

Notice of Proposed Class Action Settlement

The Court authorized this notice. This is not a solicitation from a lawyer.
You are not being sued. Please do not contact the Court.

1. Background & Introduction

This notice summarizes your rights under the proposed settlement of a class action lawsuit, as described below. You are eligible to receive a payment if you are a member of the Settlement Class as set forth below.

The lawsuit concerns mortgages, for California 1- to 4-family residential properties, that were originated, acquired, or serviced by Bank of America. Some customers for these mortgages paid money in advance to be held by Bank of America in escrow or impound accounts for purposes relating to the property, such as the payment of property taxes or homeowners' insurance. The lawsuit alleges that California law requires payment of at least 2% interest per year on the balances held in these mortgage escrow accounts, and that Bank of America did not pay interest on certain mortgage escrow account balances in accordance with California law between July 2008 and December 2018. Bank of America denies that it did anything wrong, and further denies that any Settlement Class Member is entitled to any relief and, other than for settlement purposes, that this lawsuit is appropriate for certification as a class action. The parties in this lawsuit have agreed to a settlement to resolve this lawsuit on a class action basis, as described below.

Any questions? Read below or visit www.EscrowInterestSettlement.com or call 1-866-977-0255 for more information.

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT.
YOUR LEGAL RIGHTS ARE AFFECTED, AND YOU HAVE A CHOICE TO MAKE.
YOUR OPTIONS ARE EXPLAINED HERE.**

Option 1: Do nothing, receive payment, give up right to sue	If you do nothing and the settlement becomes final, you will be issued a settlement payment if you are a Settlement Class Member. You will give up your right to bring your own lawsuit about the issues in this lawsuit. See Questions 5-7, 11, 14 for details.
Option 2: Opt out, receive no payment, retain right to sue	If you exclude yourself from the Settlement Class (also called "opting out"), you will give up your right to receive a settlement payment, but will retain any rights you may have to bring your own lawsuit about the issues in this lawsuit. See Question 12 for more information. The deadline to exclude yourself is Monday, July 6, 2020 .
Option 3: Object or Comment	If you do not exclude yourself from the Settlement Class, you may object to, or comment on, the settlement and/or Settlement Class Counsel's request for attorneys' fees, expenses, and a service award to the plaintiff who brought this lawsuit on behalf of the Settlement class. See Question 13 for more information. The deadline for submitting objections or comments is Monday, July 6, 2020 .

Questions? Call 1-866-977-0255 or visit www.EscrowInterestSettlement.com

BASIC INFORMATION ABOUT THE CLASS ACTION

2. What is this lawsuit about?

The lawsuit concerns escrow accounts in connection with mortgages, for California 1- to 4-family residential properties, that were originated, acquired, or serviced by Bank of America. Some customers for these mortgages paid money in advance to be held by Bank of America in escrow or impound accounts for purposes relating to the property, such as the payment of property taxes or homeowners' insurance. The lawsuit alleges that California law requires payment of at least 2% interest per year on the balances held in these mortgage escrow accounts, and that Bank of America did not pay interest on certain mortgage escrow account balances in accordance with California law between July 2008 and December 2018.

Plaintiff Donald Lusnak filed a class action lawsuit against Bank of America about these issues. The complaint in this case is available at www.EscrowInterestSettlement.com. Bank of America denies that it did anything wrong.

Plaintiff and Bank of America have now agreed to a settlement to resolve this lawsuit, as described below. The Court has not decided whether Plaintiff or Bank of America is correct. By agreeing to the settlement, neither Bank of America nor Plaintiff make any admissions regarding the merits of the allegations, claims, or defenses in this case.

The United States District Court for the Central District of California is overseeing this class action lawsuit. The lawsuit is known as *Lusnak v. Bank of America*, Case No. 2:14-CV-01855-GW-GJSx.

3. Why is this a class action?

In a class action, one or more people sue on behalf of themselves and other people with similar claims. All of these people together make up the Settlement Class and are Settlement Class Members. One court resolves the issues for all Settlement Class Members, except for those who exclude themselves from the Settlement Class.

