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NEWS RELEASE

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Attorney General and Idaho Department of Finance Join

Settlement With Ameriquest Mortgage

(Boise) – Attorney General Lawrence Wasden and Gavin Gee, Director of the Idaho Department of Finance, announced a \$325 million multi-state settlement with Ameriquest Mortgage that will provide more than 900 Idahoans the opportunity to obtain restitution payments for alleged predatory lending practices. As part of the settlement agreement, Ameriquest has also agreed to make extensive changes in its lending practices.

Ameriquest primarily makes refinancing loans to existing homeowners who are hoping to consolidate credit card and other debt into their new home mortgage with overall monthly savings. Borrowers who don't have the best credit ratings may turn to sub-prime loans, which often have higher interest rates and other costs.

"Ameriquest is the largest sub-prime mortgage lender in the United States," Attorney General Wasden said. "Consumers with less than perfect credit, who may have been trying to consolidate debt, became the target of these unfair and deceptive lending practices."

Idahoans who financed home loans with the Orange, California business ACC Capital Holding Corporation and its subsidiaries--Ameriquest Mortgage Company, Town & Country Credit Corporation, and AMC Mortgage Services, Inc., formerly known as Bedford Home Loans--between January 1, 1999 and December 31, 2005 may be eligible for restitution from the settlement.

Idaho consumers do not need to take any immediate action to pursue restitution. They will be contacted by a Settlement Administrator in the months ahead as the settlement's restitution provisions are implemented. The Attorney General and the Department of Finance estimate that Idaho borrowers may receive \$407,000 in restitution.

“We are very pleased to have reached such a landmark settlement with Ameriquest, which includes substantial restitution to Idaho consumers. This case is yet another example of the redress that can be obtained for Idaho consumers through the excellent cooperation and coordination between the Department of Finance and the Attorney General, along with state financial regulators and attorneys general across the country,” Director Gavin Gee said.

The states alleged Ameriquest employees deceived consumers as part of high-pressure sales tactics to reach monthly individual sales quotas. Additional alleged improper practices included: inadequate disclosure of prepayment penalties; discount points and other loan terms; unsolicited refinancing offers that did not adequately disclose prepayment penalties; improperly influenced and inflated appraisals; and encouraging borrowers to lie about income or employment to obtain loans.

Ameriquest has denied those allegations. However, the company agreed to adopt new standards to prevent what the states alleged were unfair and deceptive practices.

Some of the conditions of the agreement require Ameriquest to do the following:

- Not give sales personnel financial incentives to include prepayment penalties or any other fees or charges in the mortgages.
- Provide full disclosure regarding interest rates, discount points, prepayment penalties, and other loan or refinancing terms.
- Not encourage prospective borrowers to falsify income sources or income levels.
- Provide accurate, good faith estimates.
- Adopt policies to protect whistle-blowers and facilitate reporting of improper conduct.

The settlement was signed by the Attorneys General of 49 states and the District of Columbia, and by financial regulators of 45 states, including the Idaho Department of Finance.

Ameriquest will pay \$295 million in restitution to consumers and \$30 million to cover costs, fees and consumer education programs.

The settlement is subject to court approval.

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