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September 19, 2014

Rosalie Yee,
Assistant Vice President, Bank Applications,
Federal Reserve Bank of New York,
33 Liberty Street,
New York, New York 10045.

Re: CIT Group Inc. Proposed Acquisition of IMB Holdco LLC -
Response to Comment

Dear Ms. Yee:

This letter is in response to the comment submitted to the Federal Reserve Bank of New York ("FRBNY") on September 6, 2014, by Inner City Press/Fair Finance Watch ("Commenter") regarding the application (the "Application"), dated August 20, 2014, by our clients, CIT Group Inc. and Carbon Merger Sub LLC (together, the "Applicants"), to the Board of Governors of the Federal Reserve System (the "Board") in connection with Applicants' proposed acquisition of IMB Holdco LLC and certain related transactions.

Commenter requested the release of the CRA plan of CIT Bank and the CRA plan of OneWest Bank, National Association, provided in Confidential Exhibit 9 to the Application. The Applicants have determined to withdraw their request for confidential treatment of Confidential Exhibit 9. Accordingly, a public version of Confidential Exhibit 9 is enclosed.

Commenter also requested the release of a "projected third" document, quoting the statement in the Application that "CITBNA will create and operate under a new CRA plan, which it will develop subject to regulatory review." As stated in the first part of that sentence in the Application, this sentence refers to CITBNA's integration of OWB's and CITB's current approaches to CRA compliance. At this time, the Applicants anticipate that the details of the combined CRA program will not be finalized until after the closing of the transaction.

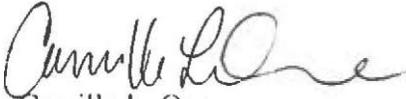
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If you have any questions with respect to any of the matters discussed in this letter or in the materials included herewith, please contact me at (212) 558-3373 (ormec@sullcrom.com).

Very truly yours,


Camille L. Orme

(Enclosures)

cc: Ivan Hurwitz
Philip Bae
Brian Steffey
(Federal Reserve Bank of New York)

Elisa Johnson
(Federal Reserve Bank of San Francisco)

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(Office of the Comptroller of the Currency)

U.S. Department of Justice, Antitrust Division

Matthew Lee
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(Sullivan & Cromwell LLP)

PUBLIC VERSION OF

CONFIDENTIAL EXHIBIT 9

**CRA Plans of CIT Bank and OneWest Bank, National
Association**

**PUBLIC VERSION OF
CONFIDENTIAL EXHIBIT 9
SECTION A: CIT Bank CRA Plan**

CIT Bank

COMMUNITY REINVESTMENT ACT
STRATEGIC PLAN
2013 - 2017

January 2013

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CIT Bank Strategic Plan
Community Reinvestment Act
January 2013

SECTION I. INTRODUCTION

A. CIT Bank Profile

CIT Bank ("Bank") was chartered as a State of Utah Industrial Bank in October 2000. With the approval of the Federal Deposit Insurance Corporation ("FDIC"), the Bank modified its charter in December 2008 and is a State chartered non-member bank.

The Bank is located at 2180 South 1300 East, Suite 250, Salt Lake City, Utah 84106 and currently employs approximately 640 people nationwide including 33 people in the Salt Lake City main office.

The Bank is a non-traditional bank specializing in commercial credit products (loan and lease) and non-consumer deposits. Starting in August 2011, the Bank began offering direct to consumer deposit products utilizing the Internet as the sole delivery channel for account opening. The Bank does not operate a traditional bank lobby or branches with in-person contact such as teller or drive-up window services.

The Bank is chartered by the Utah Department of Financial Institutions ("UDFI") and is regulated at the state level by the UDFI. The FDIC insures the Bank's deposits and is the Bank's primary federal banking regulator. This Strategic Plan is presented for CIT Bank.

B. Overview of the Bank Holding Company

Founded in 1908, CIT (NYSE: CIT) is a bank holding company with more than \$33 billion in financing and leasing assets. A member of the Fortune 500, it provides financing and leasing capital and advisory services to its clients and their customers across more than 30 industries. CIT maintains leadership positions in small business and middle market lending, factoring, retail finance, aerospace, equipment and rail leasing, and global vendor finance. CIT also operates CIT Bank (Member FDIC), its primary bank subsidiary, which, through its online bank BankOnCIT.com, offers a suite of savings options designed to help customers achieve a range of financial goals. cit.com

SECTION II. COMMITMENT TO CRA

A. CIT Bank Early CRA Efforts

As a federally insured depository institution, the Bank is subject to the Community Reinvestment Act (codified at 12 U.S.C. §§ 2901-2908 (2006) ("CRA")), which requires banks to identify and help meet the credit needs of its entire community, including low-to moderate-income ("LMI") individuals and geographies. The Bank since inception has recognized the importance of CRA and has developed and implemented an annual CRA plan to meet the needs of its community and provide a satisfactory CRA rating.

The Bank commenced operations on October 20, 2000 and has operated under a "limited purpose" CRA designation since July 30, 2001. As such, the Bank was evaluated with respect to its CRA performance based on its qualified community development activities. The FDIC has evaluated the Bank three times as a "limited purpose" bank. The FDIC's CRA performance evaluations for CIT Bank are posted on the FDIC's website at:

http://www2.fdic.gov/crapes/2010/35575_101115.PDF (November 2010)
http://www2.fdic.gov/crapes/2008/35575_080512.PDF (May 2008)
http://www2.fdic.gov/crapes/2002/35575_021028.pdf (October 2002)

With recent changes in the Bank profile, including the expansion of products, services and delivery channels, the FDIC revoked the Bank's Limited Purpose CRA designation. Through discussions with the FDIC and the Bank Executive Management Team, the Board concluded that a "community development" evaluation within the context of a CRA "strategic plan" would be the most appropriate method for the FDIC to evaluate the Bank's CRA performance, especially in light of the limited nature of the Bank's products and services and the fact that the Bank does not serve retail customers in the traditional manner. The Bank performed extensive research, community outreach, needs assessment and corresponding analyses in conjunction with formulating this strategic plan on behalf of the Bank.

B. CRA Governance

1. Board of Directors and CRA Committee

The Bank's CRA Program is under the direction of the Bank's Board of Directors which has established a CRA Committee with membership of the following Bank stakeholders:

CRA Officer (Chair)
President
Chief Financial Officer
Chief Credit Officer
Chief Compliance Officer
Chief Risk Officer
Retail Deposits Operations Officer

The CRA Committee has advisory members. The CRA Committee will meet regularly to demonstrate involvement in and oversight for the Bank's CRA activities. Minutes from the CRA Committee will be made available to the Board of Directors.

The CRA Committee operates under a formal charter that is approved by the Bank Board of Directors. It reviews and makes recommendations regarding the Bank's proposed CRA Measurable Goals. However, it is the full Board of Directors of the Bank that makes the final approval decisions regarding the Bank's proposed measurable goals for inclusion in the Bank's CRA Strategic Plans.

See Appendix M for more information on the Bank CRA Governance structure.

2. Bank Management

At the management level, the Bank currently employs one full-time CRA Officer with extensive experience in the financial institutions industry, particularly in the areas of affordable housing, community development financing, regulatory, and community services aspects of the financial services market, with a primary emphasis in the State of Utah. The CRA Officer is charged with implementing the Bank's CRA Strategic Plan, coordinating all Bank CRA activities, and making comprehensive reports to the CRA Committee and Board of Directors on a regular basis.

The Bank's CRA Officer is actively engaged in the community, with an emphasis on finding and developing new or expanded ways to help meet community needs in a safe and sound, commercially reasonable manner. The Bank's CRA Officer also performs extensive due diligence regarding all proposed CRA loans, investments and donations. The Bank's senior management team is involved in Bank CRA efforts including service on the Board of Directors of various non-profit organizations. In fact, Bank employees at all levels participate in community development service activities such as teaching financial literacy to low- and moderate-income children.

SECTION III. ASSESSMENT AREA

The Bank has designated Salt Lake County, Utah, as the Bank's CRA assessment area (Appendix B). The Bank's headquarters is located in Salt Lake City, Utah, with no branches. The Bank has lending and support operations primarily located in Florida, New York, and New Jersey. The Bank currently has no definitive plans for any branches or deposit-taking retail service facilities outside of Salt Lake County. In 2013, it is considering the opening of a branch in Salt Lake City, which is the most populous county in Utah. The branch will offer retail and commercial deposit products and commercial lending products. The assessment area will remain the same for this branch as the Bank headquarters. Once the branch in Salt Lake City is approved and opened, the measurable goals outlined herein will remain the same. The Bank will comply with all regulatory requirements required for a branch opening. In the future, if the Bank does create additional branches outside this assessment area, it will amend the Strategic Plan to reflect branching activity and the performance context in additional assessment areas and will follow the process for public participation and FDIC approval. The designation of Salt Lake County does not arbitrarily exclude any low- or moderate-income areas.

CIT Bank has earnestly strived to fulfill its CRA responsibilities in its assessment area, and has been consistently proactive in helping to identify and create new CRA opportunities in Salt Lake County and in Utah.

CIT Bank will continue its diligent efforts in its designated assessment area. The Bank anticipates, however, that largely due to the community development nature of its CRA Program and the large number of banks located in Salt Lake County, many of the Bank's CRA activities will benefit a broader statewide or regional area that includes the Bank's assessment area, the entire state of Utah, the western United States including Arizona, Colorado, Idaho, Nevada, and Wyoming. The Bank will use its best efforts to identify community development lending and service and qualified-investment opportunities in its Assessment Area. After it has exhausted its efforts in the Assessment Area it will seek opportunities on a state-wide and regional basis to meet its measurable goals.

SECTION IV: PUBLIC PARTICIPATION

CIT has gone to significant lengths to assess needs and to seek public participation in development of this 2013-2017 CRA Strategic Plan. The FDIC regulations governing public participation fall into two categories: (1) the informal seeking of public participation in the development of the proposed strategic plan, and (2) the formal solicitation of public comment by publication in a newspaper of general circulation in the assessment area. The Bank has complied fully with both sets of requirements.

