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NEWS RELEASE

FOR IMMEDIATE RELEASE

August 5, 2003

**DEPARTMENT OF FINANCE AND ATTORNEY GENERAL ANNOUNCE PLAN TO PAY
\$3.5 MILLION TO IDAHO HOUSEHOLD BORROWERS**

BOISE, IDAHO – Idaho Department of Finance Director, Gavin Gee and Attorney General Lawrence Wasden announced today that Idaho consumers who have had home loans with Household or Beneficial Finance will be able to claim settlement payments within a couple of weeks. Notices are being sent to approximately 5,189 Idaho Household borrowers on August 15th notifying them of their eligibility to share in the State's \$3.5 million settlement with Household International. Under the settlement distribution plan, all Household borrowers who obtained a mortgage loan directly from Household from January 1999 through September 2002 will be sent forms to claim restitution payments.

The Idaho settlement distribution plan provides for payments to all Household borrowers who were subject to specific unfair lending practices, including excessive loan points, credit insurance "packing", and a disproportionately large loan amount when compared to the value of the borrower's home. The size of the individual payment depends on the presence of these loan factors and the amount of the consumer's loan.

All Household customers who are eligible to receive a settlement payment should receive a mail notice from the settlement administrator within the next couple of weeks. Consumers who wish to participate in the settlement will have to complete and return a simple claim and release form. The actual settlement payments will then be paid directly to the consumers by check before the end of the year.

"We were pleased to negotiate a strong settlement with Household, but we are even more pleased to see money flowing back to deserving Idaho consumers," Gee said.

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“I am very pleased that the Office of Attorney General had the opportunity to support the lead role of the Idaho Department of Finance in this action on behalf of Idaho consumers. The positive outcome demonstrates that Idaho consumers win when state agencies combine resources and work on the same team.” Attorney General Wasden said.

The consumer payment program stems from the landmark settlement between Household International and banking regulators and the attorneys general of all 50 states and the District of Columbia. Household International, through its subsidiaries Household and Beneficial Finance, is one of the nation’s largest sub-prime mortgage lenders. The settlement resolved an investigation by the states into allegations of unfair and deceptive mortgage lending practices by Household. The states alleged that Household had overcharged borrowers with fees and interest and had misled borrowers about other loan terms such as prepayment penalties and credit insurance.

Under the settlement, which was finalized in December 2002, Household agreed to pay \$484 million to the States to be distributed to eligible Household borrowers. The monetary settlement was the largest ever obtained in a joint action by state financial regulators and state attorneys general in a consumer protection case.

In addition to consumer restitution, as part of the settlement Household also agreed to implement a series of reforms in its lending operations. Under the settlement Household will:

- Limit prepayment penalties on current and future home loans to only the first two years of a loan.
- Ensure that new home loans actually provide a benefit to consumers prior to making the loans.
- Limit up-front points and origination fees to 5%.
- Reform and improve disclosures to consumers.
- Eliminate "piggyback" second mortgages.

Household mortgage loan customers who have questions about the settlement payment procedures can contact a toll-free number, 1-888-780-2156. The settlement administrator’s website address is www.household-beneficial-settlement.com.

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Department of Finance press releases and other information are available on the Internet via the world wide web at <http://finance.state.id.us> and may be obtained by contacting the Department at (208) 332-8000, or toll-free in Idaho at 1-888-346-3378.