

SULLIVAN & CROMWELL LLP

TELEPHONE: 1-212-558-4000
FACSIMILE: 1-212-558-3588
WWW.SULLCROM.COM

125 Broad Street
New York, NY 10004-2498

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October 30, 2014

Federal Reserve Bank of New York,
33 Liberty Street,
New York, New York 10045.

Attn: Brian S. Steffey
Bank Applications Officer

Re: CIT Group Inc. Proposed Acquisition of IMB Holdco LLC –
Response to Public Comments

Ladies and Gentlemen:

On behalf of our clients, CIT Group Inc. and Carbon Merger Sub LLC (together, the “Applicants”), enclosed please find a response to the public comments the Applicants have received as of October 29, 2014 from the Board of Governors of the Federal Reserve System (the “Board”) to the Applicants’ application, dated August 20, 2014, to the Board in connection with the Applicants’ proposed acquisition of IMB Holdco LLC and certain related transactions.

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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 feel free to contact me at (212) 558-4998 (salleys@sullcrom.com).

Very truly yours,



Stephen M. Salley

(Enclosure)

cc:

Ivan Hurwitz
Philip Bae
(Federal Reserve Bank of New York)

Kay E. Kowitt
(Office of the Comptroller of the Currency)

U.S. Department of Justice, Antitrust Division

G. Edward Leary
(Utah Department of Financial Institutions)

Robert J. Ingato
(CIT Group Inc.)

Joseph Otting
(IMB Holdco LLC)

H. Rodgin Cohen
Camille L. Orme
(Sullivan & Cromwell LLP)

Commenters Listed on Schedule A

Schedule A

Commenters

Matthew R. Lee, Esq.
Executive Director
Inner City Press/Fair Finance Watch
747 Third Avenue
New York, New York 10017

Ms. Selma Taylor
Executive Director
California Resources and Training
300 Frank Ogawa Plaza, Suite 175
Oakland, California 94612

Ms. Sharon Miller
Chief Executive Officer
Renaissance Entrepreneurship Center
275 Fifth Street
San Francisco, California 94103

Maeve Elise Brown, Esq.
Executive Director
Housing and Economic Rights Advocates
1814 Franklin Street, Suite 1040
Oakland, California 94612

Ms. Viola Gonzales
Chief Executive Officer
AnewAmerica Community Corporation
1918 University Avenue, Suite 3A
Berkeley, California 94704

Mr. Roberto Barragan
President
VEDC
SFV — Small Business Development Corporation
5121 Van Nuys Boulevard
Van Nuys, California 91403

Ms. Isela Gracian
Vice President of Operations
East LA Community Corporation
530 South Boyle Avenue
Los Angeles, California 90033

Mr. Matt Huerta
Executive Director
Neighborhood Housing Services Silicon Valley
31 North Second Street, Suite 300
San Jose, California 95133

Mr. Keith Ogden
Staff Attorney
Community Legal Services in East Palo Alto
1861 Bay Road
East Palo Alto, California 94303

Ms. Cynthia Strathmann
Executive Director
Strategic Actions for a Just Economy
152 West 32nd Street
Los Angeles, California 90007

Ms. Dawn M. Lee
Executive Director and
Chief Executive Officer
Neighborhood Housing Services of the
Inland Empire
1390 North D Street
San Bernardino, California 92405

Mr. John E. Taylor
President and Chief Executive Officer
National Community Reinvestment Coalition
727 15th Street, NW, Suite 900
Washington, D.C. 20005

Mr. Kerry N. Doi
President and Chief Executive Officer
Pacific Asian Consortium in Employment
1055 Wilshire Boulevard, Suite 1475
Los Angeles, California 90017

Ms. Hyepin Im
President and Chief Executive Officer
Korean Churches for Community Development
3550 Wilshire Boulevard, Suite 736
Los Angeles, California 90010

Ms. Amy Schur
Campaign Director
Alliance of Californians for Community Empowerment
3655 S. Grand Avenue, Suite 250
Los Angeles, California 90007

Ms. Sharon Kinlaw
Interim Executive Director
Fair Housing Council of the San Fernando Valley
14621 Titus Street, Suite 100
Panorama City, California 91402

Mr. Luis Granados
Executive Director
Mission Economic Development Agency
2301 Mission Street, Suite 301
San Francisco, California 94110

Ms. Sandy Jolley
Reverse Mortgage Suitability and Abuse Consultant
681 Benson Way
Thousand Oaks, California 91360

Ms. Brenda J. Rodriguez
Executive Director
Affordable Housing Clearinghouse
23861 El Toro Road, Suite 401
Lake Forest, California 92630

Mr. Matt Schwartz
President and Chief Executive Officer
The California Housing Partnership Corporation
369 Pine Street, Suite 300
San Francisco, California 94104

Ms. Marcia Rosen
Executive Director
National Housing Law Project
703 Market Street, Suite 2000
San Francisco, California 94103

Mr. Neal S. Dudovitz
Executive Director
Neighborhood Legal Services of Los Angeles County
1104 East Chevy Chase Drive
Glendale, California 91205

Mr. Kevin Stein
Associate Director
California Reinvestment Coalition
474 Valencia Street, Suite 230
San Francisco, California 94103

Ms. Caroline Peattie
Executive Director
Fair Housing of Marin
1314 Lincoln Avenue, Suite A
San Rafael, California 94901

Mr. Michael Banner
President and Chief Executive Officer
Los Angeles LDC, Inc.
1200 Wilshire Boulevard, Suite 404
Los Angeles, California 90017

Ms. Norma P. Garcia
Senior Attorney
Consumers Union
1535 Mission Street
San Francisco, California 94103

Ms. Chancela Al-Mansour
Executive Director
Housing Rights Center
3255 Wilshire Boulevard, Suite 1150
Los Angeles, California 90010

Mr. Orson Aguilar
Executive Director
The Greenling Institute
1918 University Avenue
Berkeley, California 94704

Mr. Ron Fong
Director
Asian Pacific Islander Small Business Program
231 E. 3rd Street, Suite G-106
Los Angeles, California 90013

Mr. Robert Villarreal
Senior Vice President
CDC Small Business Finance
2448 Historic Decatur Road, Suite 200
San Diego, California 92106

**RESPONSE OF CIT GROUP INC. AND CARBON MERGER SUB LLC
TO THE COMMENT LETTERS SUBMITTED TO
THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
REGARDING THE
APPLICATION TO ACQUIRE IMB HOLDCO LLC¹**

CIT Group Inc. (“CIT Group” and, together with its affiliates, “CIT”) and Carbon Merger Sub LLC (together with CIT Group, the “Applicants”) appreciate the opportunity to respond to the comment letters submitted to the Board of Governors of the Federal Reserve System (the “Board”) in connection with the Applicants’ application to the Board under Section 3(a) of the BHC Act relating to the proposed acquisition of IMB Holdco LLC (“IMB” and, together with its affiliates, “OneWest”), the indirect acquisition of OneWest Bank, National Association (“OWB”) and certain related transactions (the “Application”). This response is a consolidated response to the comment letters forwarded to the Applicants by the Board as of October 29, 2014 (the “Comment Letters”). A list of these Comment Letters is included in Annex A.²

Section 3 of the BHC Act and Section 225.13 of the Board’s implementing Regulation Y require the Board to consider a number of factors when determining whether to approve an application under Section 3(a): namely, consideration of (1) competition, (2) financial and managerial resources, (3) the effectiveness of the company in combatting money laundering, (4) the extent to which the proposal would result in greater or more concentrated risks to the stability of the U.S. banking or financial system (the “USFS”), (5) compliance with the Riegle-Neal Act and (6) CRA compliance and the effect of the transaction on the convenience and needs of the community.

As set forth in the Application, and in the Applicants’ other submissions to the Board, the record of the Application strongly supports a favorable determination with respect to each of the factors the Board must consider under Section 3 and Regulation Y and, therefore, approval of the Application. The Applicants have carefully reviewed the Comment Letters and appreciate input from community organizations on ways in which the combined organization plans to serve the community. As discussed below, the Applicants believe that the Comment Letters do not present any reason to deny approval of the Application.

¹ Capitalized terms used but not defined herein shall have the meanings set forth in the Application to the Board of Governors of the Federal Reserve System, dated August 20, 2014, relating to the proposed acquisition of IMB Holdco LLC by CIT Group Inc. and Carbon Merger Sub LLC and certain related transactions.

² Among the Comment Letters addressed in this response are (a) a letter from Orson Aguilar, Executive Director of the Greenlining Institute (“Greenlining”), dated October 10, 2014 (the “Greenlining Letter”), (b) a letter from Paulina Gonzalez, Executive Director, and Kevin Stein, Associate Director, of the California Reinvestment Coalition (“CRC”), dated October 10, 2014 (the “CRC Letter”), (c) 24 substantially identical letters sent from members of the California Reinvestment Coalition (the “CRC Form Letter”) and (d) a letter from John Taylor of the National Community Reinvestment Coalition, dated October 10, 2014 (the “NCRC Letter”). As discussed below, OWB received numerous letters in support of OWB and the Transaction from community groups and partners.

The concerns raised in the Comment Letters that are relevant to the statutory factors generally address three of the six factors the Board is required to consider under the BHC Act: (I) the effect on the stability of the USFS, (II) financial and managerial resources and (III) CRA compliance/effect on the convenience and needs of the community. Each of these three factors is discussed below, but the primary focus of most of the Comment Letters, and, therefore, this response, is on factor (III).

I. Financial Stability

In reviewing the Application, the Board must take into consideration the extent to which the Transaction would result in greater or more concentrated risks to the stability of the USFS.³ The Transaction will not result in greater or more concentrated risks to the stability of the USFS because, as discussed in Section V(D) of the Application, the Transaction will decrease such risks by combining CIT and OneWest into a consolidated institution that is inherently more diversified with a more stable funding profile and enhanced earnings and capital generating capacity, and that, therefore, is more resilient to financial stress.

Several commenters raised a general concern that the Transaction would create an organization with over \$50 billion in total consolidated assets. The Applicants note, however, that on a standalone basis (without giving effect to the Transaction), CIT Group is expected to exceed \$50 billion in total consolidated assets through organic growth alone within approximately one year. Thus, the Transaction only modestly accelerates the timeline for this result. Moreover, the relevant statutory factor is not whether a transaction creates an institution with over \$50 billion in total consolidated assets but whether the transaction increases risks to the stability of the USFS. As demonstrated in the Application, relevant data indicate that the larger size of CIT Group would not increase in any material way its importance to the USFS or increase the risks to the stability of the USFS in the event of CIT Group's failure, given that the combined company will continue (i) to have a low level of interconnectedness with other financial institutions and markets, (ii) to be minimally involved in complex financial products (and with respect to many such products and markets, not involved at all) and (iii) to constitute a non-critical institution to the USFS, especially given the many substitute providers of the products and services provided by CIT and OneWest.

The Applicants submit that, for the reasons described above and in the Application and in related submissions, the Transaction should present no concerns regarding increased risks to the stability of the USFS and analysis of this factor supports approval of the Application.

II. Financial and Managerial Resources

The Board is also required to take into consideration the financial and managerial resources of the parties to the Transaction. Several Comment Letters questioned the financial and managerial resources of CIT, OneWest and the combined entity. As described in Section V(B) of the Application, each of CIT and OneWest has today, and the combined organization, on a pro forma basis, will have, strong capital and liquidity positions, sound earnings and asset

³ 12 U.S.C. § 1842(c)(7).

quality and an experienced and capable management team. The Board has consistently noted that capital adequacy is an especially important factor when considering financial factors.⁴ The pro forma financial information for CIT Group prepared in connection with the Application takes into account, for example, planned capital distributions and other adjustments expected to result in connection with the Transaction. The pro forma results demonstrate that the combined institution will continue to have a strong capital position, with capital levels well in excess of regulatory minimums and in excess of peers.

The Applicants submit that, for the reasons described above and in the Application and related submissions, the financial and managerial resources of the combined institutions are more than sufficient to support approval of the Application.

III. Effects of the Transaction on Convenience and Needs of the Community

In reviewing the Application, the Board considers the effects of the proposed Transaction on the convenience and needs of the community to be served, including the actual records of performance of the relevant depository institutions under the CRA.

Each of OneWest and CIT Bank (“CITB”) has a strong CRA performance record, and, since its most recent CRA performance evaluation, has increased its CRA activities, in some instances, significantly. As the Board has noted in numerous prior approval orders, “[a]n institution’s most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation of the institution’s overall record of performance under the CRA by its appropriate federal supervisor.”⁵

The Applicants submit that, for the reasons described below and in the Application and related submissions, an analysis of the effects of the proposed transaction on the convenience and needs of the community and the parties’ actual CRA performance records fully supports approval of the Application.

A. Background and Engagement with the Community

Each of CITB and OWB⁶ has a strong commitment to, and record of, meeting the needs of the communities it serves. Both institutions have worked with and supported local community organizations to help ensure that the needs of the banks’ local communities are being

⁴ E.g., Board Order approving Umpqua Holdings Corporation’s merger with Sterling Financial Corporation, 10 (April 1, 2014) (the “Umpqua Order”); Board Order approving PacWest Bancorp’s acquisition of CapitalSource Inc., 7 (April 1, 2014) (the “PacWest Order”); Board Order approving Capital One Financial Corporation’s acquisition of ING Direct fsb, 10 (February 14, 2012) (the “Capital One Order”). This is also consistent with prior OCC approval orders, which consider whether the combined institution will be well capitalized following the transaction in its consideration of the financial and managerial resources factor under the Bank Merger Act. See, e.g., Letter from Stephen A. Lybarger, Deputy Comptroller, Licensing, to Ms. Lisa Goodglick, Associate General Counsel, Capital One Financial Corporation, 6 (October 17, 2012).

⁵ E.g., Umpqua Order at 13; PacWest Order at 9; Capital One Order at 16.

⁶ Information included in this response regarding OneWest and OWB was provided to the Applicants by OneWest.

met. Enclosed as Annex B are a number of letters of support for OneWest received from institutions and organizations that OneWest has supported historically and/or with whom OneWest has partnered.

As one means to engage the community with respect to the opportunities presented by the Transaction, on September 17, 2014, OneWest and CIT jointly hosted a community day with non-profit leaders and community groups in Los Angeles. During that meeting, Joseph Otting, President and CEO of OneWest Bank, and John Thain, Chairman and CEO of CIT Group Inc., shared an overview of OneWest's and CIT's historical CRA activities and highlights of the combined CIT Bank, National Association's ("CITBNA") plan for future CRA activities in the Southern California community. The draft plan contained an overview of preliminary, local CRA targets for activities in lending, investments and services and certain diversity goals for board composition, workforce and suppliers.

At the community day program, there was a period for questions and answers, and Messrs. Otting and Thain stayed after the end of the event to answer questions from community groups until all attendees had left. OneWest also held follow-up meetings with the National Asian American Coalition ("NAAC"), Greenlining, CRC and 24 of their member organizations. Following the community day, OneWest shared a draft plan with community groups in order to obtain community feedback that CIT and OneWest could consider as they formulate a definitive and comprehensive CRA plan for CITBNA. CIT and OneWest have been working to revise CITBNA's CRA plans and targets to respond to feedback received from community organizations. Specifically, based on feedback from community groups, the draft has been revised (1) to provide for the establishment of a community advisory board that will support CITBNA in developing and refining the community programs and annual CRA plans, (2) to include service-disabled veterans (in addition to women- and minority-owned businesses) in CITBNA's vendor diversity program goals and (3) to set a target for a percentage of spend under CITBNA's vendor diversity program within 120 days of the consummation of the Transaction. The current draft of the local plan targets, which remains subject to further review and consideration but reflects community feedback, is attached as Annex C. This revised draft has also been shared with a number of community organizations to obtain additional feedback and, as noted above, is intended to address local CRA and diversity targets.

