

From: Nagioff, Roger <rnagioff@lehman.com>
Sent: Thursday, May 10, 2007 2:02 AM (GMT)
To: Lowitt, Ian T <ilowitt@lehman.com>
Subject: Re: BofA CEO Lewis Calls for Lending "Sanity"

Breather...you another who believes in miracles....I am trading like th HY mkt....overvalued

----- Original Message -----

From: Lowitt, Ian T
To: Nagioff, Roger
Sent: Thu May 10 02:59:20 2007
Subject: RE: BofA CEO Lewis Calls for Lending "Sanity"

Thats why you are the Second Coming. Are you back in NY next week, or taking a breather?
Ian

-----Original Message-----

From: Nagioff, Roger
Sent: Thursday, May 10, 2007 7:21 AM
To: Lowitt, Ian T
Subject: Re: BofA CEO Lewis Calls for Lending "Sanity"

I am on the case

----- Original Message -----

From: Lowitt, Ian T
To: Nagioff, Roger
Sent: Thu May 10 02:43:28 2007
Subject: Re: BofA CEO Lewis Calls for Lending "Sanity"

Question is what we do differently. Do we have the balls to be the ones who pull back first to lead the market ?? Ian

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Nagioff, Roger
To: Berkenfeld, Steven; Goldfarb, David; O'Meara, Chris M (NY); Lowitt, Ian T; Freidheim, Scott J; Antoncic, Madelyn
Sent: Wed May 09 16:44:12 2007
Subject: Re: BofA CEO Lewis Calls for Lending "Sanity"

I am not the only one

----- Original Message -----

From: Berkenfeld, Steven
To: Nagioff, Roger; Goldfarb, David; O'Meara, Chris M (NY); Lowitt, Ian T; Freidheim, Scott J; Antoncic, Madelyn
Sent: Wed May 09 20:15:29 2007

Subject: FW: BofA CEO Lewis Calls for Lending "Sanity"

In case you didn't see it

From: Smith, Greg L
Sent: Wednesday, May 09, 2007 2:18 PM
To: Hedlund, Robert; Berkenfeld, Steven; Niebuhr, John J
Subject: BofA CEO Lewis Calls for Lending "Sanity"

May 9 (Bloomberg) -- Bank of America Corp. Chief Executive Officer Ken Lewis said a so-called credit bubble is about to break after six years of historically low interest rates and relaxed lending criteria.

"We are close to a time when we'll look back and say we did some stupid things," Lewis said, speaking at a lunch at the Swiss-American Chamber of Commerce in Zurich. "We need a little more sanity in a period in which everyone feels invincible and thinks this is different."

Demand for so-called junk bonds is close to its highest in a decade, while risk premiums are near their lowest level in a decade. Investors demand an extra 269 basis points to own high-yield, high-risk securities instead of Treasuries, about 200 basis points less than the spread's 10-year median, according to Merrill Lynch & Co. index data.

The spread on Feb. 22 came within 5 basis points of the all-time low of 244 basis points, set on Oct. 17, 1997.

Lewis said "We need a deal to go bad, as long as we're not in it."

The chief executive said that while the bank has turned down some corporate customers as too risky, "the deals we've turned down have been taken up quickly by others."

Lewis isn't the only U.S. bank executive who expects that credit conditions will change. Wells Fargo & Co. Chief Executive Officer Richard Kovacevich said in December that "I am not a forecaster of the future; I'm a historian. And history says this will blow up. It always has. And there will be some blood on the street."

This is a product of the Loan Portfolio Group and is not Lehman Brothers research nor a research report.