

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT  
AND RELEASE OF CLAIMS**

*A federal court authorized this notice. This is not a solicitation from a lawyer.*

**IF YOU PREPAID AN FHA-INSURED LOAN WITH BANK OF AMERICA ON A DAY OTHER THAN THE FIRST OF THE MONTH, YOUR LEGAL RIGHTS MAY BE AFFECTED, AND YOU MAY BE ENTITLED TO BENEFITS FROM A PROPOSED CLASS ACTION SETTLEMENT**

This Notice informs you about a class action lawsuit and proposed settlement. Currently pending in the United States District Court for the Southern District of Florida is an action entitled *Dorado v. Bank of America, N.A.*, Case No. 1:16-cv-21147-UU (“the Action”). Without admitting liability, Bank of America, N.A. (“BANA”), has agreed to a settlement with plaintiff and the class (the “Settlement”). On **December 7, 2016**, Judge Ursula M. Ungaro tentatively approved a proposed Settlement in the Action. This Notice advises you of the benefits that may be available to you under the proposed Settlement and your rights and options as a Settlement Class Member, and notifies you that a Fairness Hearing will be held on **March 23, 2017**, to approve the Settlement.

**WHAT IS THE ACTION ABOUT?**

**1. What are the allegations?** On March 31, 2016, Plaintiff Veronica Dorado filed this Action asserting individual and class-wide breach-of-contract claims against BANA. The Action contends that BANA breached the promissory notes underlying the class’s FHA-insured home loans when, in violation of FHA regulation 24 C.F.R. § 203.558 (which was incorporated into the promissory notes), BANA collected post-payment interest (i.e., interest for the remainder of the month during which the loan was paid off) without providing an FHA-approved payoff disclosure to borrowers who made a pre-payment inquiry, request for payoff figures, or tender of prepayment. The FHA-insured loans at issue were (i) entered into between June 1, 1996 and January 20, 2015, (ii) prepaid within the statutes of limitations applicable to the loans, and (iii) owned by BANA or for which BANA otherwise held legal title. BANA denies that it is liable for any of the claims asserted in the lawsuit.

**2. Who are the Class members?** On December 7, 2016, for purposes of settlement only, the Court preliminarily certified a class defined as: Any person who had a FHA-insured loan for which (i) the loan was originated between June 1, 1996 and January 20, 2015; (ii) one of the Releasees (as defined in 2 below)—as of the date the total amount due on the loan was brought to zero—was the lender, mortgagee, or otherwise held legal title to the note; (iii) one of the Releasees collected interest for any period after the total amount due on the loan was brought to zero (i.e., BANA collected “post-payment interest”); and (iv) one of the Releasees collected post-payment interest during the statute of limitations period applicable for the loan as shown by Exhibit A (available at [www.DoradoBANASettlement.com](http://www.DoradoBANASettlement.com)).

**WHAT ARE THE TERMS OF THE SETTLEMENT?**

**1. What does the Settlement provide?** The Settlement provides that BANA will pay Twenty Nine Million Dollars (\$29,000,000) to settle the class action (the “Settlement Amount”), divided between two groups. Group 1 consists of Class Members who, in response to an inquiry, request for payoff figures, or tender of pre-payment, were sent information about post-payment interest on a form the same as those found at BANADORADO0000000632, 644-46, 667, 674, 2076, 2082, 2087, 2094, 2109, 2123, 2142-43, 2151, 2161, 2181, 2201, 2215, 2226, 2305-06, 2312, 2334, 2338, 2349, 2357, 2367, 2384, 2399, 2411, 2418, 2434, 2446, 2459, 2468, 2488, 2491, 2570-71, or 2610 (available at [www.DoradoBANASettlement.com](http://www.DoradoBANASettlement.com)). Group 2 consists of Class Members, who, in response to an inquiry, request for payoff figures, or tender of pre-payment, were not sent information about post-payment interest on a form the same as those found above. Each Class Member who does not timely opt out of the Settlement will be entitled to receive a “Class Member Award.” \$17,000,000 of the Settlement Amount has been allocated to Group 1. **You are receiving this Notice because the parties believe you are a member of Group 1.**