B. CITBNA CRA Plan

In connection with the Transaction, CITBNA will align its CRA activities with its larger size and the nature of its combined operations. As noted at the community day, and in the Application, CITBNA is in the process of developing a CRA plan that is commensurate with the combined bank's larger size and scope of operations (including its nationwide activities) and that will be designed to achieve CIT's and OWB's publicly stated goal of an "Outstanding" CRA rating for the combined bank.

Although CITBNA's California assessment area is expected to remain unchanged from OWB's current assessment area in the near term, the Applicants expect that CITBNA will

engage in CRA activities outside of this assessment area,⁷ consistent with the national scope of the combined institution's expected business operations. The Applicants recognize that CITBNA's comprehensive CRA plan will need to address the fact that a significant amount of the combined institution's deposits, inherited from CITB's internet banking platform, are gathered from diverse geographies across the country. CITBNA will consult with the OCC as it finalizes its comprehensive CRA plan.

The targets in the draft CRA plan discussed above, which has been shared with community groups, take into account all deposits of OWB and CITB that can be identified to CITBNA's Southern California assessment area (approximately \$12.3 billion for OWB and \$1.2 billion for CITB). Although the comprehensive CITBNA CRA plan has not yet been finalized, the combined institution's aggregate CRA activities (particularly investment activities) are expected to increase, in absolute terms, compared to the sum of OWB's and CITB's existing CRA investment, small business lending, philanthropic and service activities.

Certain commenters have asked that CIT and OneWest make commitments to specific investment and donation targets. CIT and OWB are eager to receive constructive input from the community on ways that CITBNA can serve the community more effectively and have been in active dialogue with community organizations for that purpose. However, CIT and OWB believe that the most appropriate path to ensuring an "Outstanding" CRA performance and to meeting the needs of the community is through the development of a comprehensive CRA plan, in consultation with the OCC, rather than through making commitments with individual community organizations.⁸

In short, the Applicants expect that CITBNA's overall CRA activities will be greater than the sum of its parts. As one example, Comment Letters have focused on donation metrics. OWB and the OneWest Foundation have a historical average annual CRA-qualifying donation amount to organizations in OWB's assessment area of approximately \$1.1 million. CIT and OWB currently expect this figure to nearly triple to approximately \$3 million in CRA-qualifying donations after consummation of the Transaction. In addition, OWB makes, on average, approximately \$1.0 million annually in non-CRA-qualifying donations. OWB's

⁷ CITBNA will designate its assessment area and conduct its CRA activities in accordance with federal regulations and guidelines, including as those guidelines may be amended in the future.

⁸ The Applicants note, as has the Board previously, that the CRA requires that the Board consider the actual performance records of the relevant depository institutions in considering an acquisition proposal. Neither the CRA nor the federal banking agencies' CRA regulations require depository institutions to make pledges to organizations concerning future performance under the CRA. See, e.g., Board Order approving Bank of Montreal's acquisition of Marshall & Ilsley Corporation, n. 28 (June 20, 2011) (the "BMO Order") ("The Board consistently has stated that neither the CRA nor the federal banking agencies' CRA regulations require depository institutions to make pledges or enter into commitments or agreements with any organization and that the enforceability of any such third-party pledges, initiatives, and agreements are matters outside the CRA."). See, also, Board Order approving M&T Bank Corporation's acquisition of Wilmington Trust Corporation, n. 27 (April 26, 2011) and Board Order approving First Union Corporation's acquisition of Wachovia Corporation, n. 45 (August 13, 2001). The OCC takes a similar position with respect to commitments or pledges by applicants to third parties. See, e.g., OCC CRA Decision 163, 14 (October 2014) ("The CRA does not require banks to enter into commitments or agreements with any private party.") (citing Interagency Questions and Answers Regarding Community Reinvestment, 75 Fed. Reg. 11,666 (March 11, 2010)).

existing CRA-qualifying donation spending is approximately the average of peer institutions⁹ (at 0.012%) and is expected to exceed peers (in each case, as measured against in-assessment-area deposits) following the Transaction at 0.023%. The table below provides additional information.

Peer Comparison of Annual CRA Grants

Note: \$ in millions.

Source: SNL Financial, FDIC Summary of Deposits and CRA performance evaluations

OCC Regulated Peers (State or Primary MSA / Region)	Deposits	Annual CRA Grants	CRA Grants as % of Deposits	Overall Investment Test Rating
Wells Fargo Bank, N.A. - Southern California	\$65,098	\$12.0	0.018%	Outstanding
Wells Fargo Bank, N.A. - Los Angeles MSA	\$44,584	\$7.5	0.017%	Outstanding
MUFG Union Bank, N.A. - California	\$58,020	\$7.1	0.012%	Outstanding
MUFG Union Bank, N.A. - Los Angeles MSA	\$32,355	\$2.7	0.008%	Outstanding
City National Bank (Total CRA + Other Grants) - California	\$19,375	\$4.0	0.021%	Outstanding
City National Bank (Total CRA + Other Grants) - Los Angeles MSA	\$16,322	\$2.4	0.015%	Outstanding
BOKF, N.A. - Oklahoma	\$7,091	\$0.1	0.002%	High Satisfactory
BOKF, N.A. - Tulsa MSA	\$4,019	\$0.1	0.002%	High Satisfactory
Webster Bank, N.A. - Connecticut	\$11,524	\$0.5	0.004%	High Satisfactory
Webster Bank, N.A. - New Haven & Hartford MSAs	\$9,431	\$0.5	0.005%	High Satisfactory
EverBank - Florida	\$9,940	\$2.0	0.020%	High Satisfactory
EverBank - Jacksonville MSA	\$9,009	\$1.3	0.015%	High Satisfactory
BankUnited, N.A. - Florida	\$6,949	\$0.5	0.007%	Outstanding
BankUnited, N.A. - Miami MSA	\$5,433	\$0.5	0.009%	Outstanding
FirstMerit Bank, N.A. - Ohio	\$7,397	\$0.4	0.006%	High Satisfactory
FirstMerit Bank, N.A. - Cleveland MSA	\$2,670	\$0.1	0.006%	High Satisfactory
Old National Bank - Evansville MSA	\$1,597	\$0.5	0.031%	High Satisfactory
First National Bank of Pennsylvania - Pennsylvania	\$7,929	\$0.1	0.002%	High Satisfactory
First National Bank of Pennsylvania - Pittsburgh MSA	\$3,188	\$0.1	0.002%	High Satisfactory
Texas Capital Bank, N.A. - Texas	\$4,606	\$0.7	0.015%	High Satisfactory
Texas Capital Bank, N.A. - Dallas MSA	\$2,959	\$0.3	0.009%	High Satisfactory
Banc of California - Low End of CRC Commitment	\$4,555	\$0.9	0.020%	n/m
Banc of California - High End of CRC Commitment	\$4,555	\$1.1	0.025%	n/m
Average			0.012%	
Median			0.009%	
75th Percentile			0.018%	
CITBNA Pro Forma Expected	~\$13,500	\$3.0	0.023%	Outstanding

As discussed below, OWB’s and CITB’s records of CRA performance, their records of meeting the convenience and needs of the community, the absence of any negative effects from the Transaction on the convenience and needs of the community and the public benefits expected to result from the Transaction, all support approval of the Application.

C. CRA Performance of CITB

1. CITB’s 2013 CRA Performance Evaluation

CITB received an overall CRA rating of “Satisfactory” from the FDIC on its March 18, 2013 performance evaluation. As noted in the Application, CITB was evaluated as a limited purpose institution (“LPI”) with respect to its qualified community development activities until August 6, 2013. The FDIC concluded that CITB adequately addressed the

⁹ OWB considers its peer institutions for this purpose to be OCC-regulated mid-sized banks and select California-based banks where CRA-qualifying donation information was publicly disclosed in each bank’s respective CRA performance evaluation.

community development needs of its assessment area, Salt Lake County, Utah.¹⁰ In the performance evaluation, the FDIC noted that CITB had \$123 million in qualified investments, representing 1.4% of the average total assets of the organization, during the evaluation period, which the FDIC noted was adequate. CITB's 2013 performance evaluation shows that CITB originated \$105.8 million¹¹ in new combined investments and community development loans (adjusted for prior period investments), \$352,000 in grants and 327 community development service hours during the evaluation period, which spanned from November 2010 through December 2012. On an annualized basis, these figures represent \$50.8 million in new combined investments and community development loans (adjusted for prior period investments), \$169,000 in grants and 157 community development service hours.

As discussed in Section V(F) of the Application, the FDIC also noted that CITB occasionally used innovative or complex qualified investments, community development loans or community development services, and it specifically noted that one \$5 million loan to an affordable housing mission investment fund was both complex and innovative and demonstrated CITB's responsiveness in assisting a local community development financial institution to provide capital to non-profit organizations serving local communities nationwide. The FDIC also noted that CITB exhibited adequate responsiveness to the credit and community economic development needs in its assessment area. The FDIC found that there was no evidence of discriminatory or other illegal credit practices that would be inconsistent with meeting the credit needs of the Salt Lake County community.

2. *CITB's CRA Activities Since the 2013 Performance Evaluation*

Since the 2013 performance evaluation, CITB has implemented its CRA Strategic Plan covering 2013–2017, which was approved by the FDIC and was developed after receiving input from 21 interested parties within Salt Lake County, including affordable housing providers, tax credit syndicators, homebuyer and financial literacy providers, non-profit organizations and federal, state, county and city community development representatives.¹² CITB has structured its CRA strategy to address the needs of the Salt Lake County community through its service, grant, investment and community development lending programs. The plan contains two measurable goals:

¹⁰ In a comment letter, dated October 18, 2014, from Matthew Lee/Inner City Press/Fair Finance Watch, Mr. Lee states that CITB's assessment area is improper. CITB's assessment area was designated in accordance with the federal banking agencies' CRA regulations and guidelines.

¹¹ CITB's 2013 CRA performance evaluation shows that CITB originated \$18.6 million in community development loans and made \$87.2 million in community development investments during the evaluation period.

¹² See Public Version of Confidential Exhibit 9, filed with the Board on October 2, 2014 and also provided to commenters.

<u>Measurable goals of CRA Strategic Plan</u>	<u>Satisfactory</u> <u>Rating</u>	<u>Outstanding</u> <u>Rating</u>		
New and combined CD loans, small business loans, qualified investments and grants for each calendar year divided by average assets that calendar year	0.32%	0.42%		
CD Service Hours	<u>2013</u> 261	<u>2014</u> 302	<u>2013</u> 319	<u>2014</u> 367

Community Development Loans and Qualifying Investments. CITB made or committed to make a total of \$7.7 million and \$8.4 million of community development loans in 2013 and 2014 (year-to-date), respectively. Total CRA-qualifying investments were \$62.2 million for 2013 and \$62.4 million for 2014 (year-to-date). All qualifying investments and loans were made within the State of Utah or a regional area including the states of Arizona, Colorado, Idaho, Nevada, Utah and Wyoming, with a focus on the assessment area of Salt Lake County. Total community development loans and investments in 2013 equaled 0.50% of CITB’s average assets for 2013, comfortably exceeding CITB’s CRA Strategic Plan’s goal for an “Outstanding” rating. As of October 8, 2014, CITB had made \$70.9 million in community development loans and investments year-to-date, representing 0.37% of CITB’s actual and forecasted 2014 average assets. CITB expects the community development loans and qualified investments it will make during the remainder of the year will also allow it to exceed CITB’s CRA Strategic Plan’s goal for an “Outstanding” rating. CITB made community development grants of approximately \$450,000 in Utah and \$75,000 in New York in 2013 and, as of August 31, 2014, has made \$571,000 in grants year-to-date. These grants were made to non-profit organizations focusing their efforts on affordable housing, poverty, homelessness, unemployment, community development and foreclosure counseling. CITB has a goal of making \$865,000 in grants in 2014, which would represent a 412% increase over the annualized amount in the 2013 performance evaluation.

Community Development Service. CITB employees based in Salt Lake City provided 959 hours of community development service in 2013 (an average of 22.8 hours per employee), which represented a 510% increase over the annualized service hours in the 2013 performance evaluation and comfortably exceeded the CRA Plan’s goal for an “Outstanding” rating. As of September 30, 2014, CITB’s Salt Lake City-based employees have provided 597 hours of community development service year-to-date (an average of 12.5 hours per employee), which also exceeds the CRA Strategic Plan’s goal for an “Outstanding” rating.

CITB takes an integrated approach to its community activities and often devotes resources, in addition to dollars, in order to make a difference in the community. For example, in the public feedback CITB received in developing its CRA Strategic Plan, “capacity building” of local organizations was cited as a major need in Utah. In 2014, CITB granted \$20,500 to the Community Foundation of Utah in order to create training programs for non-profit directors and executives. In addition, CITB helped develop the curriculum of the courses, leveraging its own resources, and CITB’s chief financial officer taught the program’s course on finance.

D. CRA Performance of OneWest

1. *OWB's 2012 CRA Performance Evaluation*

OWB has a strong CRA compliance program and has developed a CRA Plan that evidences its commitment to providing banking services to the consumers and households in the communities where it conducts business. In OWB's February 6, 2012 performance evaluation, OWB achieved an overall "Satisfactory" rating with "High Satisfactory" in both the lending and service tests and a "Low Satisfactory" in the investment test. OWB was pleased with the OCC's recognition of its strong lending and service performance, and it took steps to address the lower (although still satisfactory) investment rating by developing a plan to increase CRA-qualified investment activity.

As discussed in Section V(F) of the Application, the OCC noted the following in OWB's 2012 performance evaluation: (i) OWB's distribution of home purchase and home refinance lending by income level of geography were both excellent, (ii) OWB made significant use of flexible and innovative loan products with the U.S. Treasury's Home Affordable Mortgage Program ("HAMP") and several other loan modification programs, (iii) OWB had a relatively high level of community development services that incorporate fundraising and financial education for community development organizations and (iv) OWB had a good community development lending performance score as its lending addressed several identified community development needs, including the origination of \$18.5 million in community development loans in the Los Angeles-Long Beach-Glendale MD and \$5.4 million in community development loans in the Riverside-San Bernardino-Ontario MSA.

