⁶ Office of the Comptroller of the Currency, <http://dcpublishing.org/wp/wp-content/uploads/2013/08/OCC-1Q13-Top-25-Derivatives-Holders.png>

⁷ Princeton Law Review, Prof. Mark J. Roe, *The Derivatives Market's Payment Priorities as Financial Crisis Accelerator*.
http://www.naic.org/documents/committees_e_receivership_110819_comments_mo_doi.pdf

⁸ Chris Martenson Peak Prosperity, <http://www.peakprosperity.com/video/223/playlist/153/chapter-7-money-creation>

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3. Market Share

Listed below is market share of some of the banks in the DC area, including Bank of America, which has 19.21% of the overall DC deposit share⁹:

30 June 2012 Selected Market: State: District of Columbia		Total Market		DC Market		
Institution Name	State/Federal Charter	No. of Offices	Deposits \$0	No. of Offices	Deposits \$0	Market Share
<u>Bank of America, National Association</u>	Federal	5,624	985,318,828	<u>32</u>	6,366,177	19.21%
<u>Wells Fargo Bank, National Association</u>	Federal	6,281	841,486,135	<u>31</u>	6,240,865	18.83%
<u>PNC Bank, National Association</u>	Federal	3,017	198,781,944	<u>27</u>	4,593,219	13.86%
<u>SunTrust Bank</u>	State	1,660	126,495,538	<u>28</u>	3,919,097	11.83%
<u>Citibank, National Association</u>	Federal	1,041	392,237,790	<u>17</u>	2,427,008	7.32%
<u>HSBC Bank USA, National Association</u>	Federal	314	98,034,092	<u>3</u>	2,339,113	7.06%
<u>Branch Banking and Trust Company</u>	State	1,762	130,215,323	<u>12</u>	1,379,175	4.16%
<u>Manufacturers and Traders Trust Company</u>	State	738	61,935,430	<u>7</u>	1,044,139	3.15%
<u>Capital One, National Association</u>	Federal	948	102,155,067	<u>22</u>	946,866	2.86%
<u>EagleBank</u>	State	11	1,685,727	<u>5</u>	830,894	2.51%
<u>TD Bank, National Association</u>	Federal	1,299	158,678,513	<u>10</u>	650,979	1.96%
<u>United Bank</u>	State	49	2,380,050	<u>7</u>	417,577	1.26%
<u>Bank of Georgetown</u>	State	3	188,378	<u>6</u>	408,419	1.23%
<u>The National Capital Bank of Washington</u>	Federal	0	0	<u>2</u>	348,186	1.05%
<u>Industrial Bank</u>	State	2	43,734	<u>6</u>	235,810	0.71%
<u>WashingtonFirst Bank</u>	State	7	245,434	<u>3</u>	203,252	0.61%
<u>Premier Bank, Inc.</u>	State	17	485,434	<u>6</u>	147,830	0.45%
<u>City First Bank of D.C., National Association</u>	Federal	0	0	<u>1</u>	144,217	0.44%
Number of Institutions in the Market: 35	TOTALS	29,034	4,006,758,394	244	33,135,034	100

⁹ FDIC, <http://www2.fdic.gov/sod/sodMarketBank.asp?barItem=2>

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4. DC Government Deposits/Investments

The District of Columbia government has roughly \$188.5 million in Bank of America accounts. \$188.5 million is 9% of DC's roughly \$2.1 billion deposit and investment funds.

