

Goldman Sachs Says \$5.1 Billion Mortgage Settlement Will Knock \$1.5 Billion Off Q4 Earnings

Goldman Sachs Group on Thursday agreed to pay \$5.1 billion to end an investigation into its packaging of residential mortgage-backed securities in the run-up to the financial crisis, **reports *Forbes***.

“Thursday’s agreement with the RMBS Working Group of the U.S. Financial Fraud Enforcement Task Force, still subject to finalization with the Justice Department and other authorities, includes a \$2.4 billion civil monetary penalty and calls for \$875 million in cash payments and \$1.8 billion in ‘consumer relief’ such as forgiving principal for borrowers whose homes are worth less than their remaining mortgage obligations and supporting foreclosure prevention,” *Forbes* reports.

The bank said the settlement would knock \$1.5 billion off its after-tax earnings from the fourth quarter of 2015.

Read the article.