

Maine State Retirement System v. Countrywide Financial Corporation, **No. 10-cv-00302 (C.D. Cal.).**

Case Overview

Status: Settled
Court: Central District of California
Case Number: 10-cv-00302
Related Practices: [Securities](#), [Structured Finance](#)

We are representing the General Board of Pension and Health Benefits of the United Methodist Church as class representative for two specific tranches of mortgage-backed securities sold by Countrywide in *Maine State Retirement System v. Countrywide Financial Corp., et al.*

The case relates to mortgages Countrywide originated in 2005, 2006, and 2007 which they securitized into mortgage-backed securities and sold to plaintiffs in the form of certificates. The certificates entitled plaintiffs to receive monthly distributions of interest and principal on cash flows from the mortgages. As borrowers paid their mortgages, distributions were made to plaintiffs in accordance with the terms of the certificates.

Plaintiffs allege that the registration statements and prospectus supplements for the certificates misstated and omitted material information regarding, *inter alia*, the process used to originate and the quality of the mortgages that were used as the financial basis for the certificates. The claims include allegations that Countrywide did not follow the underwriting and appraisal standards described in the registration statements and the prospectus supplements, and that it issued mortgages to borrowers that did not satisfy the requisite eligibility criteria as described therein. Likewise, the mortgages underlying the certificates were based on collateral appraisals that overstated the value of the underlying properties, thus exposing the plaintiffs to losses in the event of foreclosure. When many borrowers did indeed default on their loan payments, plaintiffs suffered major losses.

On April 17, 2013, Defendants agreed to settle the class action for \$500 million.

On December 6, 2013, the Court granted final approval of the settlement.