A. Public Participation and Informal Suggestions

CIT Bank has informally sought input and suggestions from a myriad of sources, including 24 entities representing a broad cross section of community development organizations within Salt Lake County. Appendix C details community contacts that provided permission to be included in the Plan. Space does not permit a discussion of each entity and the results of each interaction, but the categories of entities providing input to CIT Bank are outlined below:

- Affordable Housing Developers
- Housing Authorities
- State and Regional CDFIs and Consortia Loan Funds
- Low Income Housing Tax Credit Syndicators
- Homebuyer, Credit and Financial Literacy Educators
- Non-profit Community Service Providers
- Small Business Capital and Loan Funds
- State and National Governmental Programs
- City, County and State Community Development Representatives

CIT Bank developed a needs assessment survey and invited twenty-four (24) organizations to participate. Twenty-one (21) organizations returned the survey and provided information regarding:

- Organization mission
- Demographics served
- Greatest challenges
- Priority of needs and opportunities in primary service area
- Priority of critical areas observed
- Priority of products and services needed from the banking industry

The top three areas of opportunity identified by participating organizations (in order of priority) are:

1. Grants
2. Capacity Building
3. Community Development Loans

Additionally, the top five critical needs identified by participating organizations (in order of priority) are:

1. Affordable Housing
2. Poverty
3. Homelessness
4. Unemployment
5. Community Development

CIT Bank notes that these five areas overlap to a significant extent with the issues identified in the Executive Summary of the Salt Lake County Consortium Consolidated Plan 2010 – 2015 (Appendix G). The Bank will primarily focus its CRA Program to direct CRA activities and resources in these areas of need within the community. Additionally, through contact and meetings with community stakeholders and information identified in the performance context, CIT Bank identified an additional critical need for foreclosure counseling. CIT Bank will also focus its efforts on this critical need.

B. Formal Public Comment Process

The Bank will solicit formal public comment on its Strategic Plan by publishing notice in at least one newspaper of general circulation in the Bank's assessment area, as required by 12 C.F.R. §345.27(d)(2). Proof of publication of request for Public Comment will be included in the Strategic Plan (Appendix J).

SECTION V. CRA PERFORMANCE CONTEXT

The FDIC applies the various CRA tests and standards in the context of seven factors collectively referred to as a bank's CRA "performance context." The FDIC also considers whether to approve a proposed strategic plan within those same "performance context" factors (12 C.F.R. §345.21(b)). The elements of the Bank's CRA performance context are discussed throughout this document. A summary of the factors outlined in 12 C.F.R. §345.21(b)(1) – (7) follows:

A. Demographic and Other Relevant Data (12 C.F.R. §345.21(b)(1))

Demographic Data on Median Income Levels, Distribution of Household Income, Nature of Housing Stock, Housing Costs, and Other Relevant Data (12 C.F.R. §345.21(b)(1))

(1) Median income levels and distribution of income. The 2010 US Census and the American Community Survey shows the MSA median family income (MFI) for Salt Lake County at \$68,010.

Table 1 reflects the distribution of consumer income for Salt Lake County as determined by the 2010 U.S. Census and the American Community Survey.

Table 1 – Median Family Income

<i>Income Category</i>	<i>MFI Criteria</i>	<i>Income Threshold</i>
Low	< 50%	Up to \$34,004
Moderate	50% up to < 80%	\$34,005 to \$54,407
Middle	80% up to < 120%	\$54,408 to \$81,611
Upper	120% +	\$81,612 +

Table 2 reflects the census tract income and population breakdown of Salt Lake County as determined by the 2010 US Census and the American Community Survey.

Table 2 – Salt Lake County Census Tract Characteristics

<i>Census Tract Income Level</i>	<i># of Tracts</i>	<i>% of Tracts</i>	<i>Population</i>	<i>% of Population</i>
Low	12	5.71	48,166	4.70
Moderate	41	19.52	190,476	18.57
Middle	97	46.19	508,259	49.55
Upper	60	28.57	278,914	27.19
Total	210	100	1,025,815	100

Source: 2010 US Census

(2) Nature of housing stock and housing costs. On a national scope, housing construction remains depressed due to the real estate boon prior to 2008. The 2011 Economic Report to the Governor (Appendix E, p. 10) provides commentary by Ken Rogoff of Harvard University saying that "given the number of households in

America, the housing stock has a surplus of 2 million units over and above what is required to house people and have a normal amount of vacant housing. The slow economy and high unemployment rate make the situation worse by lowering the amount of household formation that would normally occur.” Rogoff goes on to comment that if the labor market were operating normally, up to 200,000 more households would be forming. In addition, he feels that it will take up to two years for housing stock to return to normal given the current demographic situation.

On a statewide level, Utah tends to fare better than states across the U.S., but international financial crises in Europe will continue to affect households, business, and governments across America. While housing starts are at record lows nationally, housing starts in Utah are climbing slowly to 40% above the low levels reached in 1989. Home sales, on the other hand, have been up and down with an overall decline since 2006. At its peak, homes sales were at 4,000 compared to 2,500 in August 2011. The State of Utah has also experienced a decline in home prices. *“The median home price in Utah, as reported by the Utah Association of Realtors (UAR), declined from a peak of almost \$220,000 in May 2007, to just above \$170,000 in August 2011, or more than 20%, on a seasonally adjusted basis. The UAR prices are for all homes, both existing and newly constructed”* (Appendix E, p.15). A primary reason for the decline is due to distressed properties selling at deep discounts.

In a recent volume of the “Utah Economic and Business Review” (Appendix F), James A. Wood, Director of the University of Utah’s Bureau of Economic and Business Research, noted the following for the Salt Lake Board of Realtors:

- In 2011, seven out of ten homes sold in Salt Lake County were affordable to the median income household. Despite the affordability of homes, sales have been slow due to constrained sales, uncertainty in the job market, and falling house prices.
- Utah has residents who typically prefer home ownership as a long-term investment. The average value of homes has increased over the last 30 years from \$175,700 in 1980 to \$234,931 in 2011 (which includes falling home prices in the last four year and in the 1980’s). In Salt Lake County, 25 percent of households in owner-occupied homes are mortgage-free.
 - The sales price of a home in Salt Lake County rarely declines; however, over the last 56 years, prices have declined 10 times including during the most recent four years. The average nominal price of a home sold in Salt Lake County declined by 25 percent to 26 percent as reported by the National Association of Realtors and the Federal Housing Finance Agency over the last four years.
 - Declining prices have impacted home equity for homeowners creating an underwater situation. Of the 480,000 mortgage loans in Utah, 124,000 have a status of negative equity or near negative

equity (within five percent of negative equity). These homeowners are effectively stuck in their homes.

- Combined short sales and real estate owned (“REO”) sales have increased by 13 percent over 2010. Distressed sales such as these represent 30 percent of home sales in 2011 in Salt Lake County. The median price of a short sale is \$175,625 and an REO is \$149,950 in 2011. The overall median sales price in Salt Lake County is \$199,000.
- New home construction is down 76 percent from the peak of home-building in 2005. Existing home sales are up to 9,300 in 2011, an increase of 9 percent over 2010 numbers. To compare existing home sales to new construction, in 2011, existing homes sales were seven times higher than new home construction in Salt Lake County. Historically, this ratio is 2:1.
- Job growth is on the rise in Utah with the labor market expected to grow by 30,000 jobs in 2012. Interest rates are expected to remain low along with low housing prices. These conditions will lead to increased home buyer confidence which may stimulate housing demand. Home prices will continue to face downward pressure from REO and short sales and sales prices in Salt Lake County will continue to decline further by three to five percent in 2012.

A view of the rental housing market shows that this is a critical component of housing both locally and nationally. The Executive Summary of the Salt Lake County Consortium Consolidated Plan for 2010 – 2015 (Appendix G) states that nationally 32.6 percent of households are renters as of 2009, but that in the next ten years this percentage will grow to 36.5 percent. Locally, in Salt Lake County, *“the number of apartment units receiving building permits was up 50 percent in Salt Lake County...in 2009. Apartment units accounted for 53 percent of all new residential construction in 2009 in Salt Lake County.”* The report goes on to say *“Although any threat of overbuilding in the rental market has been held in check by the long-term (2000-2007) low level of new apartment construction nevertheless vacancy rates are on the rise. The recession has hurt the rental market. Apartment managers report that job losses are driving up vacancy and turnover rates.”*

(3) Other relevant data, including assessment area’s economic outlook. The Salt Lake County 2012 Budget-in-Brief (Appendix H) identifies taxable sales for the County has two years of consecutive gains with an outlook in 2012 of a modest increase. These gains are based on three primary reasons: first, Salt Lake County residents are spending more due to job gains in 2011; second, Salt Lake County and Utah businesses were expanding in 2011 with purchases of new equipment and hiring of more employees; third, the construction of resident homes and commercial buildings, especially multifamily housing. An area that may slow growth is the effect of the European debt crisis affecting Salt Lake County exports and federal government cutbacks which may impact the local economy.

On a more micro sense the quality of life for low-income residents is not as positive as the overall economic forecast for the County. The Housing Authority of the County of Salt Lake conducted a quality of life survey in Q2-2011 (Appendix I) assessing clients they serve. Areas measured include transportation options, health and safety, social and emotional health, family relations and parenting, personal income, employment, child-care, adult education and development, and youth education. Significant findings are focused in three areas: Health insurance, personal income, and employment.

Most respondents (86.2%) have some form of health insurance with the majority relying on Medicaid (73.8%) and 13.8% not having any insurance. This amount is lower than the national rate (16.7%) and the state rate (14.8%).

In the area of personal income, 28.9% of respondents say they had adequate income to meet their family needs for the past three months. The majority of respondents state they used a budget, but the frequency was low.

In regards to employment, 75.6% reported being unemployed, but when they were employed, wages were less than \$10/hour. Respondents stated that in the last year, wages have not increased but rather stayed the same or decreased. Also childcare is an important consideration in job decisions. The majority of respondents said they could not afford childcare. Of those employed, almost a third of the respondents said they were late or missed work due to childcare issues.