4. Who is in the Settlement Class?

The "Settlement Class" is defined as:

All mortgage loan customers of Bank of America—including any customers whose loans were originated by Bank of America, whose loans Bank of America later acquired an ownership interest in, or whose loans Bank of America serviced—whose mortgage loan is for a one- to four-family residence located in California, and who paid Bank of America money in advance for payment of taxes and assessments on the property, for insurance, or for other purposes relating to the property, and did not receive at least 2 percent simple interest per annum on the amounts so held by Bank of America from July 1, 2008 to December 31, 2018. "Bank of America" as used in this definition includes Bank of America Corp., Bank of America, N.A., and their subsidiaries or predecessors.

If you received a notice of this settlement in the mail or by email, Bank of America's records indicate that you are in the Settlement Class.

People in the Settlement Class are called "Settlement Class Members." Co-borrowers on a single mortgage are treated as a single Settlement Class Member.

Questions? Call 1-866-977-0255 or visit www.EscrowInterestSettlement.com

The final Settlement Class will consist of all persons within the Settlement Class definition except for those individuals who submit timely and valid requests for exclusion by the deadline set by the Court. (See Question 12).

INFORMATION ABOUT THE SETTLEMENT

5. What are the terms of the proposed Settlement?

The complete terms of the proposed settlement are set forth in the Settlement Agreement, which is available at www.EscrowInterestSettlement.com. This notice provides only a summary of the terms of the settlement. The settlement benefits and obligations are summarized below.

6. What are the benefits of the proposed Settlement?

If the settlement is approved and becomes final, Bank of America will pay thirty-five million dollars (\$35,000,000.00) into a settlement fund. This money will be used to: (1) make settlement payments to Settlement Class Members, as described at Question 7; (2) pay the costs of distributing notice and settlement payment checks to Settlement Class Members and other costs of administering the settlement; and (3) pay court-awarded attorneys' fees and litigation expenses of the attorneys appointed by the Court to represent the Class ("Settlement Class Counsel") and any service award granted to the Plaintiff.

You do not need to file a claim or take any other action to receive a settlement payment.

7. How will settlement payments be determined and sent?

If the settlement is approved and becomes final, each Settlement Class Member who does not exclude themselves from the Settlement Class will be issued a settlement payment. Settlement Class Members' settlement payment amounts will be based on the alleged amount of unpaid interest owed on their mortgage escrow account balances for the period July 1, 2008 through December 31, 2018. Specifically, each Settlement Class Member will get a minimum payment of \$5.00 plus a portion of the remaining settlement payment funds in amounts directly proportionate to the alleged unpaid escrow interest for their loan. In all, the average settlement payment amount is currently anticipated to be approximately \$30.00, but your payment may be higher or lower depending on the balance(s) in your mortgage escrow account. The unpaid interest owed and the settlement payment amounts will be calculated based on Bank of America's records by an expert selected by Settlement Class Counsel and appointed by the Court.

You do not need to file a claim or take any other action to receive a settlement payment. If the settlement is approved and becomes final, settlement payments will be sent by check.

For any settlement payment checks that are uncashed or deemed undeliverable by the Settlement Administrator, those amounts will be treated as unclaimed property of the corresponding Settlement Class Member, subject to applicable state unclaimed property procedures (the additional administrative costs of such unclaimed property process will be deducted from the unclaimed property amounts on a *pro rata* basis).

8. Will I receive interest going forward if my mortgage escrow account is still active?

As of 2019, Bank of America is paying 2% interest per year on all Bank of America mortgage escrow account balances for 1- to 4-family residential property mortgages in California.

Questions? Call 1-866-977-0255 or visit www.EscrowInterestSettlement.com

YOUR RIGHTS AND OPTIONS

9. What are my options?

You do not need to do anything in order to receive the benefits of the settlement. If you are a Settlement Class Member and do nothing and the settlement is approved and becomes final, you will be issued a settlement payment as described in Question 7. In exchange you will give up your right to bring your own lawsuit against Bank of America about the issues in this lawsuit.

You may exclude yourself from the Settlement Class (sometimes referred to as “opting out”) by following the steps described in Question 12. If you exclude yourself, you will give up your right to receive a settlement payment but will retain any right you may have to sue Bank of America about the issues in this lawsuit. If you do not exclude yourself, you may object to or comment on the settlement and/or or to Settlement Class Counsel’s request for attorneys’ fees, litigation expenses, and service award (see Question 13). If you exclude yourself, you may not object. You do not need to object or comment in order to receive a settlement payment.

