
From: Matthew R. Lee
Sent: Saturday, September 06, 2014 8:33:38 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments; Office-of-the-Secretary, (Board)
Cc: Matthew R. Lee [at] FairFinanceWatch.org; Matthew Lee [at] innercitypress.org
Subject: Re: Timely Initial Comment on Application of CIT Group Inc. and Carbon Merger Sub LLC to acquire and merge with IMB HoldCo LLC, and indirectly acquire voting shares of OneWest Bank, N.A.

September 6, 2014

Via E-mail comments.applications@ny.frb.org, Office-of-the-Secretary [at] frb.gov

Federal Reserve Bank of New York
Ivan J. Hurwitz, Vice President,
33 Liberty Street
New York, NY 10045

Board of Governors of the Federal Reserve System
Attn: Chair Yellen, Secretary Robert deV. Frierson
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Timely Initial Comment on Application of CIT Group Inc. and Carbon Merger Sub LLC to acquire and merge with IMB HoldCo LLC, and indirectly acquire voting shares of OneWest Bank, N.A.

Dear Chair Yellen, Secretary deV. Frierson and others in the FRS:

This is a timely first comment opposing and requesting an extension of the FRB's public comment period on the Application by CIT Group Inc. and Carbon Merger Sub LLC to acquire and merge with IMB HoldCo LLC, and indirectly acquire voting shares of OneWest Bank.

On August 26, Inner City Press & Fair Finance Watch requesting from the Federal Reserve System the entire application, and the FRS' communications with the companies since January 1, 2014.

As provided so far, the application withholds the "CRA Plans" of both banks, while making claims about these plans:

"Since the 2013 performance evaluation, CITB has implemented its CRA Plan covering 2013-2017, which is included in Confidential Exhibit 9;"

"OWB has a strong CRA compliance program and has developed a CRA plan, included in Confidential Exhibit 9;" and

"CITBNA will create and operate under a new CRA plan, which it will develop subject to regulatory review."

This is a mis-reading, even a perversion of the Community Reinvestment Act, that these two documents and the projected third one can be withheld or subject only to "regulatory" review, and not public review. The documents, timely requested, must be released and the comment period must be extended.

For now, consider that OneWest in the Los Angeles MSA in 2012 made 28 home purchase loans to whites and NONE to African Americans; it made 12 home improvement loans to whites and NONE to African Americans.

Please immediately send all requested information and responses by e-mail to lee@fairfinancewatch.org and innercitypress@gmail.com, and/or by hard copy by FedEx to:

Matthew R. Lee, Esq.

Fair Finance Watch

c/o 747 Third Ave ("hold at location" Fed Ex), NY NY 10017 USA

Or regular mail: Matthew R. Lee Esq, PO Box 20047, NYC NY 10017

If you have any questions, please immediately telephone the undersigned, at (718) 716-3540.

Very Truly Yours,

Matthew Lee, Esq.
Executive Director
Inner City Press/Fair Finance Watch

paste

Dear Mr. Lee,

This is in reference to your electronic message dated August 26, 2014, and received by the Board's Freedom of Information Office August 27. Attached is the public portion of the application by CIT Group Inc. and Carbon Merger Sub LLC to acquire and merge with IMB HoldCo LLC, and thereby indirectly acquire voting shares of OneWest Bank, N.A., including Carbon Merger Sub LLC's application to become a bank holding company.

Board staff are currently processing the remainder of the FOIA request, which seeks the confidential portions of the application and all records reflecting FRS communications with or about the two entities (or their affiliates) regarding the proposal since January 1, 2014.

Freedom of Information Office
Federal Reserve Board

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Opposition to CIT Group's application to purchase OneWest Bank.
Date: Monday, October 06, 2014 5:31:24 PM
Attachments: [CIT-OneWest Comment Letter.doc](#)

From: stephon.taylor@gmail.com On Behalf Of Stephon Taylor
Sent: Monday, October 06, 2014 5:31:18 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Subject: Opposition to CIT Group's application to purchase OneWest Bank.

Mr. Hurwitz,

Attached is a letter that affirms California Resources and Training's (CARAT) opposition to CIT Groups application to purchase OneWest Bank. I have outlined my concerns in the letter. Feel free to contact me should you have additional questions.

Respectfully,
Stephon Taylor



Innovators in TA Performance and Service

300 Frank Ogawa Plaza, Suite 175
Oakland, CA 94612
Voice – 510.451.2545
Fax – 510.451.2544
Email – training@caratnet.org
Web – www.caratnet.org

October 6, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

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Corporation
Oakland, CA

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

California Resources and Training (CARAT) files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

CARAT is a statewide, nonprofit organization that has been providing Technical Assistance services to the business development community throughout California since 1994.

As a technical assistance provider in the economic development space, CARAT has forged strong relationships with the majority of major banks that provide services in Low-Moderate Income (LMI) communities. CARAT has worked in partnership with those banks to come up with actionable plans to provide low/no cost training and business services to small businesses within their (the banks) LMI footprints. Sadly, CIT has shown no interest in supporting the small business communities within their footprint. Our requests to develop a strategy to address the community's small business needs have been met with resistance and inaction. I strongly suspect CARAT's experiences with CIT are not unique. Many of our colleagues in the economic development community have found CIT unwilling to provide a basic plan on how they intend to support and service the local small business community.

The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was borne from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. The OneWest investors received not only a bargain basement price to purchase Indymac, they also obtained a favorable loss share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses on loans made by Indymac. In other words, OneWest investors paid little for a bank that came with limited risks to the investors.