The parties have also agreed that, subject to the Court’s final approval, the lead plaintiff shall be entitled to an award of \$10,000 as an incentive award in recognition of the amount of time and effort expended by her in acting as class representative. Additionally, subject to the Court’s final approval, Class Counsel shall be entitled to an award of attorneys’ fees and costs of up to 33% of the Settlement Amount. The Plaintiff’s incentive award and Class Counsel’s fees will be deducted from the total \$29,000,000 Settlement Amount.

Each Group 1 Class Member will receive a refund of a percentage of the amount of post-payment interest collected in connection with his or her paid-off FHA-insured mortgage loan. The exact amount of each Class Member’s award will depend upon the number of class members who opt out of the Settlement, but in no event will the amount exceed the actual post-payment interest that each Class Member paid to BANA. The amount will be determined as follows: (i) the Administrator will sum the total amount of post-payment interest BANA collected from all Group 1 Class Members who do not opt out; (ii) the Administrator will divide each Group 1 Class Member’s individual post-payment interest by the total amount of post-payment interest BANA collected from all Group 1 Class Members who do not opt-out of the Settlement; and (iii) the Administrator will multiply the percentage in (ii) by the Settlement Amount allocated to Group 1 Class Members (after first deducting for the incentive award and attorneys’ fees and expenses).

The Settlement also provides that within 60 days of the Effective Date, as defined in the Settlement Agreement (available at [www.DoradoBANASettlement.com](http://www.DoradoBANASettlement.com)), and for a period of three years, BANA shall provide to borrowers of FHA-insured loans that originated between June 1, 1996 and January 20, 2015 who make a pre-payment inquiry, request for payoff figures, or tender of prepayment a post-payment interest disclosure in a form that complies with 24 C.F.R. § 203.558.

**2. Release of Claims.** If the Settlement is finally approved, each Class Member who has not opted out of the Settlement Class releases, waives, and forever discharges BANA and each of its present, former, and future parents, predecessors, successors, assigns, assignees, affiliates, conservators, divisions, departments, subdivisions, owners, partners, principals, trustees, creditors, shareholders, joint ventures, co-venturers, officers, and directors (whether acting in such capacity or individually), attorneys, vendors, accountants, nominees, agents (alleged, apparent, or actual), representatives, employees, managers, administrators, and each person or entity acting or purporting to act for them or on

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their behalf, as well as any past, present, or future person or any entity that held any interest in the Loan and the underlying Note or Security Instrument at the time the full outstanding balance was brought to zero, including, but not limited to, Bank of America Corporation and all of its subsidiaries and affiliates (collectively, "Releasees") with respect to post-payment interest as well as any claim or issue relating to or arising out of any of the claims that were asserted in the Action, including any and all claims for damages, injunctive relief, interest, attorneys' fees, and litigation expenses ("Released Claims"). You may review the entire release and the definitions of "Released Claims" in the Settlement Agreement, which you can find at [www.DoradoBANASettlement.com](http://www.DoradoBANASettlement.com).

### FAIRNESS HEARING

The federal district court overseeing the action has preliminarily approved the proposed Settlement as fair, adequate, and reasonable. **The Court will hold a Fairness Hearing on March 23, 2017 to determine whether to give final approval to the proposed Settlement.** If finally approved, the Settlement will provide payment to members of the Class and require BANA to provide disclosures relating to post-payment interest in a form that complies with 24 C.F.R. § 203.558 for a period of three years. **You are not required to attend the hearing in order to participate in the Settlement.**

### WHAT CAN YOU DO?

**1. Do Nothing.** You may take no action in response to this Notice. If you take no action, and the Settlement is approved, you will receive payment pursuant to the Settlement and you will be deemed to have released BANA and the other Releasees as described above and more fully at [www.DoradoBANASettlement.com](http://www.DoradoBANASettlement.com).