10. How do I stay in the Settlement Class?

You do not need to do anything to stay in the Settlement Class. If you are within the Settlement Class definition and you do not exclude yourself, you will remain in the Settlement Class and, if the settlement becomes final, you will be issued a settlement payment.

11. What happens if I do nothing?

By doing nothing, you are staying in the Settlement Class. If the settlement is approved and becomes final, you will be issued a settlement payment. You will not be able to sue Bank of America about the issues in this lawsuit. You will also be legally bound by all of the orders that the Court issues and judgments the Court makes in this class action.

12. How do I exclude myself from the Settlement Class?

To exclude yourself from the Settlement Class, you must mail a written request for exclusion to:

Bank of America Escrow Interest Settlement
c/o Settlement Administrator
PO Box 5175
Portland, OR 97208-5175

To be effective, your request for exclusion must be **postmarked no later than Monday, July 6, 2020**, and must include the following information:

- (a) your full name, telephone number, mailing address, and email address;
- (b) a clear statement that you wish to be excluded from the Settlement Class;
- (c) the name and case number of the Lawsuit: “*Lusnak v. Bank of America, N.A.*, Case No. 2:14-CV-1855”; and
- (d) your signature or the signature of an individual authorized to act on your behalf.

Requests for exclusion must be specific to individual Settlement Class Members, and Settlement Class Members cannot request exclusion as a class or group. Any request for exclusion from a Settlement Class Member that is a co-borrower on a mortgage must be signed by all co-borrowers on that mortgage.

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13. How do I object or comment?

If you are a Settlement Class Member, and have not excluded yourself from the Settlement Class, you can comment on or object to the settlement, Settlement Class Counsel’s request for attorneys’ fees and litigation expenses, and/or the request for a service award for Plaintiff. To object or comment, you must send a written objection/comment including the following:

- (a) the name and case number of this Lawsuit: “*Lusnak v. Bank of America, N.A.*, Case No. 2:14-CV-1855”;
- (b) your full name, mailing address, telephone number, and email address;
- (c) your signature or the signature of an individual authorized to act on your behalf;
- (d) a description of the specific reasons for your objection;
- (e) the name, address, bar number and telephone number of your attorney if you are represented by an attorney; and
- (f) a statement about whether or not you intend to appear at the Final Approval Hearing either in person or through an attorney.

To be considered by the Court, your comment or objection must be filed or mailed to the Clerk of Court, and mailed to the Settlement Administrator, **filed/postmarked no later than Monday, July 6, 2020**, at the following addresses:

The Court	Settlement Administrator
Clerk of the Court USDC for the Central District of California 350 West 1st Street Los Angeles, CA, 90012	Bank of America Escrow Interest Settlement c/o Settlement Administrator PO Box 5175 Portland, OR 97208-5175

You have the right to consult with your own attorney, at your own expense, before deciding how best to proceed.

14. What claims will be released by this Settlement?

If you are in the Settlement Class definition and do not exclude yourself from the Settlement Class, and the settlement is approved and becomes final, the settlement will be legally binding on you. In exchange for the settlement benefits, you will release all claims against Bank of America and its affiliates about the issues in this Lawsuit regarding Bank of America’s alleged failure to pay interest on funds held in mortgage escrow accounts for 1-4 family residences located in California. You also covenant and agree that you will not take any step whatsoever to commence, institute, continue, pursue, maintain, or prosecute any claims about the issues in this Lawsuit against Bank of America and its affiliates. The Settlement Agreement, available at www.EscrowInterestSettlement.com, describes the claims you are releasing (giving up) by staying in the Settlement Class (called “Released Claims”). These Released Claims are any claims, related to 1-4 family residences located in California, which the Plaintiff or any Settlement Class Member ever had, now have, or may have in the future, arising out of or in any way relating to conduct that occurred as of the date of the Settlement Agreement relating to (a) any alleged failure to pay interest on funds held in mortgage escrow accounts; (b) any acts or omissions that were raised or could have been raised in the Lawsuit regarding non-payment of interest on funds held in mortgage escrow accounts; or (c) any claim related in any way to any claimed violation of 15 U.S.C. § 1639d(g)(3) or California Civil Code § 2954.8(a).