Another major issue in Salt Lake County and statewide is foreclosures. As mentioned previously, distressed homes sales represent a significant percentage of total home sales. These types of sales are a result of foreclosures, among other issues. Efforts are provided by federal agencies, state agencies, and non-profit organizations to provide foreclosure counseling to benefit homeowners that are delinquent on loans. Research has shown that foreclosure counseling is beneficial to help borrowers avoid foreclosure. The Research Institute of Housing America, the research-based company of the Mortgage Bankers Association suggests that borrowers working with HUD-approved agencies have a 57.5% increased probability of receiving a modification compared to borrowers not working with a HUD-approved agency. The Urban Institute also found that housing counseling improved a borrower's ability to stay current once they cured serious delinquency or foreclosure.

B. Product Offering and Business Strategy (12 C.F.R. §345.21(b)(3))

Bank's Product Offering and Business Strategy as Determined from Data Provided by the Bank (12 C.F.R. §345.21(b)(3))

CIT Bank's main business is to offer deposit products and services through BankonCIT.com and loan products to commercial customers, the vast majority of which do not reside in the Bank's assessment area. However, the Bank still makes very few direct loans in its designated assessment area *except* for those made in conjunction with CRA which are community development loans. Accordingly, the Bank will continue

to pursue a "community development" strategy for complying with CRA by offering community development loans and services and qualified investments.

C. Lending, Investment and Service Opportunities (12 C.F.R. §345.21(b)(2))

Information regarding lending, investment, and service opportunities in the Bank's assessment area (12 C.F.R. §345.21(b)(2))

CIT Bank engaged a number of community development organizations, government agencies, and community advocates in developing an assessment of needs in the Bank's assessment area related to lending, investment, and service opportunities. In addition, the Bank reviewed and analyzed reports provided by government and community development organizations to assess needs within the Assessment Area or a broader statewide or regional area that includes the Bank's Assessment Area. These reports include The 2011 Economic Report to the Governor at (Appendix E); the "Salt Lake County Real Estate Market: Current Conditions and Forecast for 2012" article found in the Utah Economic and Business Review, 2011, Volume 71, Number 4 at (Appendix F); the 2012 Executive Summary, Salt Lake County Consortium Five-Year Consolidation Plan 2010-2015 at (Appendix G); the Salt Lake County 2012 Budget-in-Brief at (Appendix H); and, the Executive Summary, Housing Authority of the County of Salt Lake (HACSL) FY 2010 Quality of Life Survey Results at (Appendix I).

Although select opportunities exist within Salt Lake County for community development loans, investments, and services the ability by banks to participate is limited due to the large number of banks, both federally- and state-chartered, within the State of Utah. According to the Utah State Department of Financial Institutions, there are 68 banks within the State of Utah. According to the FDIC Summary of Deposits webpage, <http://www2.fdic.gov/sod/sodMarketRpt.asp?barItem=2&sCounty=all>, there are 251 FDIC insured offices that hold \$264B in deposits which represents 89.8% of market share of deposits within Salt Lake County as of June 2011.

Federal banking regulators have also recognized the limited opportunities in Salt Lake County as described in CRA performance evaluations for banks. In the GE Capital Financial Inc. performance evaluation dated November 2008 (Appendix D), the FDIC states "There is strong competition for financial services in Utah. The bank operates in a highly competitive market. GECFI faces competition from 58 financial institutions in Salt Lake County for deposit market share." The OCC also states from the performance evaluation for Morgan Stanley Bank, N.A. dated January 2010 (Appendix D) that "MSBNA operates in a highly competitive environment with 58 FDIC insured institutions located in the AA. All of these financial institutions compete for a limited supply of qualified CD opportunities in Salt Lake County and Utah as a whole to satisfy their CRA obligation. The opportunity for any one of these institutions to get any sizeable portion of qualified loans or investments benefiting the AA is limited."

The Bank plans to work with existing community partnerships and identify new organizations and new community development opportunities in Salt Lake County and on a regional basis as needed including but not limited to the following:

- Construction and permanent financing of multifamily rental properties servicing low- to moderate-income persons
- Loan, investment and service opportunities with Community Development Financial Institutions, New Markets Tax Credit-eligible Community Development Entities, and community loan funds or pools, and low-income credit unions that primarily lend or promote community development
- Loans greater than \$1 million in Small Business Administration's 504 Certified Development Company Program
- Providing technical assistance on financial matters to non-profit or government organizations serving low- and moderate-income housing or economic revitalization and development needs specifically through:
 - Serving on loan review committees;
 - Assisting in marketing financial services through publications, workshops and conferences; and,
 - Assisting in fundraising, including soliciting and arranging investments
- Investments in Small Business Investment Companies (SBICs) or qualified community development companies that promote economic development by financing small businesses
- Investments in federal, state, or municipal fixed-income investments that specifically support affordable housing or other community development areas

D. Institutional Capacity and Constraints (12 C.F.R. §345.21(b)(4))

Institutional capacity and constraints, including the size and financial condition of the Bank, economic climate, safety and soundness limitations, and any other factors that significantly affect the Bank's ability to provide lending, investments, or services in its assessment area(s) (12 C.F.R. §345.21(b)(4))

CIT Bank, because of its rapid growth over the last several years has faced significant challenges in creating and implementing a sizable CRA Program. Constraints include:

- non-traditional nature of the Bank (e.g. no branches, no retail lending services, etc.);
- non-traditional way in which the Bank's limited loan and deposit products are marketed and offered; and
- relatively small size of the Bank's CRA staff.

Additional capacity and constraint issues continue to exist with regard to the Bank's assessment area, including the relatively limited community development loan and investment opportunities in the Bank's assessment area, and the large number of financial institutions vying for CRA opportunities in the Bank's assessment area (Appendix D).

E. Performance (12 C.F.R. §345.21(b)(5))

The Bank's past performance and the performance of similarly situated lenders (12 C.F.R. §345.21(b)(5))

1. CIT Bank's Past CRA Performance.

CIT Bank has been in existence since October 2000 and has a satisfactory CRA performance. The Bank has had three CRA examinations of which two "satisfactory" ratings were received and one "needs to improve" rating was received. In the latest FDIC CRA evaluation from November 2010, the Bank received a "Satisfactory" CRA rating wherein CIT Bank adequately addressed the needs of its assessment area.

The Bank's performance over the last three years demonstrates consistent community development investment year over year on a percent of CRA assets to average bank assets with a significant increase in 2012. The Bank has invested in a variety of loans and investments to achieve a performance as set forth below:

Year	New CRA Loans and Investments	CIT Bank Total Average Assets	New CRA Assets as % of Average Bank Assets
2010	\$25,507,410	\$7,800,230,000	0.33%
2011	\$11,352,193	\$7,330,697,000	0.15%
2012	\$80,184,287	\$9,989,913,000	0.80%

The Bank's CRA performance during its last CRA review focused on "community development," and included activities in each of the four sub-categories of "community development," as defined by the FDIC:

1. *Affordable housing (including multifamily rental housing) for low- or moderate-income individuals;*
2. *Community services targeted to low- or moderate-income individuals;*
3. *Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or*
4. *Activities that revitalize or stabilize:*
 - a. *low-or moderate-income geographies;*
 - b. *designated disaster areas; or*
 - c. *distressed or underserved nonmetropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, FDIC, and the Office of the Comptroller of the Currency .*

12 CFR §345.12(g)(1)-(4).¹ The Bank's affordable housing activities have included working with community partners and intermediaries whose primary mission focuses on

¹ The Interagency Questions & Answers Regarding Community Reinvestment Act ("Interagency Q & As") promulgated jointly by the four federal banking regulators' clarify that "community development" is not limited to activities that promote economic

addressing the housing needs of low- to moderate-income individuals, with an emphasis on expanding the capacities of those organizations as appropriate:

- loans to non-profit intermediaries for the development of affordable multi-family rental housing
- investments with third party intermediaries for the purchase of multifamily, single-family affordable housing units for qualified low- or moderate-income renters or buyers
- purchase of bonds issued by Utah Housing Corporation, the largest provider of affordable housing assistance in Utah
- purchase of mortgage-backed securities ("MBS") pools consisting of mortgages made to LMI individuals, which provides essential liquidity for the banks making the mortgages directly

The Bank's activities in the category of community services targeted to low- or moderate income individuals include the following:

- numerous donations to non-profit entities that provide essential services related to affordable and transitional housing for the homeless, self sufficiency and education, elderly and child care, job training and development for the disabled, and legal assistance for the benefit of low- or moderate-income individuals or geographies
- leadership service on Boards and Committees of non-profit organizations that provide services related to affordable housing, individuals with physical and intellectual disabilities, individual development accounts, and other community development services

The Bank's efforts in regard to activities that promote economic development by financing small businesses and also activities that revitalize or stabilize low-or moderate-income geographies, designated disaster areas and others, include the following:

- loans to non-profit intermediaries that assist to revitalize or stabilize low- or moderate-income geographies through the use of new market tax credits
- donations to micro-credit loan fund and other organizations that support small businesses
- service on Boards and Committees of non-profit organizations that provide services related to micro-enterprise businesses and community development entities related to new market tax credits

Although CIT Bank is committed to making appropriate donations in all four categories of "community development," it believes that community development activities must go beyond charitable donations. Sustainable community development depends on bringing

in private capital through loans and investments and the Bank is committed to continue working with respected non-profit entities to assist them with more market and business-oriented thinking regarding funding.

2. Performance of Similarly Situated Lenders.

The Bank has performed an extensive analysis of similarly situated lenders and the analysis regarding their performance is set forth in the Confidential Appendix K.

F. Public File and Written Comments (12 C.F.R. §345.21(b)(6))

The Bank's Public File and any Written Comments (12 C.F.R. §345.21(b)(6))

CIT Bank's public file is maintained in compliance with the requirements of 12 C.F.R. §345.43. The Bank's CRA Notice is prominently displayed in the Bank's reception room of its main office, as required by 12 C.F.R. § 345.44. To date, the Bank's Public file contains no written comments received from the public.