Financial Institution List		Balances as of January 31, 2012
1	AIM -Canter Fitzgerald (Money Market Fund)	\$74,729,626
2	Premier Bank, formerly Adams Bank (CD)	\$6,000,000
3	Bank of America (Sweep Product)	\$33,877,274
	BoA Global Capital Mgmt.	
4	(Money Market Fund)	\$154,615,864
5	Bank of Georgetown (CD)	\$20,000,000
6	Bank of New York (Money Market Fund)	\$564,133
7	BB&T (NOW Account)	\$37,063,750
9	Blackrock Inc. (Money Market Fund)	\$161,142,977
11	City First (CD, NOW Account)	\$5,000,000
12	Colombo (CD)	\$30,000,000
13	Congressional Bank (CD)	\$5,000,000
14	Dreyfus Money Market (Money Market Funds)	\$203,580,425
15	Eagle Bank (CD)	\$20,000,000
16	Evergreen Prime (Money Market Fund)	\$79,384,612
17	US Treasury (Direct Obligations)	\$269,305,018
18	Federated Obligations (Money Market Funds)	\$207,128,769
19	Fidelity Money Market (Money Market Fund)	\$53,141,264
20	Goldman Sachs (Money Market Fund)	\$5,663,917
22	Industrial Bank (CD, Sweep)	\$13,560,322
23	JP Morgan (Money Market Fund)	\$150,777,786
24	Morgan Stanley (Money Market Fund)	\$93,230,231
25	Morgan Stanley - Managed Account	\$2,754,383
26	M&T Bank (Money Market Fund)	\$87,550,120
28	PFM Money Market Fund (Money Market Fund)	\$85,370,613
29	RBC - Managed Account	\$3,907,028
32	TD Bank (NOW Account)	\$25,209,577
33	The Reserve (Money Market Fund)	\$540,547
34	UBS (Money Market Fund)	\$121,366,030
35	US Bank (Money Market Fund)	\$361,393
37	Wells Fargo (Money Market Funds)	\$108,907,013
38	Williams Capital (Money Market Fund)	\$27,328,008
TOTAL		\$2,087,060,681

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5. Criminal Activity List

As of 2012, one report shows Bank of America is facing a dozen criminal charges and has paid various fines. Listed below are some of the penalties and lawsuits.¹⁰

- ◆ On October 24, 2012, a [federal prosecutor](#) in [Manhattan](#) filed a [lawsuit](#) alleging that Bank of America fraudulently cost American taxpayers more than \$1 billion when it sold toxic mortgages to [Fannie Mae](#) and [Freddie Mac](#).^{11 12}
- ◆ As of July 11, 2012, Bank of America is one of sixteen banks being investigated for rate rigging in the LIBOR scandal.¹³
- ◆ In 2010, Bank of America was accused by the U.S. government of defrauding schools, hospitals, and dozens of state and local government organizations via misconduct and illegal activities involving the investment of proceeds from municipal bond sales. As a result, the bank agreed to pay \$137.7 million.^{14 15}
- ◆ In late 2010, the Attorney General of Arizona said Bank of America "repeatedly has deceived" mortgagors, who wanted to modify their mortgages. Bank of America agreed to modified mortgages on the condition that the homeowners refrain from criticizing the bank.^{16 17}
- ◆ September 9, 2010, former Bank of America official Douglas Campbell pleaded guilty to antitrust, conspiracy and wire fraud charges. As of 20 July 2012, other bankers and brokers are under indictment or investigation.^{18 19}
- ◆ July 28, 2009, Bank of America reached a settlement with Parmalat SpA after allegedly profiting from its knowledge of Parmalat's financial difficulties.²⁰

¹⁰ Unoccupy Albuquerque, <http://unoccupyabq.org/wp-content/uploads/2012/01/BofA-stats.pdf>

¹¹ Department of Justice, <http://www.justice.gov/usao/nys/pressreleases/October12/BankofAmericanSuit.php>

¹² USA Today, <http://www.usatoday.com/story/money/business/2012/10/24/bank-of-america-mortgage-fraud/1654441/>

¹³ Reuters, <http://www.reuters.com/article/2012/07/11/us-banking-libor-panel-idUSBRE86A0P020120711>

¹⁴ Washington Post, <http://www.washingtonpost.com/wp-dyn/content/article/2010/12/07/AR2010120703314.html>

¹⁵ Department of Justice, <http://www.justice.gov/opa/pr/2010/December/10-at-1400.html>

¹⁶ Attorney General of Arizona, http://www.azag.gov/press_releases/dec/2010/Press%20Release%20-%20Bank%20of%20America.html

¹⁷ Think Progress, <http://thinkprogress.org/economy/2012/01/26/412273/bank-of-america-buys-silence-fraud-investigation/?mobile=nc>

¹⁸ Department of Justice, <http://www.justice.gov/opa/pr/2010/September/10-at-1008.html>

¹⁹ Bloomberg News, <http://www.bloomberg.com/news/2012-07-20/ex-bofa-executive-indicted-for-fraud-in-municipal-bond-probe-1-.html>

²⁰ Bank of America, <http://newsroom.bankofamerica.com/press-release/corp-investment-banking-sales-trading-treasury-services/bank-america-reaches-settlement>