15. Do I have a lawyer in this class action?

Yes. The Court has appointed the following attorneys and law firms to represent the Settlement Class Members. Together, these lawyers are called “Settlement Class Counsel”:

<p>Richard D. McCune Elaine Kusel McCune Wright Arevalo, LLP 3281 East Guasti Road, Suite 100 Ontario, CA 91761 (909) 557-1250</p>	<p>Roger N. Heller Michael W. Sobol Lieff Cabraser Heimann & Bernstein LLP 275 Battery Street, 29th Floor San Francisco, CA 94111 (415) 956-1000</p>
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You do not have to pay Settlement Class Counsel for their time or expenses incurred in this case out of your pocket. Instead, Settlement Class Counsel will petition the Court for an award of their fees and expenses; any amount awarded will be paid from the Settlement Fund.

The Court has also appointed Plaintiff Donald Lusnak as class representative to represent the Settlement Class.

16. How will the lawyers be paid?

Settlement Class Counsel (see Question 15) will file a motion on or before Monday, May 19, 2020 asking the Court to award them attorneys’ fees and reimbursement of litigation expenses up to a total of \$8.75 million (which is 25% of the \$35 million Settlement Fund). The attorneys’ fees and expenses awarded by the Court will be the only payment to Settlement Class Counsel for their efforts in achieving the settlement and for their risk in undertaking this representation on a wholly contingent basis. In addition, Settlement Class Counsel will ask the Court on or before Monday, May 19, 2020 to award the Plaintiff representing the Settlement Class a service award of \$10,000 to compensate him for his efforts and commitment on behalf of the Settlement Class in this lawsuit.

The Court will determine the amount of attorneys’ fees, expenses, and service award to award. Settlement Class Counsel’s application for attorneys’ fees, expenses, and service award will be available at www.EscrowInterestSettlement.com when it is filed.

17. Should I hire my own lawyer for this case?

You do not need to hire your own lawyer because Settlement Class Counsel represents you and the other members of the Settlement Class already. However, you have the right to hire your own lawyer. If you want your own lawyer separate from Settlement Class Counsel, you will have to pay that lawyer.

THE COURT’S FINAL APPROVAL HEARING

18. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at **8:30 a.m. on Monday, August 10, 2020.**

IMPORTANT UPDATE: Due to the Coronavirus pandemic, the Final Approval Hearing in this case will take place remotely by telephone. It will still take place at the originally scheduled time (August 10, 2020 at 8:30 a.m. Pacific). If you would like to attend by phone, the dial in information is as follows: 888-278-0296; Access Code: 9637949. Please dial in by no later than 8:20 a.m. Pacific, to make sure the start of the hearing is not delayed. There may be other hearings, besides the Final

Questions? Call 1-866-977-0255 or visit www.EscrowInterestSettlement.com

Approval Hearing, scheduled for this time, and the Final Approval Hearing in this case may not be the first hearing of the morning. Please do not announce yourself or otherwise speak unless and until you are invited to do so by the Court.

The date and time of this hearing may change without further notice. Please check this website for updates.

At the Final Approval Hearing, the Court will consider whether the settlement is fair, reasonable and adequate. The Court will also consider Settlement Class Counsel's application for attorneys' fees, expenses, and service award. If there are objections, the Court will consider them. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

19. Do I have to come to the hearing?

No. Settlement Class Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you submit an objection, you do not have to come to the Court to talk about it. So long as you submitted your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

20. May I speak at the hearing?

You may ask the Court for permission to speak at the Final Approval Hearing. You cannot speak at the hearing if you exclude yourself from the Settlement Class.

GETTING MORE INFORMATION

21. Where can I get more information?

More information can be found at www.EscrowInterestSettlement.com. That website includes important case deadlines, links to case documents including the full Settlement Agreement and the complaint in this lawsuit, and other information about the lawsuit and the settlement. You can also get more information by calling 1-866-977-0255, or contact Settlement Class Counsel at 415-956-1000.

PLEASE DO NOT CONTACT THE COURT