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December 4, 2014

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

Attn: Ivan J. Hurwitz
Vice President, Bank Applications

Re: CIT Group Inc. Proposed Acquisition of IMB Holdco LLC –
Response to the Request for Additional Information

Ladies and Gentlemen:

On behalf of our clients, CIT Group Inc. and Carbon Merger Sub LLC (together, the “Applicants”), enclosed please find a response, prepared by the Applicants, to the letter, dated November 14, 2014, from the Board of Governors of the Federal Reserve System (the “Board”) requesting additional information with respect 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: Philip Bae
(Federal Reserve Bank of New York)

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U.S. Department of Justice, Antitrust Division

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Commenters Listed on Schedule A

Schedule A

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RESPONSES TO THE REQUEST FOR ADDITIONAL INFORMATION
DATED NOVEMBER 14, 2014
FROM THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
IN CONNECTION WITH THE
APPLICATION
TO THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
RELATING TO THE PROPOSED ACQUISITION OF
IMB HOLDCO LLC
BY
CIT GROUP INC.
AND
CARBON MERGER SUB LLC

December 4, 2014

**Responses to the Request for Additional Information, dated November 14, 2014, from the
Board of Governors of the Federal Reserve System¹**

- 1. Provide a pro forma shareholders list that identifies any shareholder or group of shareholders that would own or control, directly or indirectly, five percent or more of any class of voting securities, or 10 percent or more of the total equity, of the combined organization. Your response should indicate whether any identified shareholder is a bank or bank holding company. In calculating the voting ownership, include any warrants, options, and other convertible instruments, and show all levels of voting ownership on both a fully diluted and an individually diluted basis. Aggregate the interests of any related shareholders, including, for example, shareholders that are acting in concert (pursuant to definitions and presumptions in 12 CFR 225.41) and shareholders that are commonly controlled or advised.**

Based on information available to CIT, the following two existing shareholders of CIT Group, on a pro forma basis following the Transaction, will have more than 5% of any class of CIT Group's voting securities (the only class of voting securities is CIT's common equity):

- The Vanguard Group, Inc. – 5.3% (5.2% fully diluted)
- Capital Research Global Investors (U.S.) – 5.1% (5.0% fully diluted)²

Based on information available to CIT, neither of the above two entities is a bank or bank holding company, and neither entity would own or control, directly or indirectly, on a pro forma basis following the Transaction, 10% or more of the total equity of CIT Group.

Based on information available to CIT, no shareholder would own or control, directly or indirectly, on a pro forma basis following the Transaction, 10% or more of the total equity of CIT Group.

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.

² Ownership percentages are based on 183,422,634 CIT Group common shares outstanding as of September 30, 2014 and an assumed 30,423,317 shares to be issued at closing of the Transaction. These shareholder ownership figures are based on beneficial ownership filings with the Securities and Exchange Commission under Section 13 of the Securities Exchange Act of 1934 as of September 30, 2014. To the best of CIT's knowledge, neither The Vanguard Group, Inc. nor Capital Research Global Investors (U.S.) owns any warrants, options or convertible instruments of CIT Group. Actual shareholder holdings and outstanding shares may differ at the time of closing of the Transaction. Based on information available to CIT, CIT is not aware of any related shareholders, including those acting in concert or that are commonly controlled or advised, that would own or control, directly or indirectly, on a pro forma basis following the Transaction, either 5% or more of any class of voting securities, or 10% or more of the total equity, of CIT Group.

2. **Your October 8, 2014, letter responding to staff’s request for additional information (the “Response”) states that while “CIT and OneWest do not believe the proposed Transaction requires the consent of the GSEs [t]he parties will provide the GSEs with formal notice of the transaction and engage with them as appropriate.” Provide the specific timeframes in which the parties will file a formal notice and consult with the GSEs about this proposed transaction.**

OneWest has discussed the Transaction with staff of each of FannieMae and FreddieMac (the “GSEs”) and will be filing an application in connection with the change of control of OWB in order for OWB to continue as a seller/servicer for the respective GSE. OneWest is now in the process of preparing the appropriate applications, which it expects to submit as soon as possible, and no later than year-end.

3. **The Response indicates that several integration planning decisions and actions have already been made or taken with respect to the integration of the CIT and IMB organizations. Confirm or clarify our understanding that the decisions and actions identified in the Response will not apply to the companies and their operations prior to the Board’s approval of the proposed transactions.**

The only integration decisions that have been taken or will be taken prior to closing of the Transaction relate to planning and preparing for integration generally, including the planning or preparation activities that would be implemented in accordance with an Integration Project Plan, which is still being developed (please see the response to Question 4 below for additional detail). Integration itself, through implementation of the Integration Project Plan, however, will not commence until closing of the Transaction (and receipt of all regulatory approvals required in connection with the Transaction, including that of the Board). CIT confirms your understanding that the decisions and actions identified in the Response will not apply to the companies and their operations prior to the Board’s approval of the proposed Transaction.

4. **The Response also indicates that the parties will execute a number of actions prior to the closing of the proposed transaction “to ensure that, on ‘Legal Day One’, the combined institution operates in manner consistent with . . . expectations.” To the extent not already provided, identify all pre-closing actions that will be executed in connection with the integration of the CIT and IMB organizations.**

The pre-closing planning actions that have been identified to date are generally in the form of decisions that have been or will be made prior to closing to permit integration to occur effectively after closing and to facilitate compliance with legal and regulatory requirements upon closing; however, as noted above, the actions will not be effectuated until the closing of the Transaction. CIT will provide the Board with a copy of a draft Integration Project Plan in a supplemental submission. Examples of pre-closing planning items include:

1. Organization Structure/Staffing. Identifying the organizational structure, officers and other key members of management for CITBNA.
2. Board Structure. Determining the structure and membership of the Board and Committees of CIT Group Inc. and CITBNA as they would exist after closing.

3. Business and Customers. Creating plans to ensure customer access to third-party websites necessary for the operation of online banking is maintained and preparing to send any required customer communications.
4. IT Systems. Identifying IT Systems to be used by the combined company and determining a strategy for integrating and consolidating systems after closing.
5. Compensation and Benefits. Determining compensation and benefits plans and programs that will be put in place for the combined company post-closing and conducting systems-planning work to ensure systems will be in place to support compensation and benefits continuity post-closing.
6. Corporate Insurance. Planning for property, general liability, professional liability, workers' compensation and other appropriate insurance policies that will become effective upon closing.
7. Corporate Names/Marketing Materials/Forms. Determining use of corporate and trade names for post-closing legal entities and branches. Preparing replacement letterhead, signage, business cards, marketing materials and business forms to reflect the post-closing naming conventions adopted by CIT.
8. Engagement of Third Parties. CIT's engagement of Deloitte to support the company with the integration planning process. Other consultants and third-party experts will be engaged to prepare for integration and closing, including a consultant to conduct a review of IMB's assets and liabilities for possible purchase accounting adjustments.
9. Policies. Developing HR, Risk, Accounting, Credit, Finance and other company-wide or bank policies that will become effective upon closing.