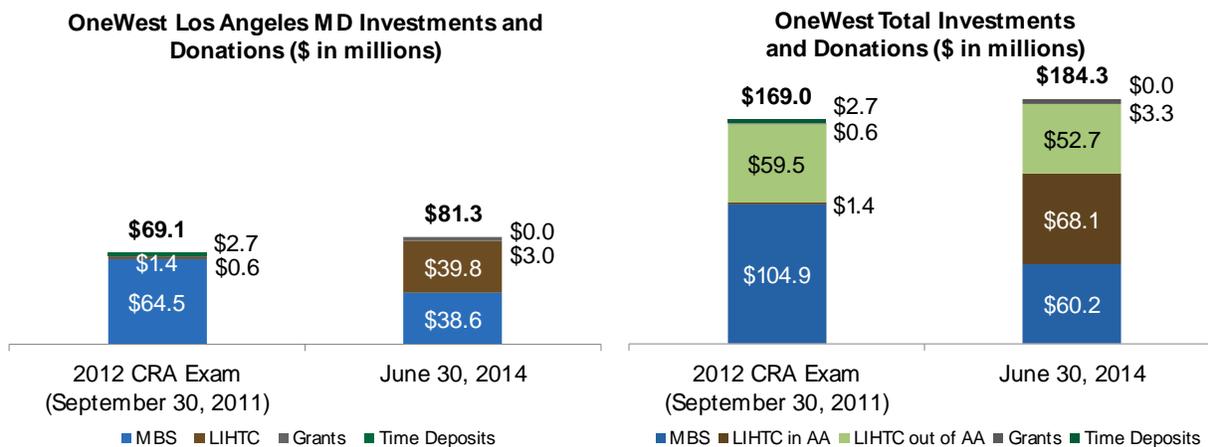
2. *OWB's CRA Activities Since the 2012 Performance Evaluation*

Lending. Since its last CRA exam to June 30, 2014, OWB has increased its community development lending origination activity from \$24 million to \$303 million, an increase of 1,166% (outstanding balances increased from \$21 million to \$206 million, an increase of 888%).

Service. As noted above, certain Comment Letters focus on investment and donation metrics. OWB believes that community service hours and support for financial literacy programs are also critical aspects of meeting community needs. Since 2011, OneWest employees have provided over 6,600 hours of community service with a participation rate of more than 30% of OneWest employees. In addition, OWB recently partnered with Operation HOPE, a non-profit organization that teaches financial literacy, to create the Hope Inside program. The Hope Inside program will offer small business counseling to the local community at OWB's Northridge, CA branch office. OWB is in the process of rolling out the program, which OWB expects to be fully operational in January 2015.

Investments. In order to achieve a higher CRA investment rating, OWB made significant enhancements to its investment strategy, increasing the total dollars invested and increasing the complexity of its investments. Since its last CRA exam to June 30, 2014, OWB has increased its Low-Income Housing Tax Credit ("LIHTC") commitments from \$72 million to \$160 million, an increase of 123%, of which commitments allocated to OWB's overall

assessment area have increased from \$7 million to \$74 million, an increase of 969%. OWB's CRA performance evaluation noted the Oxnard-Thousand Oaks-Ventura MSA as an area in which OWB could improve its investments. To specifically address this, OWB made a LIHTC investment of \$10 million in the Oxnard-Thousand Oaks-Ventura MSA. OWB historically has focused its investments, including donations, in the areas of affordable housing, education and financial literacy and health and human services. OWB has a concentrated investment strategy of identifying and funding leading organizations in the areas of its investment focus. This strategy results in a high level of support for the selected organizations. Each of the organizations funded certifies to OWB that a majority of the individuals served are LMI individuals, and, in the majority of OWB's grants, 80% or more of the individuals served are LMI individuals. An overview of selected foundation relationships can be found in Annex D. In the area of affordable housing, OWB's portfolio as of June 30, 2014, includes approximately \$181 million in affordable housing investments (of which \$128 million is within OWB's assessment area), which has resulted in the creation of more than 18,000 affordable housing units. OWB believes that financial investment alone will not maximize the impact on the community, and, accordingly, it takes an integrated approach to community investments that combines dollars with its other resources. For example, OWB contributes annual donations and resources to fund a family of four schools in the East Los Angeles area, and more than 300 OWB volunteers (30% of its California employees) volunteer annually in these schools. Through grants from OWB, approximately 8,700 individuals have received homebuyer education and 5,300 individuals received foreclosure prevention counseling and loss mitigation support from OWB partners. The chart below shows OWB investment balances and other CRA-qualifying activities at the time of the 2012 CRA exam and as of June 30, 2014.



E. Overall Analysis of the Effect of the Transaction on the Convenience and Needs of the Community

In addition to CRA performance, the Board also considers the effect of the Transaction on the convenience and needs of the community. The convenience and needs factor has been interpreted to relate to the effect of a proposal on the availability and quality of banking

services in a community.¹³ In reviewing this factor, the Board has considered (1) the records of the institutions with respect to small business lending, (2) the lending records of the parties, including compliance with fair lending and other consumer protection laws and (3) the overall benefits to the convenience and needs of the community expected to result from the Transaction (such as greater access to financial products and services). As described below, each of CIT's and OneWest's past performance and the combined bank's anticipated future performance in each of these areas fully supports approval of the Application.

1. Small Business Lending

OneWest is committed to SBA lending and has continued to build its SBA and other commercial lending businesses as it has transitioned toward a more traditional commercial bank.

In 2011, OneWest commenced small business commercial loan originations by launching the SBA 504 product in the third quarter of 2011 (the SBA 504 Loan Program provides financing for major fixed assets such as equipment or real estate). Since that time, and demonstrating OneWest's commitment to SBA lending, OneWest has grown to be the 7th largest SBA 504 lender in California with a 6.0% market share for the SBA Los Angeles District Office in the SBA program's 2014 fiscal year. In 2013, 78% of OneWest's small business loans were made in census tracts with 50% or more residents of color and, of loans made in the Los Angeles-Long Beach-Glendale MD, 21% of OneWest's small business loans were made in low income census tracts compared to a peer average of 6%, and 40% of OneWest's small business loans were made in moderate income census tracts compared to a peer average of 17%.¹⁴

Some of the Comment Letters observed that OneWest's small business lending consists primarily of loans to companies with greater than \$1 million in revenues. Given the nature of the program's purpose, the SBA 504 product does tend to consist of larger loan sizes, with an average balance of \$1,274,405 for the SBA 504 program in the SBA Los Angeles District Office during its 2014 fiscal year.¹⁵ As such, these loans tend to be made to companies with more than \$1 million in revenue. However, despite the nature of this product, 28% of the small business loans (by number) made by OneWest in the Los Angeles-Long Beach-Glendale MD in 2013 were to businesses with less than \$1 million in annual revenue. This percentage is in line with peer banks:¹⁶

¹³ See BMO Order at n. 37 (citing Wells Fargo & Company, 82 Fed. Res. Bull. 445, 457 (1996)).

¹⁴ Peer data obtained from the Federal Financial Institutions Examination Council ("FFIEC") and CRA Wiz.

¹⁵ Data obtained from the SBA Los Angeles District Office.

¹⁶ Peer banks include lenders originating only SBA 504 loans with more than \$10 million in total California loan originations in the SBA program's 2014 fiscal year and with small business lending data available on CRA Wiz.

Loans to Small Businesses with Revenue ≤ \$1MM

Top SBA 504 Only Lenders	# of Loans
OneWest Bank	28%
Zions First National Bank	28%
Torrey Pines Bank	25%
First Republic Bank	31%
Peer Average	28%

In recent years, OneWest has increased meaningfully the percentage of its CRA-qualifying small business loans attributable to businesses with annual revenues less than or equal to \$1 million, as demonstrated in the table below:

OneWest's Loans to Small Businesses with Revenue ≤ \$1MM

Los Angeles-Long Beach-Glendale MD	9/30/2014		
	2012	2013	YTD
By Number of Loans	23%	28%	42%

In an effort to further grow OneWest's small business lending platform and increase the available products for the California small business community, OneWest recently launched the SBA 7(a) product. The SBA 7(a) product tends to be smaller-balance loans with an average balance of \$544,439 for the SBA 7(a) program in the SBA Los Angeles District office during its 2014 fiscal year. Accordingly, OneWest expects to increase smaller-balance lending with the addition of the SBA 7(a) product.

Not only will CITBNA continue OneWest's current trajectory toward growing its lending portfolio to small businesses based on organic growth, but, contrary to the concerns expressed in the Comment Letters, the Transaction will significantly enhance CITBNA's ability to offer appropriate lending products to micro and small business customers through the combined suite of product offerings of CIT and OWB, which will include small ticket leasing and financing and factoring products in addition to the SBA products. Thus, the Transaction will accelerate the progress OneWest has already made in providing credit to small businesses. Indeed, CITB recently acquired Direct Capital Corporation in August 2014. Direct Capital provides equipment loans and leases to small businesses. As of August 31, 2014, 100% of Direct Capital's loans and leases were comprised of contracts of \$1 million or less, with more than 90% of those contracts of \$150,000 or less.

CIT and OWB also expect that CITBNA will develop a small business loan and technical assistance referral program so that businesses that do not qualify for small business loans from CITBNA can be referred effectively to local community development financial institutions and other non-profit providers that may be able to make the loan and/or provide technical assistance in order to help borrowers better prepare themselves to qualify for conventional financing. OneWest has been in dialogue with the NAAC regarding this technical assistance referral program. The NAAC has advised CITBNA of their intention to partner with the leaders of the local Black, Latino and Asian communities and with CITBNA in the development of small business technical assistance programs to maximize community benefit for small businesses. Also taking into consideration feedback from certain community groups,

OWB is in the process of evaluating California's small business loan guarantee program and the SBA Small Loan Advantage program.

2. *Mortgage Servicing and Refinancing Activities*

Although OneWest sold its mortgage servicing business in 2013, OneWest has demonstrated its commitment to serving the convenience and needs of the community, including through its past leadership in responsible mortgage servicing.

Many commenters associated OneWest with IndyMac, even though OneWest did not exist when IndyMac originated the loans that OneWest ultimately serviced. In fact, OneWest did not originate the overwhelming majority of the delinquent loans it serviced. Contrary to statements in certain Comment Letters, OneWest believes that, prior to its divestiture of its servicing business in 2013, OneWest had demonstrated its commitment to responsible servicing through loss mitigation and loan modifications, as an early adopter of HAMP (including various modifications to the program) and as a participant in numerous state "hardest hit funds". OneWest utilized the innovative approach to loan modifications created by the FDIC and ultimately became an early adopter of nearly every available loan modification program that was available.

Specifically, in 2010, OneWest became the first servicer to implement HAMP's principal reduction alternative ("PRA") and, as of October 31, 2013, had forgiven over \$730 million in principal since the program's inception with over \$350 million in principal forgiven for borrowers in California. Furthermore, to support OneWest's loan modification programs and as part of OneWest's non-CRA-qualifying donations, OneWest has donated on average over \$600,000 per year since 2010 to Neighborhood Assistance Corporation of America, a non-profit community advocacy and home ownership organization, to support their foreclosure counseling and homebuyer education programs. Complaints against OneWest amounted to only 0.37% of the total complaints from the Homeowners HOPE™ Hotline despite the fact that OneWest serviced 5.0% of the 60+ day delinquent borrowers eligible for loan modifications for the top 10 servicers. OneWest outperformed its peers in total modifications, post-modification performance and payment saving benefits offered to borrowers as is evidenced by:

- Eight consecutive Making Home Affordable ("MHA") Program Three Star ratings, which is unequaled in the industry;
- Average payment savings of 42% compared to peer average of 39%; and
- Re-default rates on modified loans lower than peers.¹⁷

OneWest also believes that a relevant factor in assessing its historic servicing practices is the fact that OneWest was the only servicer to complete the Independent Foreclosure

¹⁷ MAKING HOME AFFORDABLE, PROGRAM PERFORMANCE REPORT THROUGH JUNE 2013, 7 (showing that 9.1% and 17.6% of all permanent HAMP modification loans were 60+ days delinquent at 6 months' and 12 months' seasoning, respectively), available at <http://www.treasury.gov/initiatives/financial-stability/reports/Documents/June%20202013%20MHA%20Report%20final.pdf>. From the HAMP program's inception through June 2013, 7.9% and 13.2% of OneWest HAMP modification loans were 60+ days delinquent at 6 months' and 12 months' seasoning, respectively.

Review. Navigant, an independent consultant, reviewed over 190,000 loans and found that error rates in most review categories were well below 0.5%.¹⁸ Where Navigant found errors that resulted in financial harm, borrowers were sent remediation checks.

In addition to the comprehensive review of OneWest's servicing practices that resulted from its consent orders, OneWest is subject to servicing compliance audits from a variety of independent third parties. Since January 2012, more than 60 servicing compliance audits have been completed by independent third parties.

The Applicants believe that these third-party independent reviews of OneWest's historic servicing operations, including the Independent Foreclosure Review completed by the OCC, provide the most reliable basis upon which to judge OneWest's historic commitment to responsible servicing.

Comment Letters also made generalized criticisms of OneWest's historic reverse mortgage business, known as Financial Freedom, which it acquired in connection with its purchase of IndyMac assets and liabilities from the FDIC.¹⁹ CIT and OWB note that almost all the reverse mortgages serviced by Financial Freedom relate to mortgages originated prior to OneWest's acquisition of Financial Freedom. OneWest ceased origination of reverse mortgage loans in May 2011 and has been merely a servicer of such loans since that time. As of September 30, 2014, of the 110,730 reverse mortgage loans OneWest services, only 7.5% of the loans were originated by OneWest (the other 92.5% of loans were originated by third parties prior to the formation of OneWest).

Many commenters pointed to the number of reverse mortgage foreclosures associated with the reverse mortgages serviced by Financial Freedom. CIT and OWB note that an analysis only of the absolute number of foreclosures ignores the relative size and quality of the associated, predominately acquired portfolio and, more importantly, does not provide insight into quality (from a compliance and borrower perspective) of the servicing operations. OneWest believes that Financial Freedom services its reverse mortgage portfolio in compliance with all HUD guidelines and will follow any new guidelines developed by HUD, including in light of a recent court case, which will give surviving spouses certain additional rights to remain in the home subject to certain conditions. Indeed, OneWest is proactively seeking clarifications to the application of such changes to its procedures for surviving spouses and is committed to complying fully with any resulting HUD requirements. OneWest is committed to ensuring that all options are provided to borrowers and heirs, and it does not accelerate foreclosure or obstruct any effort to repay a reverse mortgage loan.

¹⁸ OFFICE OF THE COMPTROLLER OF THE CURRENCY, FORECLOSURE-RELATED CONSENT ORDERS STATUS REPORT: OBSERVATIONS, PAYMENTS, AND FORECLOSURE PREVENTION ASSISTANCE (April 2014), *available at* <http://www.occ.gov/news-issuances/news-releases/2014/nr-occ-2014-65a.pdf>.

¹⁹ The Comment Letter from Sandy Jolley made a number of specific allegations with respect to a reverse mortgage loan made to her father. The loan in question was made prior to the existence of OWB by a former affiliate of IndyMac Bank, Financial Freedom Senior Funding Corporation, which is not, and never has been, affiliated with OneWest. In a jury trial relating to the loan and the foreclosure, the jury ruled in favor of the defendant, Financial Freedom Senior Funding Corporation.

Due to OneWest's history as an acquirer of legacy portfolios, since 2009, OneWest has engaged primarily in managing its existing portfolios, rather than generating a large volume of new originations.²⁰ Even in this regard, OneWest believes that its performance demonstrates its commitment to serving the convenience and needs of the community. In 2013, OneWest refinanced over \$2.3 billion of single family residential mortgage loans largely through the HARP 2.0 program. LMI penetration for these loans in the Los Angeles-Long Beach-Glendale MD compared favorably to peers, as 27% of OneWest loans were refinanced to LMI tracts compared to a peer average of 12%. Furthermore, 28% of OneWest's refinancing loans were refinanced to LMI borrowers compared to a peer average of 11%.²¹

One commenter urged OneWest to design safe portfolio products with flexible underwriting and to develop marketing and outreach plans to offer and originate affordable and sustainable mortgage products to low and moderate income individuals.²² Although mortgage lending will not be the primary focus of CITBNA, CITBNA will seek to introduce innovative and flexible lending products to the market and will explore products such as affordable mortgage loan products (e.g., Wealth Building Home Loan as recently conceived by Bruce Marks and Ed Pinto and piloted by Bank of America) that are consistent with the safety and soundness of the bank, including with CITBNA's risk appetite. As discussed above, CITBNA is also expected to explore new small business lending services.

