
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (date of earliest event reported): December 30, 2010

BANK OF AMERICA CORPORATION

(Exact name of registrant as specified in its charter)

Commission File Number 1-9601

**Delaware
(State or other jurisdiction
of incorporation)**

**1-6523
(Commission
File Number)**

**56-0906609
(I.R.S. Employer
Identification No.)**

**100 North Tryon Street
Charlotte, North Carolina 28255
(Address of principal executive offices)**

**(704) 386-5681
(Registrant's telephone number, including area code)**

**Not Applicable
(former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act.
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act.
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act.
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act.
-
-

Item 2.06. Material Impairments.

On December 30, 2010, Bank of America Corporation (the "Company") concluded that it expects to record a non-cash, non-tax deductible goodwill impairment charge of approximately \$2 billion in the fourth quarter of 2010 in its *Home Loans & Insurance* business segment.

The Company believes that there has been a decline in the value of the *Home Loans & Insurance* business segment resulting in an impairment of the carrying value of the goodwill. The estimated fair value of the business segment has declined as a result of increased uncertainties, including existing and potential litigation exposure and other related risks, higher servicing costs including loss mitigation efforts, foreclosure-related issues and the redeployment of centralized sales resources to address servicing needs.

The impairment charge will have no impact to reported Tier 1 and tangible equity capital ratios.

A copy of the press release in which the Company announced, among other things, the expected goodwill impairment charge is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 8.01. Other Events.

On January 3, 2011, the Company announced, among other things, agreements with the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae) to resolve repurchase claims involving certain residential mortgage loans sold to them by entities related to Countrywide Financial Corporation. A copy of the press release in which the Company announced the agreements with Freddie Mac and Fannie Mae is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is filed herewith:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated January 3, 2011 of Bank of America Corporation

* * *

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BANK OF AMERICA CORPORATION

By: /s/ Neil A. Cotty
Neil A. Cotty
Chief Accounting Officer

Dated: January 3, 2011

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated January 3, 2011 of Bank of America Corporation



January 3, 2011

Investors May Contact:

Kevin Stitt, 1.980.386.5667

Lee McEntire, 1.980.388.6780

Reporters May Contact:

Jerry Dubrowski, Bank of America 1.980.388.2840

jerome.f.dubrowski@bankofamerica.com

**Bank of America Announces Fourth Quarter Actions with respect to Its Home
Loans & Insurance Business**

*Agreement With Freddie Mac Resolves Outstanding and Potential Repurchase
Claims For Legacy Countrywide Loans Sold to Freddie Mac Through 2008*

*Agreement With Fannie Mae Resolves Outstanding Repurchase Claims Received
for Certain Legacy Countrywide Loans*

*Fourth-quarter 2010 Representations and Warranties Total Provision Related to
GSE Exposures Expected to be Approximately \$3 Billion*

*Bank of America's Home Loans & Insurance Business Expected to Record
Non-Cash, Non-Tax Deductible Goodwill Impairment Charge of Approximately
\$2 Billion*

CHARLOTTE — Bank of America today announced agreements with the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae) to resolve repurchase claims involving certain residential mortgage loans sold to them by entities related to Countrywide Financial Corporation (legacy Countrywide).

Bank of America also announced today that in the fourth quarter of 2010 it expects to take a provision of approximately \$3 billion related to repurchase obligations for residential mortgage loans sold by Bank of America affiliates directly to Freddie Mac and Fannie Mae (collectively, the Government Sponsored Entities or GSEs). This provision results from both the GSE agreements referred to above and adjustments to the representations and warranties liability for other loans sold directly to the GSEs and not covered by these agreements. The loans not covered by the agreements include both legacy Countrywide loans and loans originated on other legacy platforms.

Through this provision, Bank of America believes that it has addressed its remaining exposure to repurchase obligations for residential mortgage loans sold directly to the GSEs. The calculation of the provision incorporates historical experience with the

More

GSEs and certain assumptions regarding economic conditions, home prices and other matters, and future provisions for representations and warranties may be affected if the actual results are different.

“These actions resolve substantial legacy issues in the best interest of our shareholders,” said Bank of America President and Chief Executive Officer Brian Moynihan. “Our goals remain the same: put these issues behind us; focus on serving customers and clients; and continue to help distressed homeowners facing difficult times.”

