Statement on Credit Card Practices delivered at Bank of America Annual Meeting April 29, 2009

Mr. Chairman, members of the Board of Directors, fellow shareholders, my name is Peter Skillern from the Community Reinvestment Association of North Carolina, and I am here representing Domini Social Investments, the Sisters of St. Francis of Philadelphia and other shareholders affiliated with the Interfaith Center on Corporate Responsibility, to move proposal #9.

The proposal requests a report from our board of directors on Bank of America's credit card practices and their impact on borrowers, with particular attention to those practices that can be considered predatory or abusive.

Credit cards offer important benefits to society. For entrepreneurs with little or no collateral, credit cards offer a way to finance the start up of a small business. They can allow young consumers to build a credit history, making possible a mortgage one day. But somewhere along the road, something has gone terribly wrong.

Credit cards are now viewed as the enemy, locking consumers into ever-deepening cycles of debt through excessive penalties, usurious interest rates and fine-print terms that even educated consumers cannot understand.

The Bank's recent decision to raise rates on good customers that carry a balance is indicative of the problem. If the cost of providing credit has increased, then the Bank could have limited this rate increase to new loans. This announcement tells American consumers that this Bank views its customers as a captive audience from whom profits can be extracted in a pinch. This is a failure of risk management and public relations. It is also a failure to strike the appropriate balance with your customers.

A recent editorial in the *Philadelphia Inquirer* critical of the Bank's announcement and the industry's practices generally stated that "These practices **are designed** to keep customers with revolving debt unable to pay off their obligations." This is a clear definition of a predatory practice.

Policies that strengthen borrowers are in the best long-term interests of this company. Policies that weaken them can threaten our company's viability.

We are well aware of the many challenges in balancing risks and opportunities in the American capital markets, as well as the social and financial costs these choices carry. Companies that get this balance wrong hurt themselves, their shareholders and their consumers.

It has become increasingly clear that many credit card practices have boosted short-term profits while dramatically increasing high-cost, unsecured debt and promoting imprudent consumer borrowing. Now, in the face of a significant economic downturn, these practices are seen as contributing to increases in family fiscal instability, consumer bankruptcy, and cardholder defaults.

We thank Bank of America for a productive discussion about these issues. We were pleased to learn that the Bank has never engaged in double-cycle billing or universal default practices, and that you are reaching out to consumers when they are in trouble.

More can be done. For example, we recommend:

1. Increased advocacy with Fair Isaac and other organizations to help mitigate negative impacts on cardholders during the implementation of new credit card policies.
2. The continued development and increased promotion of new programs to help cardholders manage and reduce debt.
3. The articulation of new and transparent methods to determine credit worthiness and minimum standards for underwriting criteria.
4. Improved disclosure to help investors better understand risk in the Company’s portfolio.
5. The development of a clear, widely-accepted definition and related policies for predatory lending.
6. Most importantly, we ask Bank of America to stand with the American people by putting an immediate end to non-default repricing of existing balances. This will anticipate the new Federal regulations required to be implemented by July 2010.

With the credit card industry now under pressure from the White House, regulators, Congress, consumer advocates, AND investors, it is increasingly clear the model of the past two decades is failing. We don’t need tweaks to the current system, we need transformation. Healthy, stable borrowers are an asset to be grown not consumed. Now is the time for a bold new approach.

Thank you for your attention. We urge all shareholders to support this proposal and the principles of fairness and balance it expresses.