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BofA offering to repay part of bailout: report

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NEW YORK (Reuters) - Bank of America is offering to  THOMSON REUTERS repay part of the U.S. government bailout money, starting with the \$20 billion it received in January to help with the acquisition of Merrill Lynch & Co, the Wall Street Journal reported on its website late on Monday.

The government is meanwhile pushing the bank to pay up to \$500 million to end a tentative pact that would have had the government share Bank of America's losses on certain assets, added the report, which cited people familiar with the matter.

Bank of America is not offering to repay all of the \$45 billion in taxpayer funds it received from the government's Troubled Asset Relief Program, the report said.

The repayment of \$20 billion, however, would remove the bank from the list of "exceptional" aid recipients, a designation that brings more congressional scrutiny.

The U.S. Treasury and Federal Reserve have asked the bank to pay between \$300 million and \$500 million to end a tentative plan that would have seen the government absorb a portion of losses on assets owned by Bank of America and Merrill Lynch, the report said.

In exchange, the plan called for the bank to issue \$4 billion in preferred stock to the Treasury, costing it about \$320 million a year, the report said.

A Bank of America spokesman did not immediately return a call seeking comment.

(Reporting by Jonathan Spicer; Editing by Lincoln Feast)

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