**2. Opt Out Of The Settlement Class.** If you would not like to be a part of the Settlement Class, you may opt out. To exclude yourself from the Settlement and the Class, you must send or deliver a written request clearly stating your decision to the Administrator at the following address: *Dorado v. Bank of America*, c/o GCG, P.O. Box 10340, Dublin, OH 43017-5540. You must include your name and the last four digits of your social security number; the request must be personally signed and dated by you and received by the Administrator **no later than February 6, 2017**; and the request must also state that you understand that you will receive no money from the Settlement. Class Members who do not opt out will be bound by the proposed Settlement and judgment, including the release of claims described above. Class Members who opt out will not be bound by the proposed Settlement or judgment, including the release of claims described above, and will not be entitled to any of the benefits of the proposed Settlement.

**3. Object To The Settlement.** If you are a member of the Class, you may comment upon or object to the terms of the Settlement or any motion for a class representative service award or an award of attorneys' fees and expenses. If you want your comment or objection to be considered by the Court, you must send a letter that contains (i) the name of the lawsuit; (ii) a statement that you object to or wish to comment upon the Settlement or the Adjustments; (iii) a statement of the specific legal and factual basis for each objection; (iv) a statement, and documentation, demonstrating you are a Class Member; (v) identification, with specificity, of each instance in which you or your counsel has objected to a class action settlement in the last five years; (vi) if you (or your lawyer) want to appear and speak at the Fairness Hearing, a statement that you wish to appear and speak; **and** (vii) the identity of any witnesses you want to call to testify at the Fairness Hearing. You do not need to appear in court to object or comment. **Your objection must be personally signed by you and must be received by the Court no later than February 6, 2017.** The Court's address is: Wikkie D. Ferguson, Jr. United States Courthouse, 400 North Miami Avenue, Miami, Florida 33128. Copies of your objection **must also** be mailed to the following lawyers and postmarked **no later than February 6, 2017**:

Steven Rosenwasser  
BONDURANT, MIXSON & ELMORE, LLP  
3900 One Atlantic Center  
1201 West Peachtree St., NW  
Atlanta, Georgia 30309-3417  
*Class Counsel*

Allen Burton  
O'MELVENY & MYERS LLP  
7 Times Square  
New York, NY 10036  
*BANA's Counsel*

Class members who do not timely make their objections in this manner will be deemed to have waived all objections and shall not be entitled to be heard at the Fairness Hearing. If the Court overrules your objection and approves the Settlement, you will still be bound by the terms of the Settlement, and you may still participate in the Settlement.

**4. When will the Court decide whether to approve the Settlement?** The Court will hold a final approval hearing on March 23, 2017. The hearing will be held before Judge Ursula M. Ungaro. You may attend, but you don't have to.

**5. What should I do if my address is different or I move?** **Please remember that you must notify the Administrator of any change of address after you receive this Notice.** You can contact the Administrator, Garden City Group, by writing to *Dorado v. Bank of America*, c/o GCG, P.O. Box 10340, Dublin, OH 43017-5540.

### GETTING MORE INFORMATION

**1. Are there more details about the lawsuit and Settlement available?** This Notice summarizes the lawsuit and Settlement. If you have any questions, you can call the Administrator at 1-866-990-9556. More details are in the pleadings and other documents filed in this lawsuit. You can read these documents on the PACER federal court website or at the Office of the Clerk, Wikkie D. Ferguson, Jr. United States Courthouse, 400 North Miami Avenue, Miami, Florida 33128. Further information can also be found at [www.DoradoBANASettlement.com](http://www.DoradoBANASettlement.com).

**Please do not contact the Clerk or the Court, as they cannot answer any questions about the lawsuit or the Settlement.**

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