

Recent Events

Settlement with Bank of New York Mellon

The final conditions of the settlement with the Bank of New York Mellon (BNY Mellon) have been satisfied and, accordingly, the Corporation made the settlement payment of \$8.5 billion in February 2016. The settlement payment was previously fully reserved. Pursuant to the settlement agreement, allocation and distribution of the \$8.5 billion settlement payment is the responsibility of the residential mortgage-backed securities (RMBS) trustee, BNY Mellon. On February 5, 2016, BNY Mellon filed an Article 77 proceeding in the New York County Supreme Court asking the court for instruction with respect to certain issues concerning the distribution of each trust's allocable share of the settlement payment and asking that the settlement payment be ordered to be held in escrow pending the outcome of this Article 77 proceeding. The Corporation is not a party to this proceeding. For additional information, see Off-Balance Sheet Arrangements and Contractual Obligations on page 46.