The agreement with Freddie Mac extinguishes all outstanding and potential mortgage repurchase and make-whole claims arising out of any alleged breaches of selling representations and warranties related to loans sold by legacy Countrywide to Freddie Mac through 2008 (787,000 loans with a total unpaid principal balance of \$127 billion), subject to certain exceptions, which Bank of America does not believe will be material. The agreement provides for a cash payment to Freddie Mac of \$1.28 billion, which was made on December 31, 2010.

The agreement with Fannie Mae substantially resolves the existing pipeline of repurchase and make-whole claims outstanding as of September 20, 2010 arising out of alleged breaches of selling representations and warranties related to loans sold by legacy Countrywide to Fannie Mae. The agreement provides for a net cash payment to Fannie Mae of \$1.34 billion, which was made on December 31, 2010, after applying certain credits to the agreed-upon amount of \$1.52 billion.

The Fannie Mae agreement extinguishes all outstanding and potential selling representations and warranties claims on 12,045 legacy Countrywide loans (approximately \$2.7 billion of unpaid principal balance). The agreement also resolves specific outstanding repurchase or make-whole claims, or extends the cure period for missing documentation-related claims, on an additional 5,760 legacy Countrywide loans (approximately \$1.3 billion of unpaid principal balance).

The agreements with Freddie Mac and Fannie Mae do not cover loan servicing obligations, other contractual obligations or loans contained in private label securitizations.

The agreements with Freddie Mac and Fannie Mae are the latest in a series of actions Bank of America has taken to respond to the housing crisis since 2008. These include discontinuing Countrywide subprime, pay-option ARM and prime-quality two-year hybrid ARM loans, launching one of the industry’s first streamlined loan modification programs, introducing the Clarity Commitment to simplify and summarize loan terms and closing costs, and completing more than 750,000 loan modifications for distressed customers since the beginning of 2008.

More

Goodwill Impairment Charge

Bank of America expects to record a non-cash, non-tax deductible goodwill impairment charge of approximately \$2.0 billion in the fourth quarter of 2010 in its Home Loans & Insurance business segment.

The impairment charge will have no impact to reported Tier 1 and tangible equity capital ratios.

Note: Chief Financial Officer Charles Noski will discuss the above matters in a conference call at 8:30 a.m. ET today. Supporting materials and a live Webcast can be accessed on the Bank of America Investor Relations Web site at <http://investor.bankofamerica.com>. For a listen-only connection to the conference call, dial 1.888.245.1801 (U.S.) or 1.785.424.1733 (international) and the conference ID: 79795.

Bank of America

Bank of America is one of the world's largest financial institutions, serving individual consumers, small- and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. The company provides unmatched convenience in the United States, serving approximately 57 million consumer and small business relationships with approximately 5,900 retail banking offices and approximately 18,000 ATMs and award-winning online banking with 29 million active users. Bank of America is among the world's leading wealth management companies and is a global leader in corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading support to approximately 4 million small business owners through a suite of innovative, easy-to-use online products and services. The company serves clients through operations in more than 40 countries. Bank of America Corporation stock (NYSE: BAC) is a component of the Dow Jones Industrial Average and is listed on the New York Stock Exchange.

Forward Looking Statements

Certain statements in this press release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to future events, expenses and charges, including the expected 2010 fourth quarter representations and warranties provision related to the GSEs, the adequacy of the liability for the remaining representations and warranties exposure to the GSEs, the potential assertion and impact of additional claims not addressed by the Freddie Mac and Fannie Mae agreements and the amount of goodwill impairment charge to be recorded in the Home Loans & Insurance business. These statements are not guarantees of future results or performance and involve certain risks, uncertainties and assumptions that are difficult to predict and are often beyond Bank of America's control. Actual outcomes and results may differ materially from those expressed in,

More

or implied by, any of these forward-looking statements, because of, among other things, certain obligations under and provisions contained in the agreements with Fannie Mae and Freddie Mac, the adequacy of the liability for the remaining representations and warranties exposure to the GSEs, the potential assertion and impact of additional claims not addressed by the Freddie Mac and Fannie Mae agreements, accounting interpretations and analysis regarding goodwill accounting as well as the risks and uncertainties set forth in Bank of America's SEC filings. Forward-looking statements speak only as of the date on which they are made and Bank of America undertakes no obligation to update or revise any forward looking statements.

www.bankofamerica.com

###