CIT Group sought and received \$2.3 billion in TARP funds. As if that were not enough, CIT soon thereafter filed one of the biggest bankruptcies in history, and failed to repay its TARP funds.

Our concerns about this merger include:

- Another Too Big To Fail Bank is not what our communities need.
- The transfer of OneWest's loss share agreement to CIT is not appropriate. Loss share agreements are meant to protect our financial system, not enrich investors and private companies.
- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.
- OneWest and its reverse mortgage lender were responsible for foreclosing on over 40,000 seniors and residents of California over the last 4 years.
- Over 450 complaints against OneWest were filed by OneWest customers with the CFPB over the last 32 months, with 432 of those complaints relating to mortgages.
- OneWest offers a community plan that does not oblige it to noticeably increase its reinvestment activities, even though its asset size will dramatically increase.
- OneWest received a "low satisfactory" under the Investment test, in its most recent CRA Performance Evaluation.
- OneWest has a low 15% of its branches in LMI neighborhoods, including only two branches in low income neighborhoods.
- The Bank will significantly underperform its peers in overall CRA activity as a percentage of its California deposits.
- The Bank's low level of charitable contributions as a percentage of its California deposits is below many of its peers, and the bank has only provided 7% of contributions to support housing and economic development activities and groups.
- The Bank has no specific goals to contract with Minority/Women/Disabled Business Enterprises.
- The Bank has no multifamily loan product to support affordable housing development.
- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.

For all of these reasons, we urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this merger can have on local communities, and the failure of OneWest Bank to develop and make public a strong CRA Plan that identifies and addresses local community needs.

OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at (510) 451-2545

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Selma Taylor". The signature is fluid and cursive, with the first name "Selma" and last name "Taylor" clearly distinguishable.

Selma Taylor
Executive Director

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [Kevin Stein](#)
To: [McCune, Crystall](#)
Subject: Re: Opposition to CIT Group application
Date: Wednesday, October 08, 2014 8:34:59 PM
Attachments: [ATT00001.png](#)
[ATT00002.png](#)
[Hurwitz 10_7_14.pdf](#)

Hi Crystall,

This is the letter they sent in. Let me know if you need anything else. Thanks

Kevin

On 10/8/2014 5:46 AM, McCune, Crystall wrote:

Good Morning:

Please resubmit your comment letter from the CEO of Renaissance by attaching the document to the email. We are unable to retrieve the document in its current format.

Regards,

Crystall R. McCune

Bank Applications Support Sr Analyst

Federal Reserve Bank of New York

Bank Applications Function

LEGAL GROUP



Tel: 212.720.8842

Fax: 212.720.1608

From: Coco O'Donnell
Sent: Tuesday, October 07, 2014 3:58:35 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: kstein@calreinvest.org
Subject: Opposition to CIT Group application

 [Hurwitz 10 7 14.pdf](#)

Dear Mr. Hurwitz,

Please see the attached letter from the CEO of Renaissance.

Thank you,

Coco O'Donnell

Executive Associate

415.348.6204 p

415.541.8589 f

257 Fifth Street

San Francisco, CA 94103



This e-mail message, including attachments, is for the sole use of the intended recipient(s) and may contain confidential or proprietary information. If you are not the intended recipient, immediately contact the sender by reply e-mail and destroy all copies of the original message.

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Kevin Stein
California Reinvestment Coalition
415-864-3980
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October 7, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: *Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings*

Dear Mr. Hurwitz,

Renaissance Entrepreneurship Center files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

Renaissance provides comprehensive English and Spanish small business training and support services to help lower-income women and men establish economic self-sufficiency through small business ownership.

The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was borne from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. The OneWest investors received not only a bargain basement price to purchase Indymac, they also obtained a favorable loss share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses on loans made by Indymac. In other words, OneWest investors paid little for a bank that came with limited risks to the investors.

CIT Group sought and received \$2.3 billion in TARP funds. As if that were not enough, CIT soon thereafter filed one of the biggest bankruptcies in history, and failed to repay its TARP funds.

Our concerns about this merger include:

- Another Too Big To Fail Bank is not what our communities need.
- The transfer of OneWest's loss share agreement to CIT is not appropriate. Loss share agreements are meant to protect our financial system, not enrich investors and private companies.
- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.
- OneWest and its reverse mortgage lender were responsible for foreclosing on over 40,000 seniors and residents of California over the last 4 years.

- Over 450 complaints against OneWest were filed by OneWest customers with the CFPB over the last 32 months, with 432 of those complaints relating to mortgages.
- OneWest offers a community plan that does not oblige it to noticeably increase its reinvestment activities, even though its asset size will dramatically increase.
- OneWest received a “low satisfactory” under the Investment test, in its most recent CRA Performance Evaluation.
- OneWest has a low 15% of its branches in LMI neighborhoods, including only two branches in low income neighborhoods.
- The Bank will significantly underperform its peers in overall CRA activity as a percentage of its California deposits.
- The Bank’s low level of charitable contributions as a percentage of its California deposits is below many of its peers, and the bank has only provided 7% of contributions to support housing and economic development activities and groups.
- The Bank has no specific goals to contract with Minority/Women/Disabled Business Enterprises.
- The Bank has no multifamily loan product to support affordable housing development.
- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.

For all of these reasons, we urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this merger can have on local communities, and the failure of OneWest Bank to develop and make public a strong CRA Plan that identifies and addresses local community needs.

OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at 415.348.6204

Very Truly Yours,



Sharon Miller
CEO

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Opposition to CIT Group and OneWest Bank Merger
Date: Wednesday, October 08, 2014 4:45:11 PM
Attachments: [Opposition to proposed OneWest CIT Merger- HERA 10.14.pdf](#)

From: Maeve Elise Brown
Sent: Wednesday, October 08, 2014 4:44:27 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Subject: Opposition to CIT Group and OneWest Bank Merger

Please see attached letter of opposition to the proposed merger. Thank you.

Maeve Elise Brown, Esq.
Executive Director
Housing and Economic Rights Advocates (HERA)
Phone: [\(510\) 271-8443](tel:(510)271-8443)
Fax: [\(510\) 868-4521](tel:(510)868-4521)

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HERA

housing and
economic
rights advocates

October 8, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

Housing and Economic Rights Advocates (HERA) files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

HERA is the only California statewide non-profit law office dedicated to Asset Preservation and Asset Building free of discrimination. Since opening in 2005, we have served over 11,000 vulnerable Californians, focusing on predatory mortgage lending, abusive mortgage servicing practices and, in more recent years, wrongful debt collection practices and credit reporting problems in other areas such as student loans, and auto loans.

HERA has not had experience with CIT, but we have had experience with OneWest as a mortgage servicer, and that experience has not generally been positive. We have found that our clients have had difficulties in reaching anyone willing to provide them with clear and professional loss mitigation assistance, and we have not always found them easy to deal with ourselves.

The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was born from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. The OneWest investors received not only a bargain basement price to purchase Indymac, they also obtained a favorable loss share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses on loans made

phone 510.271.8443
fax 510.868.4521

by Indymac. In other words, OneWest investors paid little for a bank that came with limited risks to the investors.

CIT Group sought and received \$2.3 billion in TARP funds. As if that were not enough, CIT soon thereafter filed one of the biggest bankruptcies in history, and failed to repay its TARP funds.

Our concerns about this merger include:

- Another Too Big To Fail Bank is not what our communities need.
- The transfer of OneWest's loss share agreement to CIT is not appropriate. Loss share agreements are meant to protect our financial system, not enrich investors and private companies.
- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.
- OneWest and its reverse mortgage lender were responsible for foreclosing on over 40,000 seniors and residents of California over the last 7 years.
- Over 450 complaints against OneWest were filed by OneWest customers with the CFPB over the last 32 months, with 432 of those complaints relating to mortgages.
- OneWest offers a community plan that does not oblige it to noticeably increase its reinvestment activities, even though its asset size will dramatically increase.
- OneWest received a "low satisfactory" under the Investment test, in its most recent CRA Performance Evaluation.
- OneWest has a low 15% of its branches in LMI neighborhoods, including only two branches in low income neighborhoods.
- The Bank will significantly underperform its peers in overall CRA activity as a percentage of its California deposits.
- The Bank's low level of charitable contributions as a percentage of its California deposits is below many of its peers, and the bank has only provided 7% of contributions to support housing and economic development activities and groups.
- The Bank has no specific goals to contract with Minority/Women/Disabled Business Enterprises.
- The Bank has no multifamily loan product to support affordable housing development.
- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.

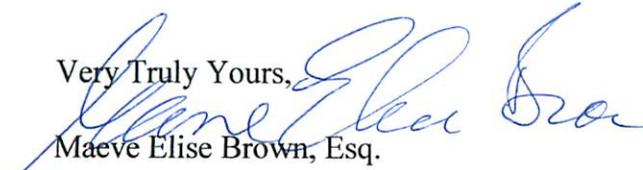
For all of these reasons, we urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this merger can have on local communities, and the failure of OneWest Bank to develop and make public a strong CRA Plan that identifies and addresses local community needs.

phone 510.271.8443
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OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of *loss sharing* agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at 510 271-8443 extension 307.

Very Truly Yours,



Maeve Elise Brown, Esq.
Executive Director

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Opposition to CIT Group application to acquire IMB and OneWest Bank
Date: Thursday, October 09, 2014 2:45:35 PM
Attachments: [Comment Letter on OneWest CIT Merger AnewAmerica.pdf](#)

From: Amelie Booska
Sent: Thursday, October 09, 2014 2:45:10 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: kstein@calreinvest.org
Subject: Opposition to CIT Group application to acquire IMB and OneWest Bank

October 9, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001

Dear Mr. Hurwitz,

Please find attached AnewAmerica's comment letter regarding the CIT Group application to acquire IMB and OneWest Bank. AnewAmerica would like to request an extension of the comment period and public hearings in Los Angeles on the proposed merger before a decision is made.

AnewAmerica is a 501(c)3 nonprofit organization located in Berkeley, California. Our mission is to provide training and technical assistance to targeted communities for economic and social empowerment through a focus on green entrepreneurship, asset building, social responsibility and civic engagement. We work with traditionally challenged communities, which include new Americans (new citizens, refugees and immigrants), women, minorities and low to moderate income households, to empower them to make their American dream a reality while contributing to the economic growth and social capital of their communities.

Please feel free to contact us with any questions.

Best,

Amelie Booska
Development Associate at AnewAmerica Community Corporation
1918 University Avenue, Suite 3A
Berkeley, CA 94704

(510) 540-7785 ext 305
abooska@anewamerica.org
www.anewamerica.org

October 9, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

AnewAmerica Community Corporation files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

AnewAmerica provides training and technical assistance to targeted communities for economic and social empowerment through a focus on green entrepreneurship, asset building, social responsibility and civic engagement. We work with traditionally challenged communities, which include new Americans (new citizens, refugees and immigrants), women, minorities and low to moderate income households, to empower them to make their American dream a reality while contributing to the economic growth and social capital of their communities.

AnewAmerica has not partnered with OneWest Bank or CIT. We find the merger of particular concern because it would create the newest Too Big to Fail Bank, or Systemically Important Financial Institution (SIFI). Both of these institutions are products of failed institutions that have benefited from various forms of public subsidy without providing sufficient commitments to our communities.

OneWest was born from the ashes of Indymac Bank, a failed lender. The OneWest investors received a bargain basement price to purchase Indymac as well as a favorable loss share agreement in which the FDIC agreed to cover a significant amount of the losses on Indymac's loans. CIT Group sought and received \$2.3 billion in TARP funds. Soon thereafter, CIT filed one of the biggest bankruptcies in history and failed to repay its TARP funds.

Our concerns about this merger include:

- The transfer of OneWest's loss share agreement to CIT is not appropriate. Loss share agreements should protect our financial system, not enrich investors and private companies.
- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.

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- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.

We urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this merger can have on local communities, and the failure of OneWest Bank to develop and make public a CRA Plan that identifies and addresses local community needs. If you have any questions about this letter, or wish to talk further, please feel free to contact me at (510) 540-7785.

Very Truly Yours,



Viola Gonzales
Chief Executive Officer

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Letter from VEDC
Date: Thursday, October 09, 2014 4:15:18 PM
Attachments: [image014.png](#)
[image015.png](#)
[image016.png](#)
[image017.png](#)
[VEDC Comments.pdf](#)

From: Lisa Hawkins
Sent: Thursday, October 09, 2014 4:13:07 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: Kevin Stein
Subject: RE: Letter from VEDC

Good afternoon,

Attached, you will find the letter of comments on behalf of VEDC.

Lisa Hawkins
Assistant to the President



Real Money. Real People. Creating Real Jobs.

5121 Van Nuys Blvd., 3rd Floor
Sherman Oaks, CA 91403
Tel: (818) 907-9977
Fax: (818) 907-9720

www.vedc.org



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VEDC

October 11, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

VEDC files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was borne from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. The OneWest investors received not only a bargain basement price to purchase Indymac, they also obtained a favorable loss share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses on loans made by Indymac. In other words, OneWest investors paid little for a bank that came with limited risks to the investors.

CIT Group sought and received \$2.3 billion in TARP funds. As if that were not enough, CIT soon thereafter filed one of the biggest bankruptcies in history, and failed to repay its TARP funds.

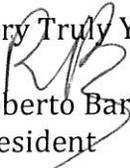
- The transfer of OneWest's loss share agreement to CIT is not appropriate. Loss share agreements are meant to protect our financial system, not enrich investors and private companies.
- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.
- OneWest and its reverse mortgage lender were responsible for foreclosing on over 40,000 seniors and residents of California over the last 4 years.
- Over 450 complaints against OneWest were filed by OneWest customers with the CFPB over the last 32 months, with 432 of those complaints relating to mortgages.
- OneWest offers a community plan that does not oblige it to noticeably increase its reinvestment activities, even though its asset size will dramatically increase.
- OneWest received a "low satisfactory" under the Investment test, in its most recent CRA Performance Evaluation.
- OneWest has a low 15% of its branches in LMI neighborhoods, including only two branches in low income neighborhoods.
- The Bank will significantly underperform its peers in overall CRA activity as a percentage of its California deposits.
- The Bank's low level of charitable contributions as a percentage of its California deposits is below many of its peers, and the bank has only provided 7% of contributions to support housing and economic development activities and groups.
- The Bank has no specific goals to contract with Minority/Women/Disabled Business Enterprises.
- The Bank has no multifamily loan product to support affordable housing development.
- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.

For all of these reasons, we urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this merger can have on local communities, and the failure of OneWest Bank to develop and make public a strong CRA Plan that identifies and addresses local community needs.

OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at 818 907 9977 ext. 206.

Very Truly Yours,


Roberto Barragan
President

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: SBDC Comment Letter
Date: Thursday, October 09, 2014 4:29:21 PM
Attachments: [image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[sbdc.letter.pdf](#)

From: Lisa Hawkins
Sent: Thursday, October 09, 2014 4:25:14 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: Kevin Stein
Subject: RE: SBDC Comment Letter

Attached you will find the comment letter from SBDC

Lisa Hawkins
Assistant to the President



Real Money. Real People. Creating Real Jobs.

5121 Van Nuys Blvd., 3rd Floor
Sherman Oaks, CA 91403
Tel: (818) 907-9977
Fax: (818) 907-9720

www.vedc.org



You can learn more about VEDC by watching:

✉ [Sign up](#) to be on our newsletter list!

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San Fernando Valley

Small Business Development Corporation

October 11, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

SBDC files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was borne from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. The OneWest investors received not only a bargain basement price to purchase Indymac, they also obtained a favorable loss share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses on loans made by Indymac. In other words, OneWest investors paid little for a bank that came with limited risks to the investors.

CIT Group sought and received \$2.3 billion in TARP funds. As if that were not enough, CIT soon thereafter filed one of the biggest bankruptcies in history, and failed to repay its TARP funds.

Our concerns about this merger include:

- Another Too Big To Fail Bank is not what our communities need.

SFV-SBDC in partnership with VEDC ▲ www.sfvfdc.org

SFV-SBDC: 5121 Van Nuys Blvd., 203A, Van Nuys, CA 91403 ▲ (818) 205-1770 ▲ Fax (818) 647-0395

- The transfer of OneWest's loss share agreement to CIT is not appropriate. Loss share agreements are meant to protect our financial system, not enrich investors and private companies.
- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.
- OneWest and its reverse mortgage lender were responsible for foreclosing on over 40,000 seniors and residents of California over the last 4 years.
- Over 450 complaints against OneWest were filed by OneWest customers with the CFPB over the last 32 months, with 432 of those complaints relating to mortgages.
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- OneWest has a low 15% of its branches in LMI neighborhoods, including only two branches in low income neighborhoods.
- The Bank will significantly underperform its peers in overall CRA activity as a percentage of its California deposits.
- The Bank's low level of charitable contributions as a percentage of its California deposits is below many of its peers, and the bank has only provided 7% of contributions to support housing and economic development activities and groups.
- The Bank has no specific goals to contract with Minority/Women/Disabled Business Enterprises.
- The Bank has no multifamily loan product to support affordable housing development.
- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.

For all of these reasons, we urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this merger can have on local communities, and the failure of OneWest Bank to develop and make public a strong CRA Plan that identifies and addresses local community needs.

OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at 818 907 9977 ext. 206.

Very Truly Yours,


Roberto Barragan
President

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Opposition: CIT/ One West
Date: Thursday, October 09, 2014 5:24:33 PM
Attachments: [image001.png](#)
[image002.png](#)
[Letter of Opposition- CIT and One West.pdf](#)

From: Daniel Rodriguez
Sent: Thursday, October 09, 2014 5:24:16 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: Kevin Stein
Subject: Opposition: CIT/ One West

Mr. Hurwitz,

Attached is our letter of opposition to CIT Group's application to acquire IMB and One West Bank, request for extension of the comment period, and request for public hearings.

Thank you,

Daniel Rodriguez
Director | Community Wealth Department
East LA Community Corporation
530 S. Boyle Avenue, Los Angeles, CA 90033
P: 323-604-1952 | F: 323-261-1065 | drodriguez@elacc.org



Visit us at www.elacc.org and follow us on



530 SOUTH BOYLE AVENUE · LOS ANGELES, CA 90033
TEL (323) 269-4214 · FAX (323) 261-1065 · WWW.ELACC.ORG

October 10, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

East LA Community Corporation (ELACC) files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

ELACC was founded in 1995 by a passionate, locally-based team of urban planners, attorneys, organizers, and real estate developers with a mission to create a Community Development Corporations dedicated to serving the working class Latino communities on Los Angeles' Eastside. ELACC has become a one-of-a-kind economic and social justice organization enabling low-income families to build brighter financial futures and create communities that are inclusive and financially secure with opportunity for all. Offering affordable housing, organizing, and wealth building services to over 2,000 residents, ELACC engages a mobilized base of over 1,300 members annually and has helped over 3,000 families avoid foreclosure, establish savings, and build and sustain wealth and purchase their first homes.

The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was borne from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. The OneWest investors received not only a bargain

TRABAJANDO JUNTOS... WORKING TOGETHER

basement price to purchase Indymac, they also obtained a favorable loss share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses on loans made by Indymac. In other words, OneWest investors paid little for a bank that came with limited risks to the investors.

During the worst of the economic crisis, we provided foreclosure prevention education and one-on-one counseling to thousands of families in need, working with them to stave off the loss of their home. Our experiences with Indy Mac proved to be frustrating and difficult. Their servicing practices were consistently deficient, including poor customer service that provided incorrect and contradictory information, unexplained denials, and dual tracking of borrower cases. These actions resulted in delays in the process, limited approvals for assistance, and unnecessary foreclosures.

CIT Group sought and received \$2.3 billion in TARP funds. As if that were not enough, CIT soon thereafter filed one of the biggest bankruptcies in history, and failed to repay its TARP funds.

Our concerns about this merger include:

- Another Too Big To Fail Bank is not what our communities need.
- The transfer of OneWest's loss share agreement to CIT is not appropriate. Loss share agreements are meant to protect our financial system, not enrich investors and private companies.
- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.
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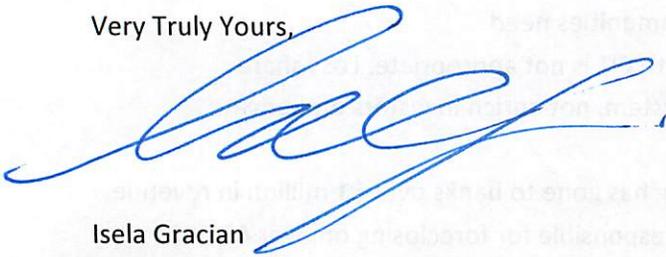
- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.

For all of these reasons, we urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this merger can have on local communities, and the failure of OneWest Bank to develop and make public a strong CRA Plan that identifies and addresses local community needs.

OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact our Director of Community Wealth, Daniel Rodriguez, at 323-604-1952 or by email at drodriguez@elacc.org.

Very Truly Yours,



Isela Gracian
Vice President of Operations

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: letter opposing the One West merger with CIT
Date: Thursday, October 09, 2014 8:04:52 PM
Attachments: [image002.png](#)
[One West Opposition Letter NHSSV.pdf](#)

From: Matt Huerta
Sent: Thursday, October 09, 2014 8:04:30 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: 'Kevin Stein (kstein@calreinvest.org)'; Julius Nhsnow; Diana Ramirez
Subject: letter opposing the One West merger with CIT

Please see our letter attached. Thank you.

Matt Huerta
Executive Director



31 N Second Street | Suite 300 | San Jose, CA 95113
D: 408.279.2600 ext.1205 | C: 831.809.4279 | F: 408.228.3750
mhuerta@nhssv.org | www.nhsnow.org | www.nhssvproperty.org





October 9, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

Neighborhood Housing Services Silicon Valley files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

Since 1995, NHSSV has educated over 7,500 first time homebuyers in San Jose and surrounding communities. We have also worked with over 3,000 homeowners facing foreclosure and successfully prevented 600 from losing their homes. NHSSV is a member of the NeighborWorks America Network committed to community revitalization. We are certified by the US Department of Treasury as a Community Development Financial Institution (CDFI) and the only community based non-profit corporation in California approved as a direct seller and servicer by Fannie Mae. All of our services are targeted to low and moderate income households. In the last 12 months, we invested over \$20 Million in mortgage financing and created over 100 new homeowners in one of the highest cost, most diverse markets in the country.

While we have no direct experience with OneWest or CIT, we are deeply concerned about the merger because it would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was borne from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. The OneWest investors received not only a bargain basement



price to purchase Indymac, they also obtained a favorable loss share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses on loans made by Indymac. In other words, OneWest investors paid little for a bank that came with limited risks to the investors.

CIT Group sought and received \$2.3 billion in TARP funds. As if that were not enough, CIT soon thereafter filed one of the biggest bankruptcies in history, and failed to repay its TARP funds.

Our concerns about this merger include:

- Another Too Big To Fail Bank is not what our communities need.
- The transfer of OneWest's loss share agreement to CIT is not appropriate. Loss share agreements are meant to protect our financial system, not enrich investors and private companies.
- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.
- OneWest and its reverse mortgage lender were responsible for foreclosing on over 40,000 seniors and residents of California over the last 7 years.
- Over 450 complaints against OneWest were filed by OneWest customers with the CFPB over the last 32 months, with 432 of those complaints relating to mortgages.
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- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.



For all of these reasons, we urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this merger can have on local communities, and the failure of OneWest Bank to develop and make public a strong CRA Plan that identifies and addresses local community needs.

OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at 408.279.2600.

Sincerely,

Matt Huerta
Executive Director

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Second Comment on Application of CIT Group Inc. and Carbon Merger Sub LLC to acquire and merge with IMB HoldCo LLC, and indirectly acquire voting shares of OneWest Bank, N.A. - comment period must be extended, Aug 26 FOIA Request STILL not responde...
Date: Thursday, October 09, 2014 8:25:32 PM
Attachments: [image001.png](#)

From: Matthew R. Lee
Sent: Thursday, October 09, 2014 8:24:41 PM (UTC-05:00) Eastern Time (US & Canada)
To: Office-of-the-Secretary, (Board)
Cc: NY Banksup Applications Comments; Matthew Lee [at] innercitypress.org; Matthew R. Lee [at] FairFinanceWatch.org
Subject: Second Comment on Application of CIT Group Inc. and Carbon Merger Sub LLC to acquire and merge with IMB HoldCo LLC, and indirectly acquire voting shares of OneWest Bank, N.A. - comment period must be extended, Aug 26 FOIA Request STILL not responded to

October 9, 2014

Via E-mail comments.applications@ny.frb.org, Office-of-the-Secretary [at] frb.gov

Federal Reserve Bank of New York

Ivan J. Hurwitz, Vice President,

33 Liberty Street

New York, NY 10045

Board of Governors of the Federal Reserve System

Attn: Chair Yellen, Secretary Robert deV. Frierson

20th Street and Constitution Avenue, N.W.

Washington, DC 20551

Re: Second Comment on Application of CIT Group Inc. and Carbon Merger Sub LLC to acquire and merge with IMB HoldCo LLC, and indirectly acquire voting shares of OneWest Bank, N.A. - comment period must be extended, Aug 26 FOIA Request STILL not responded to

Dear Chair Yellen, Secretary deV. Frierson and others in the FRS:

This is a second comment opposing and requesting an extension of the FRB's public comment period on the Application by CIT Group Inc. and Carbon Merger Sub LLC to acquire and merge with IMB HoldCo LLC, and indirectly acquire voting shares of OneWest Bank.

On August 26, Inner City Press & Fair Finance Watch requested from the Federal Reserve System the entire application, and the FRB's communications with the companies since January 1, 2014.

On September 26, despite the comment period, the FRB's FOIA Office wrote to Inner City Press, see below:

“Pursuant to section (a)(6)(B)(i) of the FOIA, we are extending the period for our response until October 9, 2014, in order to consult with two or more components of the Board having a substantial interest in the determination of the request. If a determination can be made before October 9, 2014, we will respond to you promptly.”

But now, on the eve of the expiration of the comment period, no response has been received. The comment period must be extended. As provided so far, the application withholds the “CRA Plans” of both banks, while making claims about these plans:

“Since the 2013 performance evaluation, CITB has implemented its CRA Plan covering 2013-2017, which is included in Confidential Exhibit 9;”

“OWB has a strong CRA compliance program and has developed a CRA plan, included in Confidential Exhibit 9;” and

“CITBNA will create and operate under a new CRA plan, which it will develop subject to regulatory review.”

This is a mis-reading, even a perversion of the Community Reinvestment Act, that these two documents and the projected third one can be withheld or subject only to “regulatory” review, and not public review. The documents, timely requested, must be released and the comment period must be extended.

For now, consider that OneWest in the Los Angeles MSA in 2012 made 28 home purchase loans to whites and NONE to African Americans; it made 12 home improvement loans to whites and NONE to African Americans.

There is also the question of the agreement the FDIC reached with IndyMac / OneWest, and whether wannabe SIFI CIT would assume it, as a windfall. These are important questions, raised by NCRC / members, militating for both the required extension of the comment period, and for public hearings.

Please immediately send all requested information and responses by e-mail to lee@fairfinancewatch.org and innercitypress@gmail.com, and/or by hard copy by FedEx to:

Matthew R. Lee, Esq.

Fair Finance Watch

c/o 747 Third Ave (“hold at location” Fed Ex), NY NY 10017 USA

Or regular mail: Matthew R. Lee Esq, PO Box 20047, NYC NY 10017

If you have any questions, please immediately telephone the undersigned, at (718) 716-3540.

Very Truly Yours,

Matthew Lee, Esq.

Executive Director

Inner City Press/Fair Finance Watch

paste



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 26, 2014

VIA EMAIL TO: innercitypress@gmail.com

Please verify receipt of this extension letter via email message.

Matthew R. Lee

Inner City Press

P.O. Box 20047

Dag Hammarskjold Station

New York, NY 10017

FOIA Request No. F-2014-00380

Dear Mr. Lee,

On August 27, 2014, the Board of Governors ("Board") received your electronic message

dated August 26, pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, for the following:

the entirety of [the] pending application [for] CIT Group Inc., Livingston, New Jersey, and its subsidiary, Carbon Merger Sub LLC, New York, New York to acquire 100% of the voting shares of, & thereby merge with, IMB HoldCo LLC, & thereby indirectly acquire voting shares of OneWest Bank, N.A., both in Pasadena, CA. In addition, Carbon Merger Sub LLC also has applied to a become bank holding company[.] [You would also like] all records reflecting or related to FRS communications with or about the two entities or their affiliates since January 1, 2014.

On August 28, 2014, the Board's Freedom of Information Office made an interim production of responsive documents consisting of the public portion of the application by CIT Group Inc. and Carbon Merger Sub LLC to acquire and merge with IMB HoldCo LLC, and thereby indirectly acquire voting shares of OneWest Bank, N.A., including Carbon Merger Sub LLC's application to become a bank holding company.

Pursuant to section (a)(6)(B)(i) of the FOIA, we are extending the period for our response until October 9, 2014, in order to consult with two or more components of the Board having a substantial interest in the determination of the request.

If a determination can be made before October 9, 2014, we will respond to you promptly. It is our policy to process FOIA requests as quickly as possible while ensuring that we disclose the requested information to the fullest extent of the law.

Very truly yours,

/signed/

Jeanne M. McLaughlin
Manager, Freedom of Information Office

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Opposition and Request for Extension of Comment Period - CIT-IMB/OWB acquisition
Date: Thursday, October 09, 2014 10:11:51 PM
Attachments: [2014_10_09 Letter to NY Fed Opposing OWB CIT merger.pdf](#)

From: Keith Ogden
Sent: Thursday, October 09, 2014 10:11:44 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Subject: Opposition and Request for Extension of Comment Period - CIT-IMB/OWB acquisition

Please see attached letter expressing opposition and need for public hearings.

Sincerely,

--

Keith Ogden
Staff Attorney, Anti-Predatory Lending and Home Mortgage Foreclosure Prevention Program
Community Legal Services in East Palo Alto
1861 Bay Road
East Palo Alto, CA 94303
Tel: 650-391-0346
Fax: 866-688-5204
keith@clsepa.org

Click [here](#) to visit our Facebook page.

We will have two locations in East Palo Alto, CA 94303

Immigration Office @ 2117 (B) University Ave.

Tenant Rights, Consumer Law & Foreclosure and Homeowner Rights @ 1861 Bay Rd.

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COMMUNITY
LEGAL SERVICES IN
EAST PALO ALTO

October 9, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

Community Legal Services in East Palo Alto files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

Community Legal Services in East Palo Alto and its predecessor agency, the East Palo Alto Community Law Project, have a long standing history of legal services in East Palo Alto and neighboring communities. Our mission is to offer transformative legal services that empower individuals to attain a thriving future and have a transformative impact on the broader community.

As a provider of foreclosure prevention services, we have seen many troubled Indymac/OneWest mortgage loans negatively impacting long-time residents of East Palo Alto and neighboring communities. Both Indymac and OneWest have been exceedingly difficult to work with, often causing needless delays during the loan modification process and providing unsatisfactory responses to reasonable inquiries and requests for information.

The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was borne from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. Here in East Palo Alto, we have seen far too many trouble Indymac loans, and have seen abuses in servicing and various loss mitigation processes as well. The OneWest investors received not only a bargain basement price to purchase Indymac, they also obtained a favorable loss

share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses on loans made by Indymac. In other words, OneWest investors paid little for a bank that came with limited risks to the investors.

CIT Group sought and received \$2.3 billion in TARP funds. As if that were not enough, CIT soon thereafter filed one of the biggest bankruptcies in history, and failed to repay its TARP funds.

Our concerns about this merger include:

- Another Too Big To Fail Bank is not what our communities need.
- The transfer of OneWest's loss share agreement to CIT is not appropriate. Loss share agreements are meant to protect our financial system, not enrich investors and private companies.
- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.
- OneWest and its reverse mortgage lender were responsible for foreclosing on over 40,000 seniors and residents of California over the last 4 years.
- Over 450 complaints against OneWest were filed by OneWest customers with the CFPB over the last 32 months, with 432 of those complaints relating to mortgages.
- OneWest offers a community plan that does not oblige it to noticeably increase its reinvestment activities, even though its asset size will dramatically increase.
- OneWest received a "low satisfactory" under the Investment test, in its most recent CRA Performance Evaluation.
- OneWest has a low 15% of its branches in LMI neighborhoods, including only two branches in low income neighborhoods.
- The Bank will significantly underperform its peers in overall CRA activity as a percentage of its California deposits.
- The Bank's low level of charitable contributions as a percentage of its California deposits is below many of its peers, and the bank has only provided 7% of contributions to support housing and economic development activities and groups.
- The Bank has no specific goals to contract with Minority/Women/Disabled Business Enterprises.
- The Bank has no multifamily loan product to support affordable housing development.
- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.

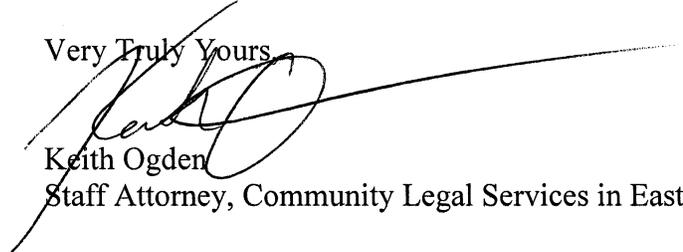
For all of these reasons, we urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this merger can have on local communities, and the failure of OneWest Bank to

develop and make public a strong CRA Plan that identifies and addresses local community needs.

OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at 650-391-0346

Very Truly Yours,



Keith Ogden
Staff Attorney, Community Legal Services in East Palo Alto

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: one west merger
Date: Thursday, October 09, 2014 10:12:34 PM
Attachments: [141009 ltr re one west merger.doc](#)

From: Cynthia Strathmann
Sent: Thursday, October 09, 2014 10:12:30 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Subject: one west merger

October 10, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

Strategic Actions for a Just Economy files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

SAJE's mission is to change public and corporate policy in a manner that provides concrete economic benefit to working-class people, increases the economic rights of working class people, and builds leadership through a movement for economic justice. We organize local community members in South Los Angeles to fight for healthy housing, equitable development, and good jobs.

Given the particular history of these financial institutions we feel their merger raises key questions best addressed in public hearings.

The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was borne from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. The OneWest investors received not only a bargain basement price to purchase Indymac, they also obtained a favorable loss share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses on loans made by Indymac. In other words, OneWest investors paid little for a bank that came with limited risks to the investors.

CIT Group sought and received \$2.3 billion in TARP funds. As if that were not enough, CIT soon thereafter filed one of the biggest bankruptcies in history, and failed to repay its TARP funds.

Our concerns about this merger include:

- Another Too Big To Fail Bank is not what our communities need.
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- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.
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- OneWest has a low 15% of its branches in LMI neighborhoods, including only two branches in low income neighborhoods.
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- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.

For all of these reasons, we urge the Federal Reserve Bank to extend the comment

period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this merger can have on local communities, and the failure of OneWest Bank to develop and make public a strong CRA Plan that identifies and addresses local community needs.

OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at 213-745-9961 ext. 202.

Very Truly Yours,

Cynthia Strathmann

Executive Director, SAJE

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

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October 10, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
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Very Truly Yours,

Cynthia Strathmann
Executive Director, SAJE

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: OneWest Acquisition Comment Letter
Date: Friday, October 10, 2014 2:18:11 AM
Attachments: [image001.png](#)
[image002.png](#)
[OneWest Comment Letter - NHSIE.pdf](#)

From: Dawn Lee
Sent: Friday, October 10, 2014 2:17:45 AM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Subject: OneWest Acquisition Comment Letter

To Whom It May Concern,

Please see our organization's response to the proposed acquisition of OneWest Bank and IMB by CIT Group. Feel free to contact me as needed.

Regards,

Dawn

Dawn M. Lee
Executive Director/CEO, Neighborhood Housing Services of the Inland Empire
1390 North D Street
San Bernardino, CA 92405
(909) 963-5215 direct line
(909) 884-6891 x222 office
www.nhsie.org
A NeighborWorks® Organization



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<http://www.Facebook.com/nhs.ie>

October 10, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

Neighborhood Housing Services of the Inland Empire (NHSIE) files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

For more than 30 years NHSIE has assisted thousands of families in attaining and maintaining homes they can afford in neighborhoods that they choose. NHSIE, a HUD certified nonprofit housing organization provides a wide range of housing stability services to Inland Empire residents. We are a proud affiliate of NeighborWorks America and the National Council of La Raza. NHSIE is a stakeholder in the economic health of the Inland Empire, specifically in the areas of ensuring quality housing opportunities, wealth building, creating jobs, increasing economic activity, improving educational outcomes, increasing public safety, reducing poverty and bringing in new investment dollars to the community.

Our mission is to make homeownership available to underserved members of the community. NHSIE serves a diverse population of low- to moderate-income first-time homebuyers, current homeowners, neighborhoods, and local business communities through our six main programs: Homebuyer Education and Financial Literacy, Construction and Rehