

News Release



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Countrywide Home Loans Launches *It's Your Choice* Mortgage Campaign

--National survey illustrates homeowners' desire for complete, transparent mortgage and home loan cost options--

CALABASAS, CA (July 23, 2007)—Countrywide Home Loans today unveiled a broad national initiative designed to educate mortgage consumers about the fact that they have many options available to them regarding how certain costs are paid when refinancing or obtaining a home loan, no matter which mortgage lender they choose. Countrywide is arming its more than 9,000 loan officers and mortgage sales force with new and improved tools, such as specialized mortgage cost calculators, that will allow them to thoroughly and transparently show customers cost-effective choices for structuring their home loan packages.

To understand how strongly consumers feel about the issue of choice versus a one-size-fits-all mortgage, Countrywide commissioned a national survey of more than 2,280 homeowners. The results show that the majority of respondents (76%) strongly agreed that they wanted to be informed by mortgage lenders about as many closing cost choices as possible in order to arrive at a decision best suited to their individual circumstances. Other findings include:

- ◆ Of those surveyed, 69 percent strongly agreed that they are more likely to trust a mortgage lender who is open and honest about the many options available to them given their individual situation.
- ◆ When U.S. homeowners were asked their level of agreement with the notion that the way in which closing costs are paid should be tailored to the individual based on the borrower's unique set of circumstances: 87 percent strongly agreed or somewhat agreed.
- ◆ Nine out of 10 U.S. homeowners agree that there is really no such thing as a mortgage without fees.
- ◆ Three of five U.S. homeowners (61%) indicated strong agreement with the idea that "one size fits all" mortgages aren't necessarily the best option for everyone.

"People clearly understand that there will be costs when they finance a home," said Dan Hanson, managing director of Countrywide. "Home buyers look to us for information, so we've decided to recommit ourselves to educating people about the cost options that work best for their unique situations. By presenting our customers with a menu of options, they can make an informed choice that's right for

them now and into the future. And, the best choice in the long run isn't necessarily the one with the least out-of-pocket costs, but rather the one that brings the best total value over the life of the loan.”

According to Hanson, one size most definitely doesn't fit all. The right home loan choice can be radically different from one buyer to the next. For example, a young couple with a growing family has tremendously different financial circumstances than a couple buying a home for retirement. As part of the *It's Your Choice* campaign, Countrywide will advise customers about their mortgage cost options, including choices such as:

No money needed for closing costs

A mortgage lender can pay your closing costs. In this scenario, the lender does not require cash from the borrower to pay fees at the closing table. Instead, the home buyer obtains a loan with a slightly higher interest rate. It can be a smart move for buyers who have little money set aside or who plan to be in a home for a short time because their savings in closing costs can often more than offset their increased interest expense.

Reap the rewards of lower interest when you pay closing costs upfront

Buyers who pay loan costs at closing are rewarded with a lower interest rate on their mortgage. A customer who is planning on staying in their home for more than a few years may see the benefit of selecting to pay the costs at closing and having a lower interest rate to help them save over the long term.

Minimize your mortgage interest rate

Some homeowners may benefit from paying loan discount points to lower their interest rate. By paying loan discount points, buyers can “buy down” their mortgage interest rate, a particularly attractive option if the buyer intends to retain the mortgage for more than five years.

Mix it up

A combination of a first mortgage and a second mortgage is yet another choice. This option allows many homeowners to avoid private mortgage insurance and enables them to pay down the second mortgage separately. If the second mortgage is a home equity line of credit, borrowers may reuse the available credit in their line as they pay it down.

No monthly mortgage insurance payments

In most instances, private mortgage insurance is required when a borrower is unable to make a down payment of 20 percent or more. There are different types of mortgage insurance available to borrowers. A borrower may accept a slightly higher interest rate or pay additional points at closing to avoid paying monthly premiums. All of these options may have some tax advantages, so borrowers are encouraged to consult their tax advisor to learn if they qualify for a tax deduction and the different rules that apply to purchase and refinance transactions.

These are just a few of the many scenarios that can suit a homebuyer's very unique situation. “Some of these options can be combined to make the final result a thoroughly customized solution, a far cry from the one-size-fits-all approach,” said Hanson.

As with any financial decision, home buyers and owners should carefully evaluate their options and fully understand the advantages and disadvantages before making a choice.

“Our new *It's Your Choice* initiative further distinguishes Countrywide when it comes to home loans,” said Hanson. “People know they have choices, so our job is to make sure we put them all on the table and share our 37 years of home loan expertise with the customers who trust us every day.”

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About the Survey Methodology

This survey was conducted online by Harris Interactive on behalf of Countrywide Home Loans among 3,435 adults (aged 18 years and older) within the United States between June 13 and 15, 2007, among whom 2,280 were homeowners. Figures for region, age within gender, education, household income and race/ethnicity were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' propensity to be online.

With a pure probability sample of 3,435 one could say with a ninety-five percent probability that the overall results have a sampling error of +/- 3 percentage points. Sampling error for subsamples is higher and varies. However that does not take other sources of error into account. This online survey is not based on a probability sample and therefore no theoretical sampling error can be calculated.

Countrywide Home Loans, Inc., a member of the Countrywide® family - America's #1 home loan lender – (as ranked for 2006 by Inside Mortgage Finance, Feb. 2, 2007, Copyright 2007), originates, purchases, securitizes, sells and services home loans and is the primary subsidiary of Countrywide Financial Corporation (NYSE: CFC). Countrywide Financial Corporation, through its subsidiaries, provides mortgage banking and diversified financial services in domestic and international markets. Founded in 1969 and a member of the S&P 500 and Fortune 500, Countrywide Financial Corporation is headquartered in Calabasas, California and its family of companies has a workforce of more than 50,000 in over 900 offices across the country.

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About Harris Interactive

Harris Interactive is the 12th largest and fastest-growing market research firm in the world. The company provides innovative research, insights and strategic advice to help its clients make more confident decisions which lead to measurable and enduring improvements in performance. Harris Interactive is widely known for *The Harris Poll*, one of the longest running, independent opinion polls and for pioneering online market research methods. The company has built what it believes to be the world's largest panel of survey respondents, the Harris Poll Online. Harris Interactive serves clients worldwide through its United States, Europe and Asia offices, its wholly-owned subsidiaries Novatris in France and MediaTransfer AG in Germany, and through a global network of independent market research firms. More information about Harris Interactive may be obtained at www.harrisinteractive.com.

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