SECTION VI. THE BANK'S CRA STRATEGIC PLAN AND MEASURABLE GOALS

A. Proposed Effective Date

The proposed effective date of CIT Bank's CRA Strategic Plan is retroactive to January 1, 2013 after approval by the FDIC.

B. Plan Term

The term of CIT Bank's CRA Strategic Plan covers five calendar years: 2013, 2014, 2015, 2016, and 2017. The Bank's CRA Strategic Plan sets forth annual measurable goals under which the FDIC can evaluate the Bank's performance, as required by 12 C.F.R. §345.27(c)(1).

C. Measurable Goals

The FDIC's strategic plan regulations provide flexibility regarding a bank's measurable goals, both in how the goals are expressed and regarding the three performance categories. For example, although the regulations provide that a bank should address in its plan all three performance categories and "emphasize lending and lending-related activities," they also provide that:

"[n]evertheless, a different emphasis, including a focus on one or more performance categories, may be appropriate if responsive to the characteristics and credit needs of its assessment area(s), considering public comment and the bank's capacity and constraints, product offerings, and business strategy."

12 C.F.R. §345.27(f)(ii). Accordingly, CIT Bank believes that the appropriate emphasis for its measurable goals fall into the two categories discussed below.

1. Measurable Goals for Combined Community Development Loans, Qualified Investments and Grants.

The Bank's proposed measurable goals for combined community development lending, qualified investments and grants are set forth in Appendix A. These measurable goals consist of combined community development loan commitments and/or originations, qualified small business loans, qualified investments and grants expressed as a *percentage of the Bank's average assets for each plan year*, as opposed to percentages of the Bank's total assets at the end of each plan year. The amount for any plan year period will include (i) the total of the Bank's new community development loan commitments, qualified small business loans, qualified investments² and grants for the calendar year for either a satisfactory or an outstanding rating. The Bank's average

² As contemplated by 12 C.F.R. §345.22(c) and §345.23(c), this amount may include qualifying investments (including charitable grants and contributions) or community development loan originations and community development loan commitments or loan purchases and small business loans made by affiliates of the Bank or the Bank itself. No affiliate may claim a loan origination, a loan purchase, or qualified investment if another institution claims the same loan origination, purchase or qualified investment.

assets for any given plan year will be calculated using the amounts from line 9 of Schedule RC-K of the Bank's four Call Reports for that plan year.

The Bank believes that its proposed measurable goals for combined CRA loans and investments are appropriate and commendable in light of the "performance context" factors discussed in Section V above, including the competitive nature of CRA opportunities in Utah. In particular, the Bank's measurable goals compare favorably to the weighted average of other Utah banks with a limited purpose, wholesale or strategic plan CRA designation with assets over \$1B (Appendix K).

2. Measurable Goals for Community Development Services

The Bank's measurable goals for community development services are set forth in Appendix A. The Bank's measurable goals are expressed in terms of the number of hours spent performing qualifying community development services³, and are realistic considering the Bank's performance context and the Bank's staff size.

3. Election if Satisfactory Goals not Substantially Met

Statements about the expected future activity of the Bank and all other statements in this Plan other than historical facts constitute forward-looking statements. All of these forward-looking statements are subject to risks and uncertainties that may change at any time, and therefore, actual results may differ materially from expectations by the Bank. Therefore, the Bank elects to have the Bank's performance evaluated under the current designation it holds for CRA purposes if it fails to meet substantially the Plan's goals for a "Satisfactory" CRA rating.

³ As contemplated by 12 C.F.R. §345.24(c), the amount may include qualifying community development services provided by an affiliate of the bank, if the community development service is not claimed by any other institution.

SECTION VII. REQUEST FOR APPROVAL OF STRATEGIC PLAN

A. Regulatory Criteria for Approval

The Bank respectfully submits that it has fulfilled all of the regulatory requirements for strategic plans, including those governing development of the plan, public participation in the plan, and the plan's measurable goals. As established herein, the Bank's CRA performance context thoroughly supports the Bank's measurable goals. The Bank believes that FDIC approval of the Bank's Strategic Plan and its measurable goals as set forth in Appendix A is appropriate under the FDIC's criteria for evaluation of a strategic plan outlined in 12 C.F.R. § 345.27(g)(3)(i) – (iii):

(3) *Criteria for evaluating plan.* The FDIC evaluates a plan's measurable goals using the following criteria, as appropriate:

- (i) The extent and breadth of lending or lending-related activities, including, as appropriate, the distribution of loans among different geographies, businesses and farms of different sizes, and individuals of different income levels, the extent of community development lending, and the use of innovative or flexible lending practices to address credit needs;
- (ii) The amount and innovativeness, complexity, and responsiveness of the bank's qualified investments; and
- (iii) The availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of the bank's community development services.

The Bank's measurable goals meet these requirements in a number of ways. The amount, extent and breadth of the Bank's measurable goals for combined CRA loans/investments are impressive in the current context, but especially for a still relatively new financial institution in the process of implementing a comprehensive CRA Program under the Strategic Plan option. As discussed above, the Bank will continue to seek out and create new products, qualified Investments and service opportunities that will benefit the Bank's CRA assessment area, a broader statewide or regional area as defined above.

B. Request for Approval

For the reasons set forth above, the Bank respectfully requests FDIC approval of this Strategic Plan.

SECTION VIII. CONTACT INFORMATION

Any questions or comments regarding this Strategic Plan may be addressed to the following:

Dan J. Adams
Vice President, CRA Officer
CIT Bank
2180 South 1300 East, Suite 250
Salt Lake City, Utah 84106

Phone: 801-412-6828
Email: dan.adams@cit.com

APPENDICES

- A. Measurable Goals
- B. CIT Bank Assessment Area Map
- C. List of contacts participating informally in development of Strategic Plan
- D. Selected pages of various CRA Performance Evaluations
- E. 2011 Economic Report to the Governor, State of Utah
- F. "Salt Lake County Real Estate Market: Current Conditions and Forecast for 2012" Utah Economic and Business Review, 2011, Volume 71, Number 4
- G. 2012 Executive Summary, Salt Lake County Consortium Five-Year Consolidated Plan 2010 - 2015
- H. Salt Lake County 2012 Budget-in-Brief
- I. Executive Summary, Housing Authority of the County of Salt Lake (HACSL) FY 2010 Quality of Life Survey Results
- J. Proof of Publication of Request for Public Comment
- K. Analysis of CRA Performance of Select Utah Banks (this Attachment is Confidential and submitted under separate cover)
- L. CIT Bank Call Report (quarter ending 12/31/2012)
- M. CRA Governance

Appendix A: Measurable Goals

Table A-1: Combined CRA Loans, Investments and Grants

Table A-1 represents the ratio of *CRA Loans, Investments and Grants* to *Average Assets* to obtain the CRA evaluation rating as shown.

<i>Plan Year</i>	<i>Satisfactory</i>	<i>Outstanding</i>
2013 - 2017	0.32%	0.42%

The amount for each plan year period will include:

- a) For a satisfactory rating the total of new community development loan commitments or originations, qualified small business loans, qualified investments and grants for a plan year divided by the Bank's average assets as defined below to achieve the percentage or higher for a satisfactory rating.
- b) For an outstanding rating the total of new community development loan commitments or originations, qualified small business loans, qualified investments and grants for a plan year divided by the Bank's average assets as defined below to achieve the percentage or higher for an outstanding rating.

The Bank's average assets for any given plan year will be calculated using the amounts from line 9 of Schedule RC-K of the Bank's four Call Reports for that plan year.

Table A-2: Community Service Hours

Table A-2 represents the annual amount of CRA eligible service hours to obtain the CRA evaluation rating as shown. Community development service hours are counted based on service performed during each Plan Year.

<i>Plan Year</i>	<i>Satisfactory</i>	<i>Outstanding</i>
2013	261	319
2014	302	367
2015	324	396
2016	347	424
2017	374	457

Appendix B: CIT Bank Assessment Area Map



Appendix C: Strategic Plan Community Contacts

The following community contacts participated informally in the development of the CIT Bank CRA Strategic Plan and gave permission to be listed herein.

Name	Title	Organization
Preston Cochrane	President & CEO	AAA Fair Credit Foundation
Jessica Norie	Executive Director	Artspace
James Wood	Director	Bureau of Economic and Business Research, David Eccles School of Business, University of Utah
Darin Brush	Executive Director	Community Development Corporation of Utah
Caitlin Landrus	Director, Investment Management	Enterprise Community Investments
Kerry Bate	Executive Director	Housing Authority of the County of Salt Lake
Christy Tribe	Senior VP Development	Junior Achievement
Maria Garciaz	Executive Director	NeighborWorks Salt Lake
Bill Nighswonger	Executive Director	Salt Lake City Housing Authority
Michael Gallegos	Division Director	Salt Lake County Community Resource and Development
Steve Price	Deputy District Director	Small Business Administration
Michelle Flynn	Associate Executive Director of Programs	The Road Home
Bill Crim	Senior VP	United Way
Steven Graham	President	Utah Community Reinvestment Corporation
Julie Adams-Chatterly	Grant Writer	Utah Food Bank
Tara Rollins	Executive Director	Utah Housing Coalition
Kathy Ricci	CEO & Executive Director	Utah Microenterprise Loan Fund
Kathy Bray	President & CEO	Volunteers of America, Utah

Appendix D: Peer CRA Performance Evaluations

Information in this section is excerpted from CRA Performance Evaluations with an assessment area that includes Salt Lake County.