3. Additional Information on Convenience and Needs to be Served by the Combined Organization

Because the Transaction will result in an organization with an enhanced lending and earnings capacity, the combined organization will be better positioned to continue to meet the needs of those communities and with an expanded suite of products that will allow it to serve better its current and future customers. As described in Section V(F) of the Application, in addition to CITBNA's enhanced ability to meet its CRA obligations, the Transaction is expected to provide additional benefits to the public, including by creating a financial institution with enhanced financial strength and stability. As discussed in the Application and in Applicants' response, dated October 9, 2014, to the Board's September 25, 2014 request for additional information, the existing customers of OWB and CITB will also benefit from the combined institution's enhanced product set, including through CITB's recently acquired Direct

²⁰ In the four comment letters submitted by Matthew Lee/Inner City Press/Fair Finance Watch, dated September 6, 2014, October 9, 2014, October 11, 2014, and October 22, 2014, Mr. Lee, relying on HMDA data, notes that, in 2012, OWB did not originate any single family mortgage purchase loans or home improvement loans to African Americans in the Los Angeles-Long Beach-Glendale MD. This data must be viewed in the context that OWB, particularly in 2012, engages in only limited new originations (e.g., only 81 single family mortgage purchase originations nationwide in 2012). Indeed, even with the inherent limitations in HMDA data, which do not account for borrower credit ratings, a review of 2013 HMDA data on single family mortgage loan refinancings in the Los Angeles-Long Beach-Glendale MD demonstrates that, in that period, OWB had an 87.3% approval rate for African-American applicants, which exceeded its approval rate for Caucasian applicants (81.5%).

²¹ Peer data obtained from the FFIEC and CRA Wiz.

²² CRC Letter at 8.

Capital business, which is focused on small business lending and leasing.²³ With an enhanced funding base and product scope, CITBNA also will be positioned to be a stronger competitor in the markets currently served by OneWest and CIT, which would be expected to produce significant benefits to the public. Moreover, unlike many merger transactions, which are premised on expense reductions and branch closures, this transaction is not driven primarily by cost synergies and no branch closures are expected in connection with the Transaction.²⁴

The Applicants also expect to continue OneWest's commitment to increasing access to its retail banking operations for LMI communities. The location of OneWest's branch network is the result of the locations of the institutions whose assets and liabilities it has acquired, and OneWest has taken actions to increase its penetration into LMI communities. Specifically, OWB has partnered with JONS International Marketplace, a family-owned grocery store chain serving the local ethnic communities of the greater Los Angeles Area, and has placed 4 full-service ATMs in its stores, which are located in LMI tracts. Despite OWB's receiving a "High Satisfactory" service rating in its CRA performance evaluation, the Comment Letters state that OWB's service to LMI communities is insufficient given that 15% of OWB's existing branches are in LMI tracts.²⁵ This ignores the fact that many of OWB's branches located in middle- and upper-income tracts serve areas with at least 33% or more LMI family population, as the OCC noted in OWB's CRA performance evaluation.²⁶ Indeed, 37.5% of OWB's branch network serves areas with at least 33% or more LMI family population, and, in addition, 40.3% of OWB's branches are located in census tracts where people of color represent over 50% of the population. Moreover, 57% of branch or ATM additions since OWB's inception have been in LMI tracts. Additionally, in 2013, 60% of the number of small business loans made by OWB in the Los Angeles-Long Beach-Glendale MD have been to borrowers located in LMI tracts. These figures demonstrate OWB's efforts to serve LMI communities.

Moreover, with respect to commenters' skepticism of mobile banking services, OWB's research and observation of market trends indicate that mobile banking is an important tool, and will continue to grow in importance, for all the bank's current and prospective customers, including LMI customers. This is consistent with the observation in a study completed by staff of the Board that "[g]iven the prevalence of mobile phones—particularly smartphones—among minorities, low-income individuals, and younger generations, mobile technology has the potential to empower consumers and expand access to financial services for

²³ See BMO Order at 18, in which the Board cited positively in its analysis of the convenience and needs factor "increased credit availability and access to a broader array of financial products and services for customers of the combined organization."

²⁴ One Comment Letter noted that OWB plans to consolidate one of its existing branches prior to consummation of the Transaction. This is an ordinary course consolidation and is not impacted by, or the result of, the Transaction. The branch in question is not located in an LMI census tract.

²⁵ Greenlining Letter at 4; CRC Letter at 17–18; CRC Form Letter.

²⁶ See Public Exhibit 12 to the Application at 16.

underserved populations.”²⁷ CITBNA will continue to develop greater and more convenient access to banking services for its customers and, as noted above, there are no plans to close any branches as a result of the Transaction.

OWB also offers an affordable, accessible personal checking account product that is available through both its retail branch network and online, and that meets the Pew Charitable Trusts standards for “best” or “good” overdraft practices.²⁸ This personal checking account has a monthly maintenance fee of \$5 (compared to a peer average²⁹ of \$9 per month of similar basic checking accounts), which is waived if the average monthly balance is over \$1,000. The monthly service fee is also waived if a customer elects to receive statements electronically or is a senior (at least 55 years of age) or minor (less than 18 years of age).

With respect to OneWest’s marketing of its affordable checking account product, OneWest historically has focused primarily on brand marketing, rather than marketing of specific products based on OneWest’s observation of the lack of success with product-specific campaigns. In response to feedback from Greenlining in a follow-up meeting after CIT’s and OneWest’s September 17, 2014 community day, CIT and OWB expect that CITBNA will implement a marketing program with a \$50,000 budget, which represents approximately 10% of OWB’s 2014 year-to-date annualized media spend, whereby it would select minority-owned publications or media platforms to test this media channel for product sales, including OWB’s affordable checking product. To the extent this pilot is successful, CITBNA will seek to spend more marketing dollars with minority-owned publications or media platforms.

OneWest also has a broader commitment to diversity, reflecting the fact that OneWest values the diversity of the communities it serves. Since 2011, OneWest has had in place a supplier diversity program to help ensure that its vendor base reflects the community in which it operates. The CRC Form Letter, Greenlining Letter and CRC Letter state that OneWest has no specific goals regarding contracting with Minority/Women/Disabled Business Enterprises. However, under OneWest’s existing supplier diversity program, OneWest has achieved 6.3% of total vendor spend with women- and minority-owned businesses despite the dramatic decline in the fourth quarter of 2013 in available discretionary spend as a result of the sale of third party servicing. CITBNA is also expected to set a specific target for vendor diversity in connection with its CRA plan, which target will exceed the current levels of diversity among OWB’s vendors. In addition, minorities and women are expected to represent approximately 33% of the combined company’s board of directors compared to 27% of Fortune 500 boardroom seats.³⁰

²⁷ BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, CONSUMERS AND MOBILE FINANCIAL SERVICES 2014, 21 (March 2014), available at <http://www.federalreserve.gov/econresdata/mobile-devices/2014-preface.htm>.

²⁸ THE PEW CHARITABLE TRUSTS, CHECKS AND BALANCES, 29 (April 2014).

²⁹ Peer banks include City National Bank, Union Bank, East West Bank and Comerica.

³⁰ ALLIANCE FOR BOARD DIVERSITY, MISSING PIECES: WOMEN AND MINORITIES ON FORTUNE 500 BOARDS, 7 (2012), available at <http://theabd.org/Reports.html>.

F. Summary

Both CITB and OWB have exhibited strong CRA performance,³¹ have increased CRA activity (including investments) since the last CRA evaluations and have publicly committed to developing a CRA plan, in consultation with the OCC, through which CITBNA will work to achieve an “Outstanding” rating.

As demonstrated above and in the Application and related submissions, the Transaction will give the combined institution greater capacity to serve the needs of its communities and customers and will result in significant benefits to the public, including increased CRA lending and investment activities. Therefore, the Applicants submit that an analysis of CRA compliance and the effect of the Transaction on the convenience and needs of the community supports approval of the Application.

IV. **Public Hearing**

Several Comment Letters requested that the Board hold public hearings on the Transaction. The Board’s regulations require that any comment on an application or notice that requests a hearing include “a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing.”³² The Applicants respectfully submit that this standard has not been met. The Comment Letters requesting a hearing do not identify questions of fact that are in dispute and do not summarize the evidence that would be presented at a hearing.

In light of the significant amount of material included with the Application, and in two written responses to date to information requests from the Board and the record of strong CRA performance by the institutions involved in the Transaction (both with a “Satisfactory” rating (consisting of two “High Satisfactory” ratings for OWB)), the Applicants submit that the written record of the Application is sufficient and that there are no disputed issues of material fact, and none that cannot be resolved by written submissions. The public has had the opportunity to submit written comments on the Application, and many commenters have done so. Thus, as the Board has found previously in cases where the requesting party has had the opportunity to submit comments and does not identify any genuine dispute related to material facts,³³ Applicants believe that a public hearing is neither warranted nor required in the public interest and that, therefore, the request for a public hearing should not be granted.

³¹ A CRA performance evaluation “is an important, and often controlling, factor in consideration of an institution’s record.” Interagency Questions and Answers Regarding Community Reinvestment, 75 Fed. Reg. 11642, 11666 (March 11, 2010).

³² 12 C.F.R. § 262.3(e). The OCC imposes a similar standard with respect to requests for public hearings. See 12 C.F.R. § 5.11(b) (“The OCC generally grants a hearing request only if the OCC determines that written submissions would be insufficient or that a hearing would otherwise benefit the decision-making process. The OCC also may order a hearing if it concludes that a hearing would be in the public interest.”).

³³ See, e.g., Letter from Barbara R. Lowrey, Associate Secretary of the Board, to Irvin M. Henderson and Andrew H. Foster, Community Reinvestment Association of North Carolina, 1995 Fed. Res. Interp. Ltr LEXIS 151

V. Conclusion

As noted above, the Board must consider a number of factors in reviewing the Application, including (i) the risks to the stability of USFS, (ii) the parties' financial and managerial resources and (iii) CRA compliance and the effect of the Transaction on the convenience and needs of the community. Following the Transaction, CIT Group will be a stronger and more resilient institution than are CIT Group and OneWest separately today, and the Transaction will not result in greater or more concentrated risks to the stability of the USFS. The financial and managerial resources of the combined organization will be strong, with a strong capital, asset quality and earnings position, as well as a team of experienced and capable management drawn from both of the combining institutions. Finally, as demonstrated above, the parties' CRA compliance records, their increased CRA activities since the last performance evaluations, their commitment to develop a CRA plan and program designed to achieve an "Outstanding" rating and the benefits to convenience and needs of the community that will result from the Transaction, all support approval of the Application.

For the reasons set forth in this Response and in the Application and related submissions, the Transaction satisfies all of the statutory standards the Board considers for approval of the Application.

(December 26, 1995); Letter from William W. Wiles, Secretary of the Board, to Matthew Lee, Executive Director of Inner City Press/Community on the Move, 1995 Fed. Res. Interp. Ltr LEXIS 240 (August 29, 1995); Letter from Jennifer J. Johnson, Deputy Secretary of the Board, to Ellis Charles Lee, 1995 Fed. Res. Interp. Ltr LEXIS 269 (April 24, 1995).

Annex A

PUBLIC COMMENT LETTERS RECEIVED FROM THE BOARD

Letter from Affordable Housing Clearinghouse, dated October 10, 2014
Letter from Alliance of Californians for Community Empowerment, dated October 10, 2014
Letter from AnewAmerica Community Corporation, dated October 9, 2014
Letter from Asian Pacific Islander Small Business Program, dated October 10, 2014
Letter from California Reinvestment Coalition, dated October 10, 2014
Letter from California Resources and Training, dated October 6, 2014
Letter from CDC Small Business Finance, dated October 10, 2014
Letter from Community Legal Services in East Palo Alto, dated October 9, 2014
Letter from East LA Community Corporation, dated October 10, 2014
Letter from Fair Housing Council of the San Fernando Valley, dated October 10, 2014
Letter from Housing and Economic Rights Advocates, dated October 8, 2014
Letter from Housing Rights Center, dated October 10, 2014
Letter from Inner City Press/Fair Finance Watch, dated September 6, 2014
Letter from Inner City Press/Fair Finance Watch, dated October 9, 2014
Letter from Inner City Press/Fair Finance Watch, dated October 11, 2014
Letter from Inner City Press/Fair Finance Watch, dated October 18, 2014
Letter from Korean Churches for Community Development, dated October 10, 2014
Letter from Mission Economic Development Agency, dated October 10, 2014
Letter from National Community Reinvestment Coalition, dated October 10, 2014
Letter from National Housing Law Project, dated October 10, 2014
Letter from Neighborhood Housing Services of the Inland Empire, dated October 10, 2014
Letter from Neighborhood Housing Services Silicon Valley, dated October 9, 2014
Letter from Neighborhood Legal Services of Los Angeles County, dated October 10, 2014
Letter from Pacific Asian Consortium in Employment, dated October 10, 2014
Letter from Renaissance Entrepreneurship Center, dated October 7, 2014
Letter from San Fernando Valley Small Business Development Corporation, dated October 11, 2014
Letter from Sandy Jolley, Reverse Mortgage Suitability and Abuse Consultant, dated October 10, 2014
Letter from Strategic Actions for a Just Economy, dated October 10, 2014
Letter from The California Housing Partnership Corporation, dated October 10, 2014
Letter from The Greenlining Institute, dated October 10, 2014
Letter from Valley Economic Development Council, dated October 11, 2014

Annex B



BOYS & GIRLS CLUB OF PASADENA

BOARD OF DIRECTORS

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Joe Ford
Michael P. Hatch
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Blake Longo
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Rashmi Turner
Simon Waters
Peter D. Whitford
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Harry W. Colmery
Jack Whitehead*
Richard B. Wood
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Rachel Estrada
President & CEO

Administrative Offices
3230 East Del Mar Boulevard
Pasadena CA 91107
Tel (626) 449 - 9100
Fax (626) 449 - 0700
www.bgcpasadena.org

Federal Tax ID

95-1643305
deceased*

August 22, 2014

Cindy Tran, CRA Officer
OneWest Bank
888 East Walnut Street
Pasadena, CA 91101

Dear Cindy,

On behalf of our board of directors, staff, and members, please accept our sincere thanks for OneWest Bank's support of the Boys & Girls Club of Pasadena over the past several years. We are proud to have partnered with OneWest since 2010 in improving the lives of at-risk and disadvantaged youth in our community, and are grateful for the bank's continued commitment to our mission.

It is our understanding that OneWest is currently in negotiations to merge with CIT Group. We are confident this proposed merger will serve to strengthen OneWest's position in our community and will ultimately be a positive move for all parties involved. The Boys & Girls Club of Pasadena offers our full support to both companies going forward.

Since 2010, OneWest Bank has generously supported our Project Learn program, an afterschool education enhancement program that reinforces the skills and knowledge our young people gain in school during the hours they spend at the Club. Studies have shown that youth perform much better in school when they spend their non-school hours engaged in fun, engaging, and academically beneficial activities, which is why this program is so valuable to our members.

Please find attached an overview of Project Learn's success at the Club this past school year. Should you have any questions or would like more information, please do not hesitate to contact me. I would also like to invite you and your colleagues to tour our facilities to see first-hand how this program is changing lives for the better.

Once again, thank you for your ongoing support of our Club and best of luck with the new venture.

Sincerely,

Rachel Estrada, President and CEO
Boys & Girls Club of Pasadena

GREAT FUTURES START HERE.





BOYS & GIRLS CLUBS
OF SANTA MONICA

70 Years
OF CREATING GREAT FUTURES

August 12, 2014

Cindy Pulido
OneWest Bank
888 East Walnut Street
Pasadena, CA 91101

Dear Cindy,

On behalf of the Boys & Girls Clubs of Santa Monica, we would like to thank OneWest Bank for the continuous support of our Project LEARN, Be GREAT: Graduate and Money Matters programs. We would like to also congratulate you on the proposed merger with CIT Bank, and look forward to providing any information or assistance in the transition that supports the efforts and your overall objectives. We have been honored to put the OneWest Bank investment to effective use, and offer the following overview of the past three years of our project, and the enormous amount of impact this initiative has brought to our Club members.

Project LEARN:

2,135 members (which includes a 77% increase served in school year 2013-2014)
Initially 59% improved and stable academic performance – grew to 95% in 2013-2014.
94% attended the Club at least 52 days or once/week (making impact more measurable/effective)
100% progressed to next grade level on time

Be GREAT: Graduate/College Bound:

100% of high school seniors have graduated on time.
What began with 8 students 3 years ago, now serves 140 students (middle through high school)

Money Matters:

117 teen Club members.
Comprehensive series of financial workshops for 25 teens in College Bound program

On the horizon, as mentioned in our most recent report:

- Expanding evaluation techniques with the Boys & Girls Clubs of America “National Youth Outcomes Initiative”, an online tracking mechanism that helps us track Club member activities and the impact on programs offered at the Club.
- Junior Achievement to be added to program, helping students with diverse learning styles.

New announcement:

We have established a social-emotional wellness initiative, helping our Club members with mental health and other issues that can cause barriers in achieving academic success, with a goal of guiding our members to promising and fruitful lives. Our partners include St. Joseph Center (individual counseling on referral basis); USC School of Social Work (providing interns and MSW-level support to our members and staff), and the Joe Torre Safe at Home Foundation will be joining us in October, bringing a dedicated “Margaret’s Place” safe space to our Main Branch, with a full-time clinical staff on site to help our middle- and high-school students with violence and other issues that are plaguing our local schools and communities today.

We invite you to tour and visit any time, we would be pleased to share our efforts with you in person. Please reach either of us should you have any questions. Our most heartfelt gratitude to you for your support of our mission and our members.

Very truly yours,

Paul Gaulke
President of the Board of Directors

Janis Morse
Director of Development

GREAT FUTURES START HERE.



CEDARS-SINAI
COMMUNITY RELATIONS
AND DEVELOPMENT

August 6, 2014

To Whom It May Concern,

On behalf of the Cedars-Sinai COACH For Kids program, it is my honor to speak in support of the OneWest Foundation. Through your generous funding of \$400,000 over the past four years, we have been able to provide free, high-quality healthcare services to families in need. We deeply appreciate your commitment to direct health services that meet the needs of low-income children and their families throughout Los Angeles. Your partnership and investment are vital to the work that we do.

Over the past year, our COACH for Kids team delivered services in communities with high concentrations of medically underserved low-income children and families, including Downtown Los Angeles, South Los Angeles, the Pico-Union Area, Willowbrook, Compton, Watts, Crenshaw/Mid-City, Inglewood/Centinel Valley and Lennox. The COACH team continued to provide high-quality medical services as well as counseling, parenting education classes and support groups, mental health and children's groups, nutrition and fitness education classes, and other assistance, such as referrals for housing and job training and placement. As part of the comprehensive quality health care services, health education was also provided on the mobile medical units. We logged the following total patient encounters for the current reporting period:

- Medical: 3,612
- Case Management: 732
- Mental Health: 2,436
- Oral Health: 2,118
- Nutrition Education: 8,463

Support from OneWest Foundation was critical in helping us reach more low-income children with healthcare needs. During the reporting period, we delivered medical care, case management and other healthcare services to children at 33 existing sites.

COACH for Kids participated in the following collaborations, health fairs and clinics, which afforded new and enhanced opportunities for improving children's access to quality healthcare:

Emergency Shelters and Transitional Living Centers

During this reporting period, the COACH Program continued to strengthen its relationship with emergency shelters and transitional living centers including The Salvation Army Westwood Transitional Living Village (The Village) and Union Rescue Mission (downtown Los Angeles/Skid Row). Play Pals Child Development Play Groups were held at The Village Community Center where kids participated in art projects, gardening, music, physical activity and cooking classes.

The COACH Mental Health Clinician continued to provide Stress Management/Yoga classes at Union Rescue Mission. The classes included emotional support, parent education, relaxation exercises and opportunities to share as a source of emotional support. To evaluate the impact of the program, the COACH Mental Health Clinician used an evaluation tool to track the decrease in stress level. The parents were asked to rate their stress level on a scale of 1 – 10, with 1 being no stress and 10 being the highest level of stress. A questionnaire was provided to parents pre and post class. For Fiscal Year 2013, the participants decreased their stress level by 1.1 points.

SHIELDS for Families and Jordan Downs Housing Development (Watts)

COACH continued to be part of a collaborative with SHIELDS that includes 26 other community agencies. SHIELDS received a grant from the Housing Authority of the City of Los Angeles (HACLA) to provide comprehensive health and social services to families residing at Jordan Downs Housing Development. As an expansion of services, the COACH team provided monthly health education workshops and blood pressure/body mass index screening clinics for parents as well as nutrition education workshops for parents. COACH developed a new collaboration with the Watts Gang Task Force and attended all weekly meetings where community bonds were created and COACH staff members were kept up-to-date on community issues. In October 2013, COACH started the Jordan Downs Walking Club to promote healthy choices and create a regular exercise outlet for the participants in the monthly body mass index screening clinics. On December 14, 2013, COACH participated in the Jordan Downs Housing Development Toy Give-away and partnered with USC Dental School students to provide much needed dental screenings.

Numero Uno Market Health Fairs

COACH continued its longstanding collaboration with Numero Uno Market, Inc. and held health fairs on April 20, 2013 and December 14, 2013 at markets located in underserved neighborhoods. Services provided included childhood immunizations, flu shots, dental screenings and fluoride varnish applications, physical activities, oral health education, nutrition education, adult blood pressure screenings and body mass index screenings for adults. During the December 2013 Numero Uno Health Fair, COACH staff members passed out books and toys donated by Cedars-Sinai employees to children for the holidays.

Community Health Fairs

As part of a comprehensive approach to community health, COACH for Kids organized and participated in numerous community health fairs throughout the reporting period. A wide range of services were provided including blood pressure screenings, immunizations and health education. These health fairs included:

- Greater Ebenezer Baptist Church Health Fair, 9/21/13: Immunizations, health education and community outreach were provided.
- Taste of Soul, 10/19/13: COACH staff members provided healthy, fresh fruit-flavored water and recipes as well as health education and Covered California outreach.
- Ted Watkins Park Health Fairs, 10/26/13, 11/23/13, and 12/14/13: Services provided were body mass index/blood pressure screenings for adults, health education and Covered California outreach.
- Healthy Halloween Health Fair at Jordan Downs, 10/31/13: The Healthy Watts Farmers Market donated pumpkins for the families to cook with and decorate for Halloween. The COACH Be Healthy, Be Strong! team made baked pumpkin fries and baked pumpkin seeds with the families.
- Run for Her, 11/10/13: Services provided were flu shots, health education, body mass index/blood pressure screenings for adults.

Additional Notable Contributions

During December 2013, COACH continued the very successful holiday program where 21 of the neediest COACH families were “adopted” by Cedars-Sinai departments. The Cedars-Sinai employees donated much-needed items such as food, blankets, clothing, household items, beds, and of course, toys for the children.

During the 2012-2013 school years, the COACH Be Healthy, Be Strong! team continued their preschool, pre-k and 5th Grade nutrition/fitness curriculum, providing age-appropriate education that included such activities as fun exercise routines, container gardening, healthy snack-tasting, healthy cooking demonstrations, nutrition education games and books. For the summer months, the team provided classes for children of all ages at such sites as the Watts-Willowbrook Boys & Girls Club, Children’s Institute Inc. (Watts), Watts Learning Center and South Los Angeles WIC sites (Women, Infant and Children centers). For the new 2013-2014 school year, the team resumed their pre-k and 5th grade classes as well as the afterschool program at the Jordan Downs Community Center.

COACH continued the collaboration with Green Dot Charter Schools. In July 2013, COACH held 18 vision clinics and screened 558 incoming high school students. COACH medical staff screened the students and found that 28% of the students screened were found to have abnormal vision. For all the students with abnormal vision screenings, Green Dot gave the student a voucher to get a full eye exam and glasses from the Vision Service Plan mobile eye clinic.

During the past year, COACH for Kids also provided 171 Tdap (Pertussis) immunizations to middle and high school students in South Los Angeles, bringing them compliant with the 2011 California mandate.

Cedars-Sinai is grateful to you and OneWest Foundation for your generous investment and continued support. We appreciate your dedication to enhance the health and well-being of low-income and underserved children in Los Angeles. We look forward to the opportunity to work with you again and to continue our productive partnership.

Sincerely,

A handwritten signature in black ink, appearing to read 'SB', with a long horizontal line extending to the right.

Stephanie Bressler
Senior Development Officer
Community Relations and Development
Cedars-Sinai

LOS ANGELES POLICE DEPARTMENT

CHARLIE BECK
Chief of Police



ERIC GARCETTI
Mayor

P. O. Box 30158
Los Angeles, Calif. 90030
Telephone: (213) 486-0150
TDD: (877) 275-5273
Ref #: 1.1

September 5, 2014

Dear Interested Party:

As Chief of Police of the Los Angeles Police Department (LAPD), I am writing to express my wholehearted support for OneWest Bank Foundation. Over the last four years, OneWest Bank has generously contributed to and supported the Los Angeles Police Department's Juvenile Impact Program (JIP).

Consistent with the philosophy and goals of OneWest Bank Foundation, the Los Angeles Police Department is committed to making a difference in the lives of those who live and work within the City of Los Angeles. While we have seen the rewards of our efforts through the consistent and unprecedented crime reductions over the years, we must continue to be diligent in our efforts, beginning with our youth.

To that end, the Los Angeles Police Department continues to create positive alternatives for at-risk youth in an effort to make Los Angeles the safest big city in America. The contributions made by OneWest Bank Foundation have made a tremendous impact on the JIP program and the communities we serve. Engaging our youth through programs such as JIP, remains a priority investment for this Department.

Thank you for your continuous support and generous contribution. If I can ever be of assistance to you, please feel free to contact me at (213) 486-0150.

Very truly yours,

A handwritten signature in blue ink, appearing to read "C. Beck".

CHARLIE BECK
Chief of Police



give a year.
change the world.

CITY YEAR LOS ANGELES

606 S. Olive Street, 2nd Floor
Los Angeles, CA 90014

PHONE 213.596.5900

FAX 213.596.5910

www.cityyear.org

August 11, 2014

To Whom it May Concern:

I am writing to express our support for OneWest Bank who has been a vital community partner to City Year Los Angeles for the last three years. OneWest has generously supported a team of City Year members working at Markham Middle School in the Watts neighborhood. We are also supportive of the merger of OneWest and CIT.

When we first met with the executives at OneWest, they specifically asked that their financial support be put towards a school and community that needed it most. We selected Markham as it is one of highest need, lowest performing schools in Los Angeles. Markham has over 1000 students. Seventy-three percent of students are Latino and 26% are African-American. Over a quarter of the students are English Language Learners and 80% qualify for free and reduced lunch. In 2012-2013, Markham had an Academic Performance Index score of 623, out of a possible 1000, making it one of the lowest performing schools in Los Angeles.

Since 2011, OneWest has funded a team of City Year AmeriCorps members at Markham to work as tutors, mentors, and role models to students who are at-risk of dropping out. The implications of not graduating are profound- dropouts earn \$1M less in their lifetime and are three times more likely to be unemployed and eight times more likely to go to jail.

City Year's work is based on research from Johns Hopkins University that identified three early warning indicators of students' likelihood to drop out—poor attendance, negative behavior, and course failure in English and math. Their research found that a 6th grade student with any of these risk factors only has a 20% chance of graduating. They also found that if students get to 10th grade without risk factors, they are four times more likely to graduate.

Partnering with teachers, corps members provide targeted tutoring, both one-on-one and in small groups, to ensure students are making progress in those subjects. Along with in-class support, corps members also support whole school initiatives and lead out-of-class activities to expand and optimize learning time before and after school.

OneWest's investment helps to make our work possible. With their investment, we have seen great impact:

- Over 45 corps members have provided individual tutoring and support to over 500 vulnerable students.
- In 13-14, 81% of students improved their scores on English Language Arts assessments.
- In 12-13, 74% of students improved on their math assessments.
- In 13-14, 98% of principals agreed that their corps members strengthened students' academic performance.

In addition to financial resources, OneWest employees have volunteered at Family Engagement Events at Markham. We are deeply grateful for OneWest's ongoing support and hope to continue to work closely with their team in the future. If you have any questions, please contact Erin Ross at 213-596-5875 or eross@cityyear.org.

In service,

Mary Jane Stevenson, Executive Director

CITY YEAR LOS ANGELES FOUNDING SPONSORS

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HAUPTMAN FAMILY FOUNDATION



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CISCO Foundation



25TH ANNIVERSARY

Sponsored by: BainCapital





Fourth Street School

420 South Amalia Avenue
Los Angeles, California 90022
Telephone: (323) 266-0182 Fax: (323) 264-4071

Dr. John Deasy
Superintendent

ROBERTO A. MARTINEZ
Instructional Superintendent, East

LUPE CARRANDI
Principal

RICHARD YCAZA
Assistant Principal

ROSE FLORES
APEIS

August 25, 2014

To Whom It May Concern:

Fourth Street School would like to commend One West Bank and their commitment to Fourth Street School via JA (Junior Achievement). Their annual visits are welcomed by all members of the school community as they share their knowledge and experience with our students. Being a part of the Graduation Pathways in our area has been helpful as students move from Fourth Street School to Griffith Middle School and eventually Garfield Senior High School.

Many of the One West Bank representatives have also made individual commitments to our teachers and their classrooms; searching for ways to meet needs that can be difficult for our Title I school to obtain (ex. pencils, CD players, electric sharpener, etc.).

We appreciate their loyalty and dedication to JA and Fourth Street School.

If you have any further questions, do not hesitate to contact me.

Sincerely,

Barbara Knipple Bilbao, NBCT
TSP Program Advisor





GSG Protective Services

A MEMBER OF GLOBAL SERVICE GROUP

"We're not just customer focused, We're customer obsessed."

August 1, 2014

Mr. Joseph Otting, CEO
OneWest Bank, FSB
888 East Walnut Street
Pasadena, CA 91101

Dear Mr. Otting,

As a minority and veteran owned firm I would like to thank you for the opportunity you have provided us with to be of service to OneWest Bank.

As you know in this challenging market it is very difficult to grow a small business. By far one of the most challenging obstacles involves acquiring sophisticated clients such as OneWest Bank. The opportunity to be of service to your organization not only provided us with immediate growth, but also a base from which to expand and grow our business. We are presently in negotiation with a bank that has a global foot print to provide security services. They made it clear they were impressed OneWest Bank was on our client list. The association gave us credibility as we endeavor to grow.

Over the past several months there is no doubt that having OneWest Bank as a reference has helped us obtain several new customers. The credibility of having clients such as OneWest Bank is an invaluable asset to our business development efforts and is greatly appreciated.

Be assured all the employees of GSG Protective Services will continue to provide OWB with the superior service. We especially look forward to servicing and supporting the merger of OneWest Bank with CIT. It has been a pleasure working with the staff of OWB and we look forward to a long association.

Sincerely,

Victor Marks
President



Hollenbeck Police Business Council Hollenbeck Youth Center

2015 East First Street · Los Angeles, CA 90033
Founding Agency of the Inner-City Games



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*Professor, MIT**

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*Big 5 Sporting Goods**

* For identification purposes only

August 14, 2014

OneWest Bank
888 E Walnut Street
Pasadena, CA 91101

Dear Interested Party:

OneWest Bank (OWB) is truly a standout company in the community. Through helping “one person at a time”, OWB has touched millions throughout the years. OneWest Bank continues to help at-risk youth in Los Angeles with invaluable opportunities and resources for half a decade in partnership with the Hollenbeck Police Business Council and Inner-City Games.

We are truly privileged to have a partnership with OneWest Bank and its Chairman. The partnership has provided much needed resources to our inner-city communities. Over the years, as a direct result of OneWest Bank’s generosity, our youth have been able to participate and benefit from our Miracle on 1st Street Holiday Programs, a new state of the art professional-style wood basketball court, and summer activity programs. In addition, OneWest Bank has helped us increase our toy distribution during the holiday season by over 10% as a result of their toy drive, this has helped our organization connect with other companies that have contributed to our efforts. They also have provided auction items and endless other opportunities to our organization. With OneWest Bank’s contributions, hundreds of thousands of children have been given first chances at life.

In addition to the support mentioned, OneWest Bank and its representatives continue to be hands-on in their support. For example, OWB’s employees serve as ‘Miracle Workers’, purchase gifts during the holiday’s Miracle on 1st Toy Giveaway for our youth and serve as spokespeople for our organization. I cannot say enough about this outstanding company and its leadership. The impact of OWB’s contribution is one that resonates volumes because of the great need it fills.

The Hollenbeck Police Business Council (also known as the Hollenbeck Youth Center) has over four decades of history of serving at-risk youth in the Boyle Heights area. Our success can be largely attributed to our unique collaboration between law enforcement, community and business. The Hollenbeck Youth Center is often referred to as the root of community policing and to date has a solid relationship with the Hollenbeck Police Division. Since its’ incorporation

“All Kids Are a Lifetime Investment” – Daniel L. Hernandez

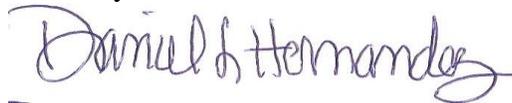
in 1972, Hollenbeck has served as a “safe place” for kids to go in the midst of violence, gang activity and other forms of delinquency. All of our participants come from disadvantaged socio-economic backgrounds and are underrepresented minorities. All of our youth attend (a) LAUSD Title 1 schools; (b) are enrolled in a free/reduced rate lunch program; and (c) live in households well below the national poverty level. The Hollenbeck Youth Center has a long history of producing Olympic Champions in Boxing. Our alumni include the first 1984 Mexican America Gold Medalist and in 1992 Gold Medalist Oscar De La Hoya. Our alumni have gone on to be professionals in law enforcement, business and athletics.

However Hollenbeck Youth Center’s offerings to our participants are not confined to athletics alone, Hollenbeck’s programs offer participants the life skills, the confidence and experience to succeed in their respective journey in high school, college and the workforce. Hollenbeck’s staff, coaches and volunteers provide its participants with daily athletic, academic and enrichment opportunities. We are home to one of the largest toy giveaway program in the city of Los Angeles, our ***Miracle on First Street*** provides Christmas cheer to over 10,000 children and their families and hundreds of meals to families during the holiday season. Our ***Inner-City Games***, developed in 1991, is a nationally acclaimed program duplicated in 17 cities across the nation. The Games service thousands of youth throughout the city with Olympic type sporting completion from swimming, basketball to softball; allowing youth to walk away with bronze, silver and gold medals in their respective sport. Studies have shown the correlation between afterschool programs and crime reduction; we are proud to say that crime went down in 1992 in Los Angeles, the year of inception of our city-wide program of the Inner-City Games.

As government programs downsize or diminish, we serve as the net to ensure at-risk youth have a place to go. Therefore partnerships with individuals and corporations such as what OneWest Bank serve as a testament to the essential need that private partnerships fill in our community. We are proud that our partnership shows exactly what good things can occur when corporations and non-profits working together for the success of the community. Our ability to sustain through these four decades has resulted because of the support of foundations, corporations, individual-donors, and longstanding companies, in particular OneWest Bank.

As the 2015 year precedes us and the merger between OneWest Bank and CIT will unfold, we are confident that this merger will result in an even greater contribution to the community. We look forward to a continued working relationship under this new structure. Should you have any questions, please feel free to contact me or Priscilla Hernandez at 323.719.0745 or email us at info@hollenbeckpbc.org.

Sincerely



Daniel Hernandez
President and Founder
Hollenbeck Police Business Council and Inner-City Games

“All Kids Are a Lifetime Investment” – Daniel L. Hernandez



LOS ANGELES UNIFIED SCHOOL DISTRICT
James A. Garfield High School
5101 E. Sixth Street • Los Angeles, California 90022
Telephone (323) 981-5500 • Fax (323) 268-4957

August 27, 2014

To whom it may concern:

We would like to express our sincere appreciation for OneWest Bank and the loyal support that they show this school and this community. OneWest has been sending volunteers to Garfield High School for the past four years. Over this period of time, they have taught the students important life skills and business concepts that will be extremely useful for them growing into young adults. They speak with the high school students about their jobs, how they got to where they are professionally and their experiences when they were in high school. They also explain the structure of their organization, different roles and responsibilities and how the teams work together to create a functioning entity. Through these teachings, the professional world becomes less of a distant possibility and more of a tangible goal for their future.

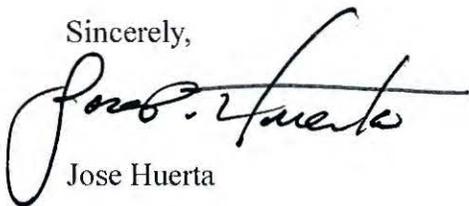
The teachers' feedback from the reverse Job Shadow that the volunteers conduct at Garfield is extremely positive. The teachers get to see first-hand what an impact this group has made on our community at Garfield.

We understand that the relationship that OneWest Bank has with our community extends beyond Garfield to the middle and elementary schools in our neighborhood. We believe that this approach better prepares the students for the life-skills learning that they will learn here at Garfield and will ultimately lead to increased graduation rates.

I am hopeful that we can continue our relationship with OneWest Bank and continue both the reverse Job Shadow as well as all of the other volunteer-related events in our community.

Thank you again for your support!

Sincerely,



Jose Huerta



301 East 17th Street, Suite 202
Costa Mesa, CA 92627
Phone: (949) 515-1998
Fax: (949) 515-2508
Email: cshewbridge@jasocal.org
www.jaoc.org

August 26, 2014

To Whom it May Concern,

I am pleased to submit this letter of support on behalf of Junior Achievement of Orange County's partnership with OneWest Bank, FSB and for support of the merger between OneWest Bank, FSB, and CIT Group.

Over the past 95 years, Junior Achievement (JA) has delivered financial literacy, entrepreneurship and work readiness education programs to students to give them the tools needed to make smart financial decisions and succeed in the future.

Founded in Orange County in 1954, JA has a long history in its community of providing programs to students of varied socio-economic and ethnic backgrounds.

As a current investor in JA's programs over the past two years, OneWest Bank is helping inspire and empower Orange County students to own their economic success and stay in school through JA's vital economic and financial literacy education programs.

For last the two fiscal years, with OneWest Bank's generous support of \$10,000 each year, JA staff and OneWest Bank employee volunteers (32 volunteers in FY14 and 30 in FY13) delivered its suite of elementary grade programs to a whole school (482 students in 16 classes in FY14 and 467 students in 15 classes in FY13) at Franklin Elementary in Santa Ana, Calif. where 99 percent of students are Hispanic or Latino and 98 percent are low- to moderate-income.

We look forward to working with OneWest Bank to further impact low- to moderate-income Orange County youth by preparing them to compete in today's global economy through JA's financial literacy, entrepreneurship, and work readiness programs.

Thank you,

A handwritten signature in black ink, appearing to read 'Christine Shewbridge', written in a cursive style.

Christine Shewbridge
Regional Executive Director



The Mike Curb Free Enterprise Center for JA Finance Park
The Lod Cook Center for Junior Achievement

August 5, 2014

Attn: Cindy Pulido
CRA Officer
OneWest Bank, N.A.
888 E. Walnut Street
Pasadena, CA 91101

To Whom it May Concern,

On behalf of Junior Achievement of Southern California, I am writing to lend my voice in support of the proposed OneWest Bank merger with the CIT Group.

Junior Achievement of Southern California provides vital financial literacy, entrepreneurship, and work-readiness training to over 100,000 students in Southern California each year. Over 70% of our students come from low- to moderate-income households, reflecting our belief that high-need students are most to benefit from lessons that help establish a fundamental understanding of financial responsibility.

Since 2010, OneWest Bank has been a dedicated supporter of our mission and programs. The firm has been an invaluable source of both financial and volunteer support, contributing nearly \$400,000 and supporting programs in high-need schools, both in Los Angeles and Orange County.

JA has found, in OneWest Bank, a partner with a true concern for the needs of the low-income community, and a stalwart supporter of our mission. Their commitment is perhaps best illustrated by the way in which we began our partnership, four years ago.

At the time, JA was in the midst of developing a new program strategy that would maximize our benefit to students: a community-encompassing approach that would provide JA lessons along a student's entire educational career, from Elementary through High School. JA's challenge was to find a partner willing to make the financial investment necessary to serve an entire community, and the commitment to provide the volunteers and funding necessary to continue serving the students over a term of multiple years.

Not only did OneWest Bank agree to sponsor this community-encompassing program initiative, they insisted their funds and volunteers be directed to serving the community in most dire need of JA programs, and where Junior Achievement had typically had difficulty serving students.

Since 2010, OneWest Bank and Junior Achievement have served over 12,000 students in East Los Angeles. East Los Angeles is well-known as one of California's most underprivileged communities, with more than two-thirds of families earning less than \$40,000 per year. Only 3.7% of East LA residents 25 and older have a four-year degree, and 66% have not completed high school. Nearly half of East Los Angeles residents are foreign-born, and many of the students served by JA programs in East LA are first-generation Americans (or immigrants, themselves). JA lessons are especially critical for these students, whose greater command of the English language gives them an outside role in helping their families make financial decisions.

Thanks to the support of OneWest Bank, JA has been able to provide four consecutive years of our programs to these students: representing an annual JA program experience for every student in the four schools (two Elementary Schools, one Middle School, and one High School) that serve the majority of East Los Angeles students.

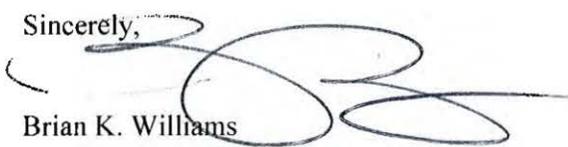
Each year, more than 300 OneWest Bank employees visit these schools to teach students the essentials of financial literacy, entrepreneurship, and workforce readiness, via lesson plans that range from budgeting, saving, and investing instruction, to career exploration and personal/professional goal setting. OneWest Bank has been a force for good in the lives of over 12,000 students in one of the highest-need communities in Southern California.

The tone of service is set at the top: Steven Mnuchin and his executive team have been the drivers of the bank's deep commitment to JA, both in East Los Angeles, and in a parallel service partnership with a Santa Ana elementary school (nearly 500 students served each year, over 95% of whom are from low-income households).

Junior Achievement provides students with relevant, hands-on activities that help them develop and refine the financial skills they need to create successful futures. For sixty years, JA of Southern California has been able to achieve our mission because of the dedicated support of community partners like OneWest Bank; whose investment in today's youth helps develop tomorrow's leaders.

Junior Achievement wishes OneWest Bank a speedy and smooth merger with the CIT Group, and looks forward to continued partnership with the firm. Together, we will continue the good work of our mission, and continue to help set low-income youth on a path to success and financial independence.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian K. Williams", written over a light blue horizontal line.

Brian K. Williams
President and CEO

September 2, 2014

Cindy Tran
CRA Officer
OneWest Bank, N.A.
888 East Walnut Street
Pasadena, CA 91101

Dear Interested Party,

The purpose of this letter is to provide details regarding OneWest Bank's support of the Los Angeles County Museum of Art (LACMA). LACMA is extremely grateful for OneWest Foundation's generous gift of \$100,000 over the last two years toward LACMA's Art + Film Education Initiative. The Art+Film Education Initiative responds to the presence and power of media in contemporary art and mainstream cultural production. Using LACMA galleries as inspiration, the programs addresses the processes, techniques, and strategies shared by both artists and filmmakers as a way to develop visual and media literacy.

Since the economic downturn in 2008, the Los Angeles Unified School District (LAUSD) has struggled to provide arts education as part of its core curriculum. Even at the height of arts education, the school system only allowed for thirty minutes of arts education per week, if at all. While Los Angeles boasts exceptional cultural resources, the students who have the most to gain are the least likely to receive meaningful arts instruction as part of their primary and secondary education, unless organizations like LACMA and companies like OneWest Bank intervene. Student involvement in the arts is linked to higher academic performance, greater involvement in community service, and lower dropout rates, as arts education fosters critical thinking, problem solving, collaboration, and innovation.

Last year the Art+Film Initiative provided more than 923 middle school students and teachers from the LAUSD with hands-on opportunities to utilize high-tech approaches to self-expression, creativity, and art. 18 middle schools were involved in the Initiative, 50% were Title 1 schools.

The demographic of students enrolled in the Art+Film Initiative were as follows: 73.4% Hispanic, 10.2% African American, 9.5% White, 5.9% Asian, and 1% Other.

Since the program's inception last year, the Art+Film Education Initiative has advanced LACMA's mission by expanding education programs in ways that express a twenty-first-century worldview of excellence in art and provides a varied, enjoyable, and didactic experience for children and teachers. Film is perhaps one of the most dominant art forms of the twentieth and twenty-first centuries. LACMA's Art+Film Initiative presents the moving image in the context of an art museum through exhibitions, film programs, and educational outreach initiatives. The Art+Film Initiative places film in dialogue with art of all times and cultures, and also brings contemporary filmmakers and film techniques to the museum and its community.

Without the support of OneWest Bank LACMA would not be able to provide education programming and another gathering place for students and teachers. The Art+Film Initiative serves the diverse citizens of Los Angeles and enables students and teachers to experience film as an art form. As the museum continues to evolve and expand, LACMA's commitment to education remains a constant. It is through the generosity of companies like OneWest Bank, that LACMA can continue to provide education programming for the Los Angeles community. We are so thankful for OneWest's gift to LACMA.

This gift from OneWest Bank sets a new standard for corporate leadership in public museum education programming. LACMA's partnership with OneWest Bank strengthens the museum's ability to provide excellent educational programming to Los Angeles schools. We are enormously gratified by OneWest's support of LACMA's Art+Film Education Initiative.

If you have any questions, please do not hesitate to contact me at 323 932-5872 or jsmith@lacma.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Scott', followed by a horizontal line.

Jolie Scott
Manager, Corporate Giving

MIND

Research Institute

August 18, 2014

Dear Interested Party:

MIND Research Institute (MIND) supports the proposed merger between OneWest Bank, N.A and CIT Group. OneWest Bank has always been a strong community partner and we believe the merger will greatly increase the resources available to communities in need.

MIND is grateful to The Onewest Foundation for supporting the Los Angeles and Orange County Math Initiatives. The \$200,000 gift reflects significant funding that enabled MIND to impact some of the lowest performing schools in Southern California by providing ST Math to help the schools increase math proficiency with great success. Together, the Math Initiatives reached 184 lowest performing schools providing our award winning math programs to over 89,000 students and 3,470 teachers.

In Orange County, a total of 108 schools and more than 57,000 Orange County students and 2,100 teachers participated in the Math Initiative, which represented approximately 90% students who were low-income, 93% Latino, 80% were English language learners and 91% participated in the Free or Reduced-priced meal program. In Los Angeles, a total of 76 schools and over 32,000 students and 1,370 teachers participated in the Math Initiative, representing 95% low-income, 85% Latino, 8% African American, 45% English language learners and 81% received Free or Reduced-price lunches.

MIND is a nonprofit organization that is committed to changing math education in America. Our mission is to ensure that all students are mathematically equipped to solve the world's most challenging problems. Our innovative and effective math program utilizes years of neuroscience research and gives students an individualized and powerful way to master math concepts. Los Angeles has some of the most high-need and disadvantaged students in the country, with Los Angeles Unified School District (LAUSD) being among one of the lowest-performing large urban school districts in the nation. Approximately 20% of its students, predominantly African American and Hispanic students drop out of high school and nearly 40% do not graduate on time. Adding to this overall low performance, a persistent achievement gap leaves low-income and traditionally underserved minorities significantly below their fellow students. In Los Angeles Unified School District, only 40% of Latinos and 34% of African-American students scored proficient in math in 2012, compared to 78% of Asian and 70% of White students.

A study conducted by WestEd, reported MIND's ST Math program made a significant impact on student math performance across 45 Los Angeles Unified School District elementary schools. The rigorous analysis adhered to the federal What Works Clearinghouse specifications, which found statistically significant differences in the average percentage of students in two groups: those that scored advanced and those scoring advanced or proficient on the California Standards Test (CST) in 2011. The 45 LAUSD schools analyzed were from the lowest 30% of statewide performance and serve a demographic that is about 95% low-income, 85% Hispanic, 8% African American and 45% English language learner. The 45 schools in the evaluation included more than 9,000 second, third, fourth and fifth graders using ST Math.

In addition, MIND completed a longitudinal evaluation on Santa Ana Unified School District's (SAUSD) results with ST Math. The results show that in Santa Ana, where 36 of the 38 elementary schools are using ST Math, in just eight years of using ST Math, math proficiency rates in the district increased from

31% of students being proficient or advanced to 67%. **This increase means that SAUSD has effectively closed the achievement gap between the district and the State.**

Research shows how critical a solid mathematics foundation is for students to succeed in middle school, stay in high school and pursue a college degree. For many students, math poses a serious challenge, erecting multiple barriers to future success. A lack of math competency will result in failing grades and students becoming disengaged from the learning process and not building the needed base in mathematics. Middle school math (6-8th grade) offers particular challenges with the introduction of more complex language and symbols that can be difficult for many students. Without addressing students' struggles with math at the elementary school level, more students will drop out of high school and be unprepared to meet the demands of the 21st century workforce.

With one of the highest concentrations of technology industries in the nation, Southern California requires a future workforce informed in the areas of science and math. Yet, the majority of 11th graders show only basic achievement in these subjects. An alarming number of students do not have the skills needed to be competitive in today's society.

Without strong math concept skills, these students will be unable to contribute to an increasingly innovation-driven workforce.

MIND has a 15-year track record of raising student math proficiency on standardized tests by double-digit percentages, especially among high-need students. Students who participate in our math education process make dramatic improvements on their standardized math tests, in addition to gaining the problem-solving skills needed for the 21st century. Currently, MIND is reaching more than 630,000 students and 25,000 teachers, in over 2,050 schools nationwide. Recent accomplishments include:

- In October 2013 MIND was recognized from two prestigious national organizations, the *Business Roundtable* and *Change the Equation*. After a rigorous review, ST Math was deemed to be ready to scale, and named one of five "outstanding" (and the only math program) K-12 STEM education programs in the nation.
- A recently released WestEd study confirmed gains in schools using ST Math. Our instructional program "made a statistically significant impact on student math performance across 45 high-need, low-performing LAUSD elementary schools."
- In February 2014 MIND was named as a new partner in the *100Kin10* network. The *100Kin10* multi-sector network is committed to training 100,000 STEM teachers by 2021.
- ST Math and MIND were recognized for our students' success in local and national media including *Forbes*, *Psychology Today*, *Huffington Post*, *Washington Times*, *San Francisco Chronicle*, *Sacramento Bee*, *Education Week*, and on *KCAL 9 Los Angeles*, *ABC-LA*, *NBC*, and *CBS*.

Due to ST Math's success with all students, especially disadvantaged students, we target underperforming school districts in the largest and most plagued urban centers in the country. Eighty-three percent of schools currently participating in MIND's ST Math program throughout the United States serve low-income students and 70% of students are from traditionally underserved minority backgrounds. Partnering with educators, community leaders and philanthropists, MIND has brought ST Math program to hundreds of thousands of students. Together, we will be able to assist in the turnaround of persistently low-performing schools and improve high school graduation rates, leading to an innovative 21st century workforce and stronger communities.

Sincerely,

Lori Burrill
Vice President
Individual & Planned Giving



Improving Children's Lives through Arts Education

August 12, 2014

To Whom It May Concern:

On behalf of P.S. ARTS, I am pleased to send this letter detailing our partnership with OneWest Bank and the impact their support has had on our programs. For the last three years, OneWest Bank has provided a \$50,000 grant to P.S. ARTS through our signature event Express Yourself. This event is the organization's largest fundraising event of the year and hosts 1,500 guests at the Barker Hangar in Santa Monica for an afternoon of art making. The OneWest Bank booth at Express Yourself, where guests have the opportunity to paint their own piggy banks, is always one of the most popular and their participation has been a welcome addition to this event. Most importantly, OneWest Bank's participation helps support P.S. ARTS mission to improve the lives of children by providing arts education to underserved public schools and communities.

Increasing students' capacity to succeed in school and life is at the core of the P.S. ARTS program model. To achieve this goal, P.S. ARTS provides every child in a school with weekly, yearlong arts education that contributes to overall school improvement in four domains: Student Success, Teaching Effectiveness, Positive School Climate, and Community Engagement. P.S. ARTS' 30-week visual and performing arts instructional scope and sequence is aligned with the California Visual and Performing Arts (VAPA) standards, and curriculum content is customized based on the individual interests and talents of our professional Teaching Artists. P.S. ARTS faculty collaborate with school administration to reinforce academic priorities, address individual educational needs, and support implementation of the State Common Core Standards (SCCS) initiative.

In the 2014-15 school year, P.S. ARTS will serve 20,000 K-8 students in Southern and Central California. Of the children we serve, approximately 75% live at or below the Federal Poverty Level (\$23,850 for a family of four), 41% are English learners, and 10% have special needs. Our students identify their ethnicity as 73% Hispanic or Latino, 9% Black or African American, 10% Caucasian, 3% Asian, and 5% other.

Despite the research that indicates numerous benefits associated with arts education, California public schools continue to cut back on arts programming due to continually shrinking budgets, competing priorities, and limited discretionary funding. As a result, the quality and frequency of arts education in our state's public schools is highly variable. Department of Education data tells us that students in underserved communities particularly benefit from arts education due to the emphasis placed on self-esteem and problem solving (Arts Education Partnership [AEP], 2002), but they are far less likely to receive arts education in California public schools. Studies also suggest that participation in the arts is associated with increased high school retention (AEP, 2002), a finding that cannot be ignored when the dropout rate in LA County has climbed as high as 50% in recent years. P.S. ARTS programs directly compensate for the arts that have been eliminated from these communities, and the support of OneWest Bank has been integral to our continued success. As such, we fully support the pending merger with CIT Group, and we look forward to working together at Express Yourself 2014. Again, thank you for your support of P.S. ARTS.

With regards,

Handwritten signature of Amy Shapiro in blue ink.

Amy Shapiro

Executive Director, Advancement & Operations



1541 WILSHIRE BOULEVARD, #200
LOS ANGELES, CA 90017
213-201-2000
WWW.PARTNERSHIPLA.ORG

August 11, 2014

To Whom It May Concern:

Re: Support for OneWest Bank’s Investment in the Los Angeles Public Schools

I am writing to offer our strong support for OneWest Bank’s critical role as a corporate partner in the effort to transform education in the most challenging public schools in the Los Angeles Unified School District (LAUSD), and also express our support of the proposed merger between OneWest Bank and CIT Bank.

With OneWest Bank’s investment of \$250,000 in our organization, the Partnership for Los Angeles Schools (Partnership), we were able to launch a campaign to deliver computers to the more than 900 teachers in our network, enabling them to bring 21st Century instruction to their classrooms. This directly impacted all 16 of our schools and the 15,000 students we serve from elementary to high school.

The Partnership was founded in 2007 to turn around failing schools in some of LA’s highest-poverty neighborhoods: Boyle Heights, South LA and Watts. We believe that corporate partners like OneWest Bank are critical stakeholders in the effort to successfully transform education. They bring financial resources to schools, as well as expertise in their field, and their presence on campuses provides students the opportunity to learn about different career paths they would otherwise not be exposed to within their communities.

The students who attend Partnership schools are an ethnic makeup of 90% Latino and 10% African American, and over 29% are Limited English Proficient (LEP). Approximately 12% of Partnership students are in special education, and 95% qualify for free and reduced lunch (a metric for determining socio-economic status). Even with these challenges, we have seen dramatic results in the first six years of operating schools and implementing our comprehensive transformation model.

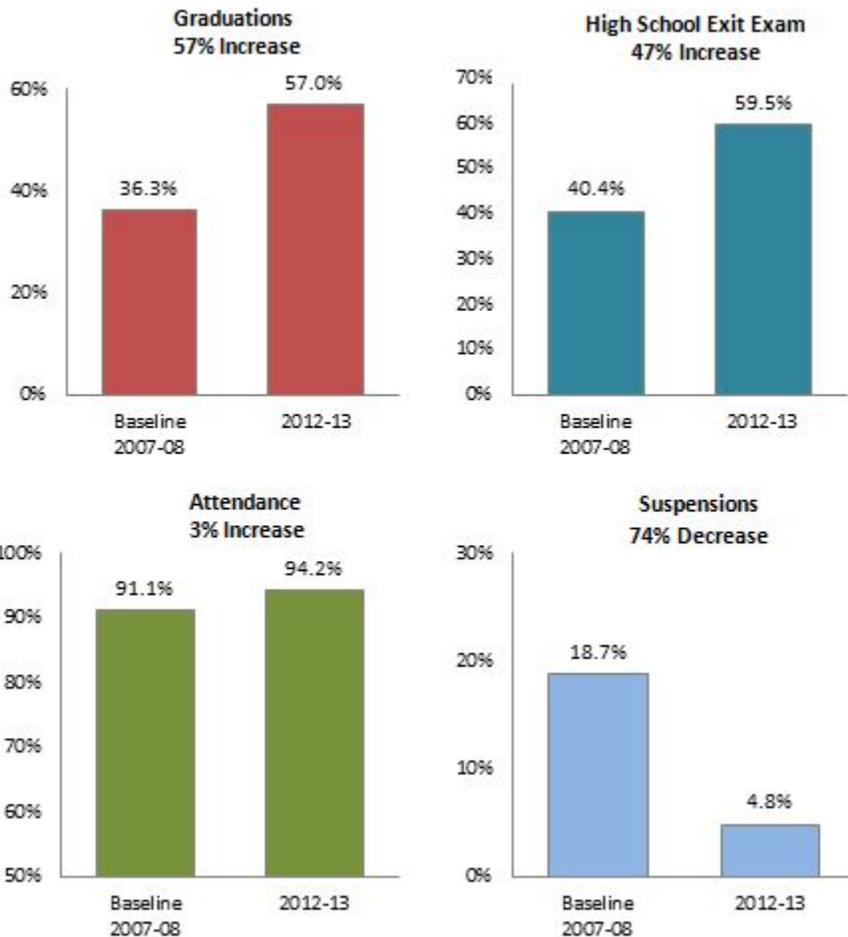


After consecutive years of accelerated growth, the Partnership was the #1 improving school system in the State with Academic Performance Index (API) gains outpacing all other mid to large school



1541 WILSHIRE BOULEVARD, #200
 LOS ANGELES, CA 90017
 213-201-2000
 WWW.PARTNERSHIPLA.ORG

districts in the 2012-13 school year. The Partnership has doubled proficiency across its network, improving test scores faster than LAUSD and State in all tested content areas. Other performance indicators where we have seen notable growth include graduations, first-time passing rates on the California High School Exit Exam (CAHSEE), attendance and suspensions.



The Partnership looks forward to continuing its collaboration with OneWest Bank to ensure the highest-need children of Los Angeles receive a quality education and graduate fully prepared for college and the workforce. If you have any questions, please feel free to contact us. Thank you for your time and consideration.

Respectfully,

Joan Sullivan
 CEO, Partnership for Los Angeles Schools



Saban Community Clinic

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CHIEF EXECUTIVE OFFICER

Jeffrey Bujer

August 5, 2014

OneWest Foundation
888 East Walnut Street
Pasadena, CA 91101

To whom it may concern,

This letter is to express commendation for OneWest Foundation and its impact on Saban Community Clinic's (SCC) patients and service area. Founded in 1967 as a store front clinic, SCC, today, is a premier community health center that provides comprehensive medical, dental, behavioral health, and social services to more than 21,000 children, teenagers, and adults in Los Angeles County.

For the past three years, OneWest Foundation has helped SCC continue to deliver health care and social services to the medically indigent and underserved. During this time, OneWest Foundation has helped SCC provide services to nearly 4,500 children and youth. Of the children and youth served, 98% came from families who reported to be living at or below 200% of the Federal Poverty Level.

All of us at SCC are truly grateful and proud to be a partner of OneWest Foundation. As a well-respected and trusted organization among community residents and local agencies alike, for its commitment to serving the underserved, and for its responsiveness to unmet community needs, OneWest Foundation has played a generous role through its partnership with SCC in ensuring the substantial betterment of SCC patients as well as the residents of Los Angeles County.

Saban Community Clinic would like to congratulate and offer our support to OneWest Bank on its recent proposed merger with CIT Bank. We wish you much success in your operations.

Enclosed please find additional information about Saban Community Clinic. Should you have any questions or would like to see the work we do first hand, please do not hesitate to contact me at (323) 330-1660 or jbujer@sabancommunityclinic.org.

Sincerely,

Jeffrey Bujer
Chief Executive Officer



Sotomayor & Associates, LLP

Certified Public Accountants

540 S Marengo Avenue
Pasadena, California 91101

(626) 397-4900

Fax: (626) 397-4908

E-mail: sotomayor@sotomayorcpa.com

Web Site www.sotomayorcpa.com

August 19, 2014

Karina Sotomayor
Sotomayor & Associates, LLP
540 South Marengo Avenue
Pasadena, CA 91101

To Whom It May Concern,

We are a CPA firm located in Pasadena, CA and have been engaged to perform auditing services for OneWest Bank's 401(k) plan for the past two years. Our experience with working with the bank's, procurement department, financial management, and staff has been highly rewarding in many aspects. Not only do we benefit financially by performing services to the bank, we gain further credibility in our industry by having a banking institution of its stature as a client. As a minority-owned business, we constantly market our services to companies and government agencies that give preference for our designation, however it was OneWest Bank that sought out our services and gave us the opportunity to serve as their auditors. The proposal and contract process was uncomplicated, thorough, and has set a high standard for our other client contracts.

The professionalism, integrity, and, responsiveness of OneWest's financial management allowed us to conduct our audit in an efficient manner and in return we were able to meet and exceed their expectations and provide a high quality audit report. We are proud to have OneWest Bank as fully satisfied client and through their recommendations have gained other audit engagements. We hope to continue to provide services to the bank and look forward to supporting the needs resulting from the merger with CIT.

If you should have any questions, please feel free to contact me at your convenience.

Regards,

Karina Sotomayor
Client Services Manager

Annex C

DRAFT

**CIT Bank N.A. Community Reinvestment Act Plan
October 2014**

SECTION I. INTRODUCTION

CIT Bank N.A. Profile

On July 21, 2014, CIT Group Inc. ("CIT Group") and IMB HoldCo LLC ("IMB") executed an Agreement and Plan of Merger pursuant to which (i) CIT Group will acquire 100% of the outstanding equity interests in IMB (the "Acquisition") through the merger of IMB with and into Carbon Merger Sub LLC ("Merger Sub"), a newly-formed direct subsidiary of CIT Group and (ii) it is contemplated that CIT Bank ("CITB"), a direct wholly-owned subsidiary of CIT Group, will merge with and into IMB's bank subsidiary, OneWest Bank, National Association ("OWB" or "OneWest") (the "Bank Merger") (collectively with the Acquisition, the "Transaction").

Following the Acquisition and prior to the Bank Merger, it is expected that Merger Sub will merge with and into CIT Group. CIT Group and IMB are in the process of applying for regulatory approval of the Acquisition from the Board of Governors of the Federal Reserve System (the "Federal Reserve"). In addition, OWB and CITB are applying for approval of the Bank Merger from the Office of the Comptroller of the Currency (the "OCC"). If the applications are approved, OWB, a national bank, intends to merge with CITB, a Utah state-chartered non-member bank, with OWB being the survivor. It is currently contemplated that the Bank Merger will be consummated immediately following the Acquisition. CIT Group currently intends to rename the resultant national bank "CIT Bank, National Association." The survivor of the Merger is herein referred to as "CIT Bank, N.A.," "CITBNA," or the "Bank," which will be a subsidiary of CIT Group.

Following the Merger, CITBNA will be regulated by the OCC and will be a member of the Federal Deposit Insurance Corporation (the "FDIC"). CIT Group, which elected to become a financial holding company, will continue to be supervised by the Federal Reserve Bank of New York.

This Transaction contemplates that CITBNA will be headquartered in Pasadena, California and will focus on delivering personalized, relationship-based banking to its customers. The Bank will have over 70 retail branches located in Southern California, principally in and around Los Angeles, to serve consumers and businesses.

This Community Reinvestment Act Plan (the "Plan") is subject to change based upon input from the OCC and the final Plan will be approved by the Enterprise Risk Committee of the Bank and the CITBNA Board, or the appropriate committee, following the completion of the Transaction and annually thereafter.

SECTION II. COMMITMENT TO THE COMMUNITY REINVESTMENT ACT

The 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.

The Bank will establish a community advisory board who will support the Bank in developing and refining our community programs and annual CRA plan.

The Bank will develop and implement an annual CRA plan to meet the needs of its community with an objective of receiving an "Outstanding" CRA rating from the OCC.

The Bank also recognizes its role in the community and with the input of the community advisory board may in some cases establish commitments or goals exceeding the standards outlined in the Community Reinvestment Act. To this end, the Bank may set certain diversity goals in the areas of employees, board members and suppliers to ensure the Bank represents the community in which it operates.

On an annual basis, the Bank will host a community day with community leaders in the Bank's assessment area to share information on its annual CRA activities and solicit input from the community on emerging and continuing areas of need.

SECTION III. ASSESSMENT AREA

The anticipated assessment areas ("AAs") are 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-Carlsbad, CA MSA (limited-scope)
- Anaheim-Santa Ana-Irvine, CA MD (limited-scope)

SECTION IV: CRA PLAN AND MEASURABLE GOALS

Lending:

The Bank analyzes peer lending data including aggregate lending data in the assessment area to develop CRA lending targets which may include volume, in/out ratio, geographic distribution, and borrower distribution targets.

The primary CRA lending product offered by CIT Bank N.A. will be small business loans and leases (including SBA 504 and 7a loans). In addition, CIT Bank N.A. will originate community development loans. Historically OneWest Bank's primary CRA product was single family residential ("SFR") mortgage lending, specifically refinancing borrowers in the mortgage servicing portfolio. As a result of OneWest's exit of the third party mortgage lending business in 2013, the Bank saw a significant decrease in its SFR lending activities. The Bank will seek to introduce innovative and flexible lending products to the market and will explore products such as multifamily lending, lines of credit to non-profits for purposes of acquiring properties for LMI homebuyers and affordable mortgage loan products (e.g. Wealth Building Home Loan as recently conceived by Bruce Marks and Ed Pinto and piloted by Bank of America). As in the past, key considerations will include the ability to recruit experienced subject matter experts, including both relationship officers and credit approval offers, for the contemplated product offering. All new product offerings will be subject to a new product approval process within CITBNA.

Measurable Lending Targets:

- Target small business lending (loans and leases) volumes in line with the Bank's AA deposit market share. For example, the current projected AA deposit market share of 5% multiplied by the 2013 AA small business aggregate lending volume of \$7.0 billion would result in a small business lending target of \$350 million. Targets will be assessed on an annual basis as deposit market share and aggregate lending volumes fluctuate. (Note: Aggregate AA lending volume will be measured on a one year lag based on data availability).
- Meet or exceed peer benchmark targets for low and moderate income tracts and borrowers

- Achieve SBA Preferred Lender designation
- Develop a small business loan and technical assistance referral program so that businesses unable to qualify for small business loans from the Bank can be referred seamlessly to local CDFIs and other nonprofit providers that may be able to make the loan and/or provide technical assistance in order to help borrowers better prepare themselves to qualify for conventional financing.
- Commit at least 1% of Assessment Area deposits for community development lending
- Maintain single point of contact to work with nonprofit groups representing homeowners seeking to secure loan modifications
- For loans originated by CITBNA (including originations by predecessor OneWest Bank, however excluding loans acquired by OneWest Bank), CITBNA will develop a policy to prefer nonprofits in the sale of distressed loans and REO properties.

Investments:

The Bank benchmarked against peer CRA investment activity (i.e. City National Bank and Union Bank who each achieved an Outstanding rating for CRA investments) to develop the CRA investment targets. In an effort to respond to community development needs, the Bank will focus its investments on affordable housing projects and economic development. The Bank will strive to broaden its CRA investment portfolio to include more complex investments that respond to community needs while maintaining the Bank's risk and economic return tolerances. In addition, the Bank will continue to work with nonprofit organizations that provide basic services that provide community benefits. These services could include: technical assistance programs for small business owners, affordable housing, workforce development, education and financial literacy, health and human services, and programs for at risk youth.

Measurable Investment Targets:

- 1.2% of Assessment Area deposits as the outstanding balance in CRA qualified investments
- 8% of Tier 1 Deployed Capital in CRA qualified investments
- \$3 million in annual donations to established non-profit organizations with demonstrated impact that support the provision of affordable housing, education and financial literacy, workforce development, health and human services to LMI individuals and technical assistance programs for small business owners.

Services:

The Bank is committed to providing retail services to low and moderate income people. The Bank inherited its branch footprint from its predecessor bank. As the Bank expands, it will look to increase retail services to LMI people through online and mobile banking capabilities as well as the increased availability of ATMs in LMI tracts. On a periodic basis, the Bank will reevaluate its suite of banking products, including the personal checking account to ensure its products and services are favorable to peer banks. CITBNA will consider the needs of low and moderate income individuals as it contemplates product changes.

Measurable Services Targets:

- 15% of total branches/ATMs out of the total population of branches/ATMs to be located in low and moderate income (LMI) tracts.
- ATMs will be a member of MoneyPass providing participants surcharge free access to the Bank's ATMs (Note: EBT Cards are members of MoneyPass)
- Reduce opening balance deposit requirement from \$100 to \$25

- Annual CRA volunteer service target of 2,500 hours

SECTION V: OTHER COMMUNITY GOALS

The Bank is an equal opportunity and affirmative action employer and committed to building and maintaining a diverse workforce. The Bank will set diversity goals in the areas of employees, board members and suppliers to ensure the Bank represents the community in which it operates.

Measurable Targets:

- The Bank will seek to have representatives from the Latino, Asian American and Pacific Islander, and African-American community on its board of directors within 3 years.
- The Bank will set a target for a percentage of vendor spend with women, minority-owned businesses and service disabled veterans within 120 days of the consummation of the merger.
- Commitment to join the Southern California Minority Supplier Development Council
- Commit to actively recruit minorities, disabled, veterans as well as unemployed individuals through outreach in targeted job fairs and job boards

Annex D

Overview of selected OneWest Foundation Relationships

Organization	Annual Amount Funded	Years Funded	Total Contributed to Date	% LMI Served	Description of Services
Neighborhood Housing Services of Los Angeles County	\$75,000	2010 2011 2013	\$175,000	95%	The purpose of this grant is to assist very low and low-to-moderate income families in LA county with foreclosure counseling and the purchase of their first home
NeighborWorks Orange County	\$25,000	2011 2012 2013	\$75,000	>51%	The purpose of this grant is to assist very low and low-to-moderate income families in Orange county with foreclosure and the purchase of their first home
California Community Economic Development Association (CCEDA)	\$25,000	2013	\$25,000	>51%	The purpose of this grant is to provide technical assistance to strengthen and build capacity for 200+ nonprofit community economic practitioners specializing in affordable housing, community and economic development, serving low-to-moderate income communities in California.
Public Counsel	\$15,000	2013 2014	\$25,000	>51%	The purpose of this grant is to provide free legal services to families, abused children, seniors, victims of torture and abuse, veterans, nonprofits, and small businesses.
Junior Achievement of Southern California	\$75,000	2010 2011 2012 2013 2014	\$375,000	70%+	The purpose of this grant is to fund a youth personal finance education program to students of East Los Angeles schools.
Junior Achievement of Orange County	\$10,000	2012 2013 2014	\$30,000	97%	The purpose of this grant is financial support of a financial education program for Franklin Elementary School and Thorpe Elementary School in Santa Ana where the majority of the students qualify for the free and reduced lunch program.
Boys & Girls Club of Pasadena	\$25,000	2012 2013 2014	\$75,000	80%	The purpose of this grant is support of the Money Matters workshops to teach teenagers about budgeting, savings, and investment.
Boys & Girls Club of Santa Monica	\$25,000	2012 2013 2014	\$75,000	80%	The purpose of the grant is support of the Money Matters workshops to teach teenagers about budgeting, savings, and investment.

Organization	Annual Amount Funded	Years Funded	Total Contributed to Date	% LMI Served	Description of Services
Partnership for LA Schools	\$250,000	2012	\$250,000	95%	The purpose of this grant is financial support of laptops for teachers participating in the Blended Learning initiative to help them better track student performance.
City Year Los Angeles	\$100,000	2012 2013 2014	\$300,000	80%	The purpose of this grant is financial support of corps members at Markham Middle School. Corps members provide students with remediation and afterschool homework help.
MIND Research Institute	\$100,000	2012 2013 2014	\$300,000	90%	The purpose of this grant is to support the roll out of the Mind Research Institute software in low-to-moderate income schools in Santa Ana and Los Angeles. Access to this software will help to enhance student mathematical skills.
LAPD – Juvenile Impact Program	\$100,000	2010 2011 2012 2014	\$400,000	>51%	The purpose of this grant is to support the Juvenile Impact Program, a police program that works with at-risk youths between the ages of 9 and 15, immersing them in a boot style program that helps them resist gangs while improving their school attendance and performance, their relationships with their families and their self-respect.
Hollenbeck Youth Center	\$25,000	2010 2011 2012 2013 2014	\$246,500	100%	The purpose of this grant is to support the Miracle on 1 st Street event to provide gifts to low-income families during the holidays. The grant also supports Hollenbeck Youth Center's inner city programs for youth focusing on athletics, academics, life skills and workforce development.
P.S. ARTS	\$50,000	2011 2012 2013 2014	\$200,000	75%	The purpose of this grant is to help restore art programs in public education.
Segerstrom Center for the Arts	\$50,000	2012 2013 2014	\$150,000	75%	The purpose of this grant is financial support of the ArtsConnect program at Sonora Elementary School in Costa Mesa. The program uses art as a medium in which to help students better grasp core material in school by strengthening their cognitive, social and personal development. The majority of the students qualify for the free and reduced lunch program.

Organization	Annual Amount Funded	Years Funded	Total Contributed to Date	% LMI Served	Description of Services
Los Angeles County Museum of Art (LACMA)	\$50,000	2012 2013	\$100,000	>51%	The purpose of this grant is financial support of the Art + Film Education program to provide arts education to low-income middle school students in the San Fernando Valley.
The Museum of Contemporary Art (MOCA)	\$50,000	2011 2012 2013	\$150,000	75%	The purpose of this grant is to promote art awareness and build stronger communities within the Los Angeles area.
Operation HOPE	\$50,000	2012	\$50,000	85%	The purpose of this grant is the financial support of the Business-In-A-Box program to fund two HOPE school zones in Los Angeles in order to support an entrepreneurship program benefitting youth in under-served communities who show unique initiative and interest in becoming their own boss.
Operation HOPE	\$50,000	2014	\$50,000	>51%	The purpose of this grant is to support the HOPE Inside program to provide small business technical assistance to small business owners in Northridge, a moderate income community.
Cedar Sinai Mobile Clinic	\$100,000	2010 2011 2012 2013 2014	\$500,000	100%	The purpose of this grant is to fund the delivery of free, high-quality healthcare in a mobile medical clinic that reaches out to underserved children and their families in Los Angeles.
UCLA / Venice Family Clinic	\$100,000	2010 2011 2012	\$300,000	100%	The purpose of this grant is to support low-to-moderate income patients who lack private insurance and do not qualify for Medi-Cal or Medicare coverage.
UCLA / Mattel Children's Hospital	\$100,000	2013 2014	\$200,000	65%	The purpose of this grant is to support a pediatric diabetes program for low-to-moderate income patients.
Saban Community Clinic	\$100,000	2011 2012 2014	\$300,000	98%	The purpose of this grant is to provide comprehensive, dependable and affordable health care to those in need.