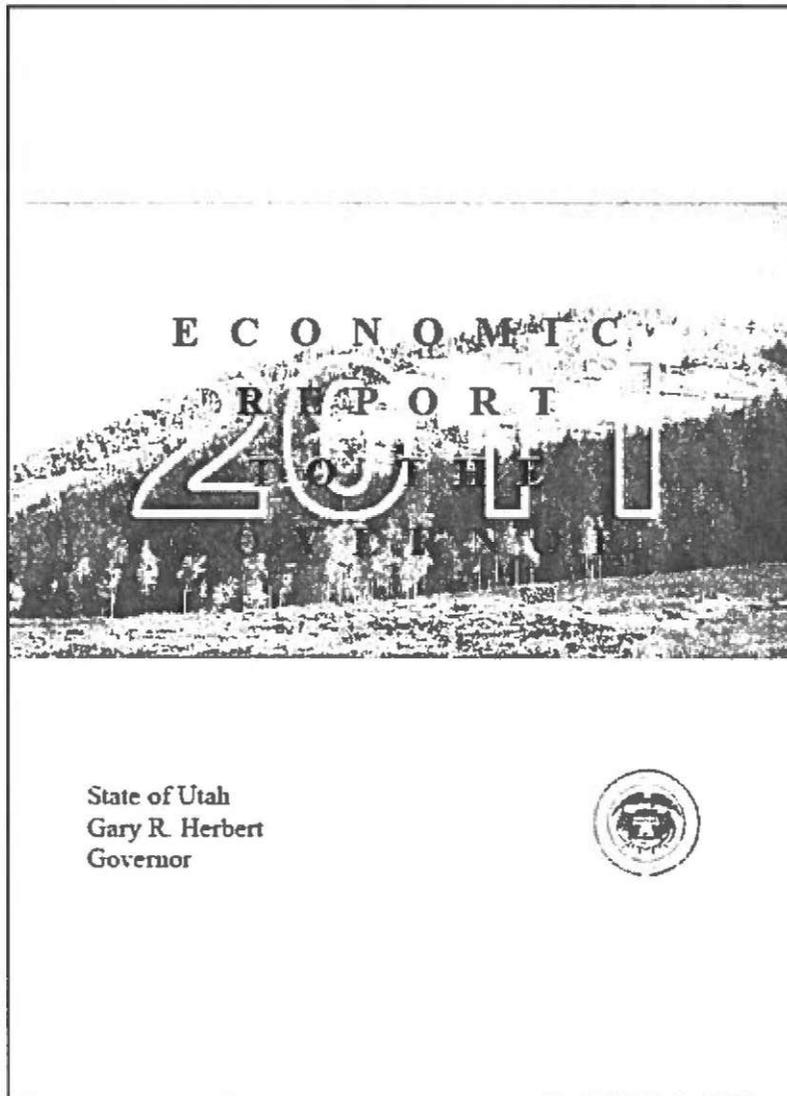
GE Capital Financial, Inc. Performance Evaluation dated November 5, 2008
http://www2.fdic.gov/crapes/2008/33778_081105.PDF

Morgan Stanley Bank, N.A. Performance Evaluation dated January 25, 2010
<http://www.occ.gov/static/cra/craeval/JUL10/24908.pdf>

Appendix E: 2011 Economic Report to the Governor, State of Utah

Information in this section is support for the Performance Context. (Click on link or embedded file)

<http://www.governor.utah.gov/dea/ERG/2011ERG.pdf>



Appendix F: Salt Lake County Real Estate Market: Current Conditions and Forecast for 2012

Information in this section is support for the Performance Context (Click on link or embedded file)

<http://www.bebr.utah.edu/Documents/uebr/UEBR2011/UEBR2011no4.pdf>

Utah Economic and Business Review



Bureau of Economic and Business Research
Devo Hall, Salt Lake City, Utah

2011 Volume 71, Number 4

In this issue of the Utah Economic and Business Review we're featuring two recent studies by Bebr's researchers. The first, by Research Analyst Michael T. Hoyne and the Center for Public Policy and Administration, examines some of the economic impacts of the University of Utah joining the Pac-12. The second study, by Bebr's Director James Wood, provides an overview and forecast of the Salt Lake County real estate market.

The Move to Pac-12: Economic Impact and Visitor Experience of University of Utah Football

Michael T. Hoyne, Research Analyst

Summary

In 2011 the University of Utah joined the Pacific 12 athletic conference (Pac 12) following twelve seasons as a founding member of the Mountain West Conference (MWC).¹ The move to the Pac 12 may carry a number of benefits to the University and the state of Utah. This report presents a summary of preliminary estimates of the economic impacts attributable to the University's football program.

One of the ways the football program yields economic impacts jobs and associated wage earnings, gross state product, and state tax revenues to the state of Utah is through the in state expenditures of out of state attendees to University of Utah football games.² A second way is through payments to the University of Utah from television networks for the right to televise games. A third way, potentially, is through improved perceptions of the state gained through visitation.

During the 2011-2012 season, the University of Utah played five home games against Pac 12 opponents. In order, these opponents

were the University of Washington (UW), Arizona State University (ASU), Oregon State University (OSU), the University of California at Los Angeles (UCLA), and the University of Colorado (CU). A total of 321 out of state attendees of these games were surveyed in order to gain information about their spending patterns while in the state. Combining the survey findings with estimates of the number of out of state attendees, we estimate that visitors to University of Utah football games spent \$5.5 million on in state goods and services.³ This \$5.5 million injected into the Utah economy from the citizens of other states gives rise to additional economic impacts through indirect effects arising out of the flow of these funds through the Utah economy.

In addition to the spending of out of state visitors, funds are brought into the state when the University receives payments for the right to televise the games. Such revenues are expected to be \$3 million for the 2011-2012 season, gradually climbing to \$15 million for the 2014-2015 season as the University's share in television revenues increases from partial to full. As a member of the MWC, the University received \$1.2 million per season for television rights.⁴ Increased television revenues are clearly a major benefit of joining the Pac 12. Like the expenditures of out of state visitors, television revenues represent an injection into the state economy that creates additional indirect economic impacts.

The estimated total economic impacts to the state, both direct and indirect, are given in Table 1. In this table the impacts are divided according to whether the source of impact is out of state visitors (Visitors) or television revenues (Television). The impacts are measured by the number of supported jobs (Jobs) and associated earnings (Earnings), gross state product (GSP), state economic output (Output), and state tax revenue (State Tax Revenue).⁵ Visitor spending is seen to support about 121 jobs with total earnings of \$3,056,814 and \$310,786 of state tax revenue.

1. The University made members of the MWC in 1999. The University of Utah had belonged to the Western Athletic Conference (WAC) since joining as a founding member in 1922. Prior to WAC, the University belonged to the Mountain States Conference since its founding in 1938.

2. In this report, we use the term "out of state attendees" to refer only to out-of-state attendees who are fans of the opponents. The economic benefits and visitor perceptions are based only on the number of out of state attendees who either take out of state attendees to out of state attendees who are fans of the Utah. The impacts of out of state attendees who are fans of the Utah are not included in this report.

3. The University makes money for two of the expenditures available through this season's ticket sales. These ticket sales were provided to both the University of Utah's Athletic Department for each of the five Pac 12 home games in the 2011-2012 season. Although ticket sales through opposing universities serve as one measure of the number of out of state attendees, we note that some tickets are also available through secondary sources, the actual number of state attendees and associated economic impacts are at least as great as what we report here.

4. The exact amount of television revenues under Pac 12 is still subject to some uncertainty. The amounts measured in this study set estimates correct as of the beginning of this study (see <http://www.bebr.utah.edu>, Kivinski).

5. Careful to the value of all goods and services included in the economy, including the value of goods and services used in intermediate inputs to the production of final goods and services. The measure of final goods and services thus includes the value of these intermediate inputs (adding the value of

Appendix G: 2012 Executive Summary, Salt Lake County Consortium Five-Year Consolidated Plan 2010 – 2015

Information in this section is support for the Performance Context (Click on link or embedded file)

http://crd.slco.org/docToPdf/2012_executive_summaryMARCH.pdf



This is the second year update to the 2010-15 Five Year Consolidated Plan and it also contains the annual action plan that describes how CDBG, HOME and ESG could be allocated for 2012. The U.S. Department of Housing and Urban Development (HUD) requires communities that receive any of the following grants to complete a Consolidated Plan

- ❖ Community Development Block Grant (CDBG)
- ❖ HOME Investment Partnership Grant Funds
- ❖ Emergency Solutions Grant (ESG)

This Action Plan also reviews the needs of the current economic crisis, and how the CDBG, HOME and ESG funds will be used to mitigate some of those needs.

URBAN COUNTY

The Salt Lake Urban County includes unincorporated Salt Lake County, and the cities of Alta, Bluffdale, Cottonwood Heights, Draper, Herriman, Holladay, Midvale, Murray, Riverton, and South Salt Lake.

SALT LAKE COUNTY CONSORTIUM

The Salt Lake County Consortium includes the Urban County, and the Cities of West Jordan, Sandy, Taylorsville, and West Valley. Included as part of the Salt Lake County Consortium Consolidated Plan are the Action Plans of Salt Lake County, Sandy, Taylorsville, West Valley City, and West Jordan. These action plans identify how approximately seven million dollars of Community Development Block Grant (CDBG), HOME Investment Partnership Program, and Emergency Solutions Grant (ESG) funds will be spent. Salt Lake County is the lead agency for the Urban County and the Consortium and will disperse the funds to Urban County cities and Consortium HOME program cities, respectively, as well as service providers for projects identified in the One-Year Action Plan.



The development of this five year plan comes when the national and local economies are under stress. Many of the Salt Lake County communities and households are facing tough challenges.

Salt Lake County Sustainability Grant: On October 15, 2010 it was announced that Salt Lake County was awarded a \$5 million Affordability Grant. The three-year Sustainable Communities Regional Planning Grant will fund the creation of an affordable housing plan, the study of six transit-oriented development sites, and the creation of sustainability blueprints that can be used locally, regionally and nationally.

Salt Lake County, Envision Utah, Wasatch Front Regional Council (WFRC), Mountainland Association of Governments, the Utah Department of Transportation, Utah Transit Authority, Salt Lake City, University of Utah's Metropolitan Research Center, the U.'s Bureau of Economic and Business Research and the American Planning Association's Utah Chapter.

Appendix H: Salt Lake County 2012 Budget-in-Brief

Information in this section is support for the Performance Context (Click on link or embedded file)

<http://mayor.slco.org/finance/pdf/Budget/BdgtInBrief/2012BdgtInBrief.pdf>

Appendix I: Housing Authority of the County of Salt Lake FY 2010 Quality of Life Survey Results

Information in this section is support for the Performance Context (Click on embedded file)

Housing Authority of the County of Salt Lake (HACSL) FY 2010 Quality of Life Survey Results Executive Summary

In the spring and summer of 2011 (April through July), the Housing Authority of the County of Salt Lake (HACSL) conducted a direct survey, designed to assess various aspects of client quality of life. The purpose of the study was to identify additional areas of need. The survey was designed to assess a range of areas, including the areas listed on the Family Development Matrix: Transportation and mobility, health and safety, social and emotional health and competence, family relations and parenting, income and budget, employment, adult education and development, and children's/child education and development. Notable results from the survey are summarized below by each category.

Demographics

A total of 84 respondents completed the FY 2010 HACSL Quality of Life Survey. Four participants (two Ross and two non-Ross) indicated on the final question that they were "not honest at all" on the survey. These respondents have been removed from the following analyses. Nearly three-quarters of the respondents (74.6%) stated the questions on the survey were "important" or "very important."

Participants were living in six HACSL public housing complexes, including Kearns, Westlake, Cyprus Park, Academy Park, Grainger, and Hunter Hollow. Participants were primarily White (46.8%), with a large number of Hispanic/Latino participants as well (35.9%). The remaining participants were Black (16.3%), Native Hawaiian or Other Pacific Islander (6.1%), American Indian or Alaska Native (6.2%), and Asian (2.2%). Also, 12.5% of respondents indicated that they were multiracial (12.5%) (Percentages will not add to 100%, because respondents could select more than one).

The majority of the respondents were female (86.7%), and the average age was between 31 and 40. Most of the respondents had children under 18 living at home (85.7%). The average number of people living in the household was 2.7, with slightly more people living in the ROSS households than in the non-ROSS households. The average number of children living in the home was 2.2, with slightly more children in the ROSS households.

Transportation Options

More respondents than expected indicated that their transportation options were Good or Very Good (45.2%). However, over half still indicated that their transportation options were only Okay (36.8%), Poor (16.7%), or Very Poor (6.2%), indicating that it is sometimes, often, or usually hard for respondents to get where they need to go.

Health and Safety

Most of the respondents had some form of health insurance (85.8%). The most commonly reported was Medicaid (75.8%), followed by Primary Care Network (PCN - 5%), private insurance (3.6%) and Medicare (3.6%). The rate of uninsured respondents in this sample (13.8%) was actually lower than the national rate (15.7%) and the Utah state rate (14.6%), as reported by

Appendix K: Analysis of CRA Performance of Banks in Utah Market

*Omitted from Exhibit. Appendix K can be provided upon request.

[Note to Public Version of Confidential Exhibit 9: Appendix K was not provided with the Application to the Board of Governors of the Federal Reserve System relating to the proposed acquisition of IMB Holdco LLC by CIT Group Inc. Appendix K is a confidential appendix to CIT Bank's CRA Plan.]

Appendix L: CIT Bank Call Report (quarter ending 12/31/2012)

(Click on embedded file)

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency

Federal Financial Institutions Examination Council



Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031

Institution Name	CIT BANK
City	SALT LAKE CITY
State	UT
Zip Code	84106
Call Report Quarter End Date	12/31/2012
Report Type	031
RSSD-ID	2950677
FDIC Certificate Number	35575
OCC Charter Number	0
ABA Routing Number	124084834
Last updated on	1/31/2013

Appendix M: CRA Governance

Bank Board of Directors

1. Approve CRA Policy
2. Appoint CRA Committee and Committee Charter
3. Approve CRA Strategic Plan
4. Appoint CRA Officer
5. Ensure Bank CRA Program is administered in accordance to applicable laws and regulations

CRA Committee (Board Subcommittee)

1. Evaluate the Bank's CRA goals and performance periodically
2. Review and monitor Bank's CRA performance in meeting credit needs of assessment area Bank serves
3. Review and monitor the Bank's CRA lending, investment and service performance
4. Review and monitor the Bank's CRA outreach and marketing efforts
5. Maintain minutes of meetings and report periodically to the Board
6. Establish parameters for Bank's CRA activities

CRA Strategic Plan

1. Provides Bank's CRA Performance Context and the Bank's ability according to capacity and constraints to meet community development needs
2. Identifies Bank's Assessment Area
3. Identifies measurable CRA goals for Bank, with informal and formal public input, related to community development lending, investments and services for "satisfactory" or "outstanding" CRA rating
4. Regulatory input and approval by FDIC related to Bank's CRA performance

Bank Management and Staff

1. Implements CRA Program and meets measurable goals according to Strategic Plan with direction provided by CRA Committee and Board of Directors
2. Ensures the Bank meets the procedural requirements of CRA
3. Maintains the Bank's public file and notices in conformity with Regulation BB
4. Reports to CRA Committee and Board of Directors periodically on compliance with CRA Strategic Plan

**PUBLIC VERSION OF
CONFIDENTIAL EXHIBIT 9
SECTION B: OWB CRA Plan**

CRA Strategic Plan 2012-2015

OneWest Bank (the "Bank") is committed to providing banking services to the broad spectrum of consumers and households in the communities where we conduct business. Furthermore, OneWest Bank recognizes its obligation to fully satisfy the requirements of the Community Reinvestment Act ("CRA") by providing relevant financial services to low and moderate income ("LMI") consumers in its assessment area. OneWest defines our assessment areas ("AAs") as follows:

- Los Angeles-Long Beach-Glendale, CA MD (full-scope)
- Oxnard-Thousand Oaks-Ventura, CA MSA (limited-scope)
- Riverside-San Bernardino-Ontario, CA MSA (limited-scope)
- San Diego-Carlsband-San Marcos, CA MSA (limited-scope)
- Santa Ana-Anaheim-Irvine, CA MD (limited-scope)

The Bank developed its 2012-2015 CRA lending, investment, and service targets based on the following criteria:

- The Bank's performance context;
- Current and forecasted economic environment;
- Demographic characteristics of its AAs;
- Peer CRA performance;
- Lending opportunities within its AAs;
- Competition from other financial institutions;
- The bank's locations, financial capacity, and branch structure;
- The bank's product offerings and business strategy; and
- Information derived from community contacts

Performance Context for the Los Angeles-Long Beach-Glendale, CA MD Assessment Area:

Overview: Los Angeles-Long Beach-Glendale, CA MD is expected to continue to show improvements in 2013 and 2014. According to the LAEDC Kyser Center for Economic Research, personal income in Los Angeles County increased 2.4% in 2012 to \$435 billion and is expected to surpass \$470 billion by 2014. Taxable retail sales will increase by 5.9% this year and by 3.4% next year, following a 9.4% surge in 2012. Both of these indicators suggest that the local consumer sector is on the mend.

To date, there is a lot of competition for community development activity in the region with over 150 institutions vying for community development transactions. OneWest Bank competes with banks, thrifts, and other financial institutions that have established records and expertise sourcing, structuring, and financing community development initiatives. The Bank will continue to focus on community development opportunities that align with its business strategy while addressing the housing, economic, and social needs in this market.

1. Bank Presence and Market Competition

- a. As of June 30, 2012, there were 2,481 competing branch offices of 150 commercial banks and thrifts with over \$343.4 billion in deposits operating in the Los Angeles-Long Beach-Santa Ana, CA MSA. As of this date, OneWest Bank has 67 branches in the Los Angeles-Long Beach- Santa Ana, CA MSA. The Bank has 3.86% of the market share of deposits.

CRA Strategic Plan 2012-2015

2. Economic, Geographic, Demographic, and Housing Information

Demographic Information for: Los Angeles-Long Beach-Glendale, CA MD						
Demographic Characteristics	#	Low % of #	Mod % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	2,346	8.99 %	28.64%	26.77 %	34.02%	1.58%
Population by Geography	9,818,605	8.01%	29.43%	28.26%	33.92%	0.39%
Owner-Occupied Housing by Geography	1,552,091	2.13%	16.61%	28.64%	52.61%	0.01%
Businesses by Geography	2,346	8.99%	28.64%	26.77%	34.02%	1.58%
Family Distribution by Income Level		20.06%	17.72%	22.53%	39.68%	0.00%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	L: 154,899 M: 603,256	L: 19.20% M: 20.48%	L: 18.56% M: 17.82%	L: 21.81% M: 21.46%	L: 40.42% M: 40.23%	L: 0.00% M: 0.00%
Median Family Income = \$64,800						
Households below the Poverty Level = 455,018 (14.14% of households)						
Median Housing Value = \$526,439						
Unemployment Rate 2012 = 10.1%						

3. Major Economic Trends¹

Nonfarm jobs in Los Angeles County grew at a year-over-year rate of 1.8%. This contributed to nearly a one percent decline in the annual unemployment rate, which fell from 12.3% in 2011 to 11.1% last year. The unemployment rate is expected to hit 9.7% in 2013.

The largest job gains were in leisure and hospitality, administrative and support services, and private education. These three industries combined contributed more than 60% of the jobs created last year. There is projected job growth in leisure and hospitality, health services, construction, and scientific and technical services. Job loss persists in manufacturing and the public sector, but the magnitude will be much smaller than in previous years.

¹ LAEDC Kyser Center for Economic Research

CRA Strategic Plan 2012-2015

Construction is slowly ramping up. It is estimated that 4,000 single family residential building permits will be issued and 12,000 multi-family permits will be issued by the end of 2013.

International trade continues to play an important role in Los Angeles. The San Pedro Bay ports of Los Angeles and Long Beach are two of the largest container ports in the nation. A projected two-way trade increase of 3.0% this year, and an accelerated 4.9% growth rate in 2014 will help to bolster the Los Angeles local economy.

4. Community Development Need

a. Housing

As of the 2010 Census, the Los Angeles-Long Beach-Glendale, CA MD had approximately 3.4 million housing units, of which 3.2 million were occupied. The vacancy rate was 6.0%, up 44.9%, from 4.2% in 2000. Of households living in rental units, about 26.33% maintain a rent burden of at least 30% of household income.

Indicator	Number	% of Total or Subtotal	% Increase from 2000
Total Housing Units	3,425,736	-	5%
Occupied Units	3,217,889	94%	3%
Owner-Occupied	1,552,091	45%	3%
Renter-Occupied	1,665,798	49%	2%
Vacant Units	207,847	6%	52%
1-4 Family Units	2,274,104	66%	4%
Multifamily	1,151,632	34%	5%
Mobile Homes and Trailers	55,346	2%	3%
Average Age of Housing Units	73	-	43%

Affordable housing remains a challenge for Los Angeles-Long Beach-Glendale, CA MD, particularly with the dismantling of the Community Redevelopment Agencies. Based on a HUD study conducted by the City of Los Angeles for the most recent 5 year Consolidated Plan:

- 20% of all households (259,740) are extremely low-income (0-30% HAMFI)
- 53% of all households (688,995) have incomes ranging from zero to 80% HAMFI
- Severe Cost Burden: 216,840 renter households pay over 50% of their income for rent and 86,140 homeowners pay half or more of their income for housing costs, totaling 302,980 households with severe housing cost burdens.

As a result of decrease affordability in housing stock and mismatch of jobs, wages, rent, and for-sale price and the shortage of apartments able to accommodate large families, housing is still a pressing issue in Los Angeles-Long Beach-Glendale, CA MD.

CRA Lending:

CRA Strategic Plan 2012-2015

OneWest Bank used peer lending data, aggregate lending data, and housing distribution data (based on the 2010 Census) to develop CRA lending volume, in/out ratio, geographic distribution, and borrower distribution targets.

As a result of our acquisition of IndyMac Federal Bank, FSB in 2009 which included a mortgage servicing business, and our subsequent acquisition of First Federal Bank of California and La Jolla Bank, OneWest Bank has a large national residential mortgage portfolio. Many of our residential mortgage loans are out of the Bank's assessment area. OneWest actively refinances the borrowers in the mortgage servicing portfolio which results in many loan originations outside the Bank's AAs. As a result, the Bank sets a 35% in/out target. This target will increase in the future as more of the Bank's originations will be in footprint. OneWest expects to see increased servicing portfolio refinancing activity in 2012-2013 as a result of HARP 2.0. This is another factor which results in OneWest having a lower in/out ratio than peers.

Key Lending Targets Include:

- **Lending volume:**
 - a. All CRA lending products: \$750 million annually

- **In/Out Ratio:**
 - a. 1-4 HMDA – 35%
 - b. Multifamily – 75%
 - i. OneWest Bank has no multifamily lending activity as of 12/31/12.
 - c. SBA – 75%
 - d. Community Development Loans – 100%

- **Geographic Distribution:**

CRA Strategic Plan 2012-2015

CRA Lending Target 2013

1-4 Home Purchase Originations & Purchases

Assessment Area (MSA/MD)	Tract Lending (Low Income Tract)					Tract Lending (Moderate Income Tract)				
	Count Target %	Aggregate	Demographic %	Amount Target %	Aggregate	Count Target %	Aggregate	Demographic %	Amount Target %	Aggregate
		' Peer LMI% Count			' Peer LMI% Amount		' Peer LMI% Count			' Peer LMI% Amount
Los Angeles/ Long Beach/ Glendale	2.1%	3.8%	2.1%	2.6%	2.6%	16.6%	18.3%	16.6%	12.9%	12.9%
Oxnard/ Thousand Oaks/ Ventura	1.2%	1.2%	1.9%	0.7%	0.7%	17.1%	19.1%	17.1%	13.6%	13.6%
Riverside/ San Bernardino/ Ontario	1.0%	1.0%	2.9%	0.6%	0.6%	18.4%	18.4%	21.6%	13.4%	13.4%
San Diego/ Carlsbad/ San Marcos	3.3%	3.6%	3.3%	2.4%	2.4%	13.0%	13.0%	14.3%	8.9%	8.9%
Santa Ana/ Anaheim/ Irvine	1.2%	1.2%	3.0%	0.8%	0.8%	19.6%	21.1%	19.6%	15.4%	15.4%

¹ Aggregate Peer Mortgage Lending Data 2011. The number of loans originated & purchased in specified income categories as a % of aggregate number loans originated and purchased by all reporting lenders in the MSA/MD. This includes aggregate lending amounts.

² Demographic is % of owner-occupied housing units in MSA/MD (2010 Census)

CRA Lending Target 2013

1-4 Home Improvement Originations & Purchases

Assessment Area (MSA/MD)	Tract Lending (Low Income Tract)					Tract Lending (Moderate Income Tract)				
	Count Target %	Aggregate	Demographic %	Amount Target %	Aggregate	Count Target %	Aggregate	Demographic %	Amount Target %	Aggregate
		' Peer LMI% Count			' Peer LMI% Amount		' Peer LMI% Count			' Peer LMI% Amount
Los Angeles/ Long Beach/ Glendale	1.5%	1.5%	2.1%	0.9%	0.9%	11.4%	11.4%	16.6%	7.7%	7.7%
Oxnard/ Thousand Oaks/ Ventura	0.7%	0.7%	1.9%	0.5%	0.5%	7.3%	7.3%	17.1%	5.0%	5.0%
Riverside/ San Bernardino/ Ontario	1.0%	1.0%	2.9%	0.7%	0.7%	14.1%	14.1%	21.6%	10.1%	10.1%
San Diego/ Carlsbad/ San Marcos	1.7%	1.7%	3.3%	1.3%	1.3%	9.2%	9.2%	14.3%	6.7%	6.7%
Santa Ana/ Anaheim/ Irvine	0.5%	0.5%	3.0%	0.3%	0.3%	14.6%	14.6%	19.6%	11.5%	11.5%

¹ Aggregate Peer Mortgage Lending Data 2011. The number of loans originated & purchased in specified income categories as a % of aggregate number loans originated and purchased by all reporting lenders in the MSA/MD. This includes aggregate lending amounts.

² Demographic is % of owner-occupied housing units in MSA/MD (2010 Census)

CRA Strategic Plan 2012-2015

CRA Lending Target 2013

1-4 Home Refinancing Originations & Purchases

Assessment Area (MSA/MD)	Tract Lending (Low Income Tract)					Tract Lending (Moderate Income Tract)				
	Count Target %	Aggregate	Demograp hic ² %	Amount Target %	Aggregate	Count Target %	Aggregate	Demograp hic ² %	Amount Target %	Aggregate ¹
		' Peer LMI% Count			' Peer LMI% Amount		' Peer LMI% Count			Peer LMI% Amount
Los Angeles/ Long Beach/ Glendale	1.0%	1.0%	2.1%	0.7%	0.7%	9.1%	9.1%	16.6%	6.0%	6.0%
Oxnard/ Thousand Oaks/ Ventura	0.4%	0.4%	1.9%	0.2%	0.2%	8.8%	8.8%	17.1%	6.3%	6.3%
Riverside/ San Bernardino/ Ontario	0.3%	0.3%	2.9%	0.2%	0.2%	9.9%	9.9%	21.6%	7.9%	7.9%
San Diego/ Carlsbad/ San Marcos	1.6%	1.6%	3.3%	1.1%	1.1%	8.0%	8.0%	14.3%	5.6%	5.6%
Santa Ana/ Anaheim/ Irvine	0.5%	0.5%	3.0%	0.3%	0.3%	12.2%	12.2%	19.6%	9.1%	9.1%

¹ Aggregate Peer Mortgage Lending Data 2011. The number of loans originated & purchased in specified income categories as a % of aggregate number loans originated and purchased by all reporting lenders in the MSA/MD. This includes aggregate lending amounts.

² Demographic is % of owner-occupied housing units in MSA/MD (2010 Census)

CRA Lending Target 2013

Multifamily Originations & Purchases

Assessment Area (MSA/MD)	Tract Lending (Low Income Tract)					Tract Lending (Moderate Income Tract)				
	Count Target %	Aggregate	Demograp hic ² %	Amount Target %	Aggregate	Count Target %	Aggregate	Demograp hic ² %	Amount Target %	Aggregate
		' Peer LMI% Count			' Peer LMI% Amount		' Peer LMI% Count			Peer LMI% Amount
Los Angeles/ Long Beach/ Glendale	12.7%	12.7%	13.2%	11.7%	11.7%	31.6%	35.9%	31.6%	26.5%	26.5%
Oxnard/ Thousand Oaks/ Ventura	7.6%	10.2%	7.6%	1.6%	1.6%	34.5%	55.9%	34.5%	50.2%	50.2%
Riverside/ San Bernardino/ Ontario	7.2%	7.2%	11.3%	7.6%	7.6%	36.1%	44.2%	36.1%	24.9%	24.9%
San Diego/ Carlsbad/ San Marcos	14.6%	17.2%	14.6%	8.0%	8.0%	26.6%	41.1%	26.6%	36.9%	36.9%
Santa Ana/ Anaheim/ Irvine	10.6%	12.9%	10.6%	5.5%	5.5%	35.8%	58.1%	35.8%	58.2%	58.2%

¹ Aggregate Peer Mortgage Lending Data 2011. The number of loans originated & purchased in specified income categories as a % of aggregate number loans originated and purchased by all reporting lenders in the MSA/MD.

² Demographic is % of multifamily housing units in MSA/MD (2010 Census)

CRA Strategic Plan 2012-2015

CRA Lending Target 2013

Small Business Lending

Assessment Area (MSA/MD)	Tract Lending (Low Income Tract)					Tract Lending (Moderate Income Tract)				
	Count Target %	Aggregate ¹ Peer LMI% Count	Demographic ² %	Amount Target %	Aggregate ¹ Peer LMI% Amount	Count Target %	Aggregate ¹ Peer LMI% Count	Demographic ² %	Amount Target %	Aggregate ¹ Peer LMI% Amount
Los Angeles/ Long Beach/ Glendale	5.3%	5.3%	9.0%	7.9%	7.9%	16.4%	16.4%	28.6%	20.7%	20.7%
Oxnard/ Thousand Oaks/ Ventura	2.5%	2.5%	5.2%	5.0%	5.0%	13.9%	13.9%	26.4%	17.2%	17.2%
Riverside/ San Bernardino/ Ontario	1.9%	1.9%	5.7%	2.6%	2.6%	21.6%	21.6%	28.2%	26.7%	26.7%
San Diego/ Carlsbad/ San Marcos	3.3%	3.3%	10.0%	3.9%	3.9%	15.8%	15.8%	21.3%	18.4%	18.4%
Santa Ana/ Anaheim/ Irvine	2.2%	2.2%	5.8%	3.0%	3.0%	23.4%	23.4%	26.2%	30.4%	30.4%

¹ Aggregate Small Business Lending Data 2011. The number of loans originated & purchased in specified income categories as a % of aggregate number loans originated and purchased by all reporting lenders in the MSA/MD.

² % of Small Businesses in MSA/MD according to D&B 2012 Report

CRA Strategic Plan 2012-2015

• **Borrower Distribution:**

CRA Lending Target 2013

1-4 Home Purchase Originations & Purchases

Assessment Area (MSA/MD)	Borrower Lending (Low Income Borrower)					Borrower Lending (Moderate Income Borrower)				
	Count Target %	Aggregate	Demograp hic ² %	Amount Target %	Aggregate	Count Target %	Aggregate	Demograp hic ² %	Amount Target %	Aggregate ¹
		¹ Peer LMI% Count			¹ Peer LMI% Amount		¹ Peer LMI% Count			Peer LMI% Amount
Los Angeles/ Long Beach/ Glendale	3.2%	3.2%	20.1%	1.2%	1.2%	16.2%	16.2%	17.7%	9.0%	9.0%
Oxnard/ Thousand Oaks/ Ventura	5.9%	5.9%	18.6%	2.9%	2.9%	17.8%	23.5%	17.8%	16.9%	16.9%
Riverside/ San Bernardino/ Ontario	9.6%	9.6%	18.3%	5.2%	5.2%	18.5%	22.4%	18.5%	16.6%	16.6%
San Diego/ Carlsbad/ San Marcos	3.8%	3.8%	18.6%	1.6%	1.6%	18.2%	16.5%	18.2%	10.2%	10.2%
Santa Ana/ Anaheim/ Irvine	4.2%	4.2%	18.8%	1.9%	1.9%	18.4%	17.9%	18.4%	11.0%	11.0%

¹ Aggregate Peer Mortgage Lending Data 2011. The number of loans originated & purchased in specified income categories as a % of aggregate number loans originated and purchased by all reporting lenders in the MSA/MD. This includes aggregate lending amounts.

² Demographic is % of families in MSA/MD (2010 Census)

CRA Lending Target 2013

1-4 Home Improvement Originations & Purchases

Assessment Area (MSA/MD)	Borrower Lending (Low Income Borrower)					Borrower Lending (Moderate Income Borrower)				
	Count Target %	Aggregate	Demograp hic ² %	Amount Target %	Aggregate	Count Target %	Aggregate	Demograp hic ² %	Amount Target %	Aggregate ¹
		¹ Peer LMI% Count			¹ Peer LMI% Amount		¹ Peer LMI% Count			Peer LMI% Amount
Los Angeles/ Long Beach/ Glendale	4.6%	4.6%	20.1%	1.2%	1.2%	11.6%	11.6%	17.7%	5.5%	5.5%
Oxnard/ Thousand Oaks/ Ventura	7.1%	7.1%	18.6%	3.6%	3.6%	17.8%	19.1%	17.8%	12.7%	12.7%
Riverside/ San Bernardino/ Ontario	6.3%	6.3%	18.3%	2.9%	2.9%	13.1%	13.1%	18.5%	9.0%	9.0%
San Diego/ Carlsbad/ San Marcos	5.0%	5.0%	18.6%	2.1%	2.1%	13.3%	13.3%	18.2%	7.9%	7.9%
Santa Ana/ Anaheim/ Irvine	6.4%	6.4%	18.8%	2.8%	2.8%	16.8%	16.8%	18.4%	11.7%	11.7%

¹ Aggregate Peer Mortgage Lending Data 2011. The number of loans originated & purchased in specified income categories as a % of aggregate number loans originated and purchased by all reporting lenders in the MSA/MD. This includes aggregate lending amounts.

² Demographic is % of families in MSA/MD (2010 Census)

CRA Strategic Plan 2012-2015

CRA Lending Target 2013

1-4 Home Refinancing Originations & Purchases

Assessment Area (MSA/MD)	Borrower Lending (Low Income Borrower)					Borrower Lending (Moderate Income Borrower)				
	Count	Aggregate	Demograp hic ² %	Amount	Aggregate	Count	Aggregate	Demograp hic ² %	Amount	Aggregate ¹
	Target %	' Peer LMI% Count		Target %	' Peer LMI% Amount	Target %	' Peer LMI% Count		Target %	Peer LMI% Amount
Los Angeles/ Long Beach/ Glendale	3.6%	3.6%	20.1%	1.7%	1.7%	8.9%	8.9%	17.7%	4.2%	4.2%
Oxnard/ Thousand Oaks/ Ventura	6.3%	6.3%	18.6%	3.4%	3.4%	14.1%	14.1%	17.8%	9.7%	9.7%
Riverside/ San Bernardino/ Ontario	5.0%	5.0%	18.3%	2.8%	2.8%	11.2%	11.2%	18.5%	7.2%	7.2%
San Diego/ Carlsbad/ San Marcos	4.3%	4.3%	18.6%	2.2%	2.2%	10.1%	10.1%	18.2%	6.0%	6.0%
Santa Ana/ Anaheim/ Irvine	4.7%	4.7%	18.8%	2.4%	2.4%	11.9%	11.9%	18.4%	7.4%	7.4%

¹ Aggregate Peer Mortgage Lending Data 2011. The number of loans originated & purchased in specified income categories as a % of aggregate number loans originated and purchased by all reporting lenders in the MSA/MD. This includes aggregate lending amounts.

² Demographic is % of families in MSA/MD (2010 Census)

CRA Lending Target 2013

Small Business Lending

Assessment Area (MSA/MD)	Small Business Profile GAR ≤ \$1 Million			
	Count Target %	Aggregate ¹ Peer LMI% Count	Amount Target %	Aggregate ¹ Peer LMI% Amount
Los Angeles/ Long Beach/ Glendale	45.7%	45.7%	33.3%	33.3%
Oxnard/ Thousand Oaks/ Ventura	49.5%	49.5%	35.8%	35.8%
Riverside/ San Bernardino/ Ontario	47.3%	47.3%	34.8%	34.8%
San Diego/ Carlsbad/ San Marcos	47.2%	47.2%	35.3%	35.3%
Santa Ana/ Anaheim/ Irvine	47.6%	47.6%	33.9%	33.9%

¹ Aggregate Small Business Lending Data 2011. The number of loans originated & purchased in specified revenue categories as a % of aggregate number loans originated and purchased by all reporting lenders in the MSA/MD.

CRA Strategic Plan 2012-2015

- **Innovative & Flexible:**
 - a. Roll out HARP 2.0 Refinance program.

CRA Investments:

OneWest Bank set a CRA investment target of \$184.4 million benchmarked against peer CRA investment activity (*i.e.* City National Bank and First Republic Bank). This represents 7.4% of Tier 1 Equity Balance at 9% Capital. OneWest operates at a higher Tier 1 Capital ratio than peers. Strategically OneWest looks to dividend this capital out of the Bank and manages the Bank to a 9% Tier 1 Capital Ratio. The Bank uses an adjusted Tier 1 Equity Balance at 9% Capital to closer resemble peer banks to set its CRA investment target.

In an effort to respond to community development needs, the Bank will focus its philanthropic giving on affordable housing projects. In addition, it will continue to work with nonprofit organizations that provide basic services that provide community benefits. These services will include: health and human services, financial education, and youth services.

As of March 30, 2013, OneWest Bank invested \$175.7 million in CRA investments. Of these investments, only \$128.1 million directly benefit the Bank's assessment area. The Bank's CRA investment portfolio is made up of:

- 57% mortgage backed securities
- 41% LIHTC investments
- 2% grants and donations

In response to the feedback provided by the Office of the Comptroller of the Currency, the Bank will try to broaden its CRA investment portfolio to include more LIHTC and complex investments that address the need for affordable housing. To ensure that the Bank's CRA strategy aligns with its business strategy, the Bank will actively pursue investments that respond to community needs while maintaining the Banks risk and economic return tolerances.

1. CRA Investment Focus Areas:

- a. Affordable Housing
- b. Health and Human Services
- c. Financial Education
- d. Youth Services

2. CRA Investment Dollar:

- a. 7.4% of Tier 1 Equity Balance @ 9% Capital (as of 3/31/2013 this is \$2.5 billion)
- b. Total CRA Investment Target: \$184.4MM
- c. Add an incremental \$40.0MM of LIHTC investments to the CRA investment portfolio

CRA Service:

CRA Strategic Plan 2012-2015

OneWest Bank is committed to providing retail services to low and moderate income people. The Bank set a target of 15% of total branches/ATMs out of the total population of OneWest branches/ATMs to be located in low and moderate income (LMI) tracts.

OneWest Bank inherited its branch footprint from its legacy banks. To date, the Bank has opened three de novo branches. Branch closures, relocations and consolidations are a result of streamlining operations (*i.e.* consolidating 2 branches serving the same geographic area). As the Bank expands, it will look to increase retail services to LMI people through the increased availability of ATMs in LMI tracts.

Using peer banks as a benchmark (*i.e.* City National Bank and First Republic Bank), OneWest Bank set a CRA volunteer service target of 2,000 hours annually.

- 1. Retail Branch/ATM LMI Tract Penetration:**
 - a. LMI Branch/ATM Penetration – 15%

- 2. Community Development Service:**
 - a. Volunteer Hours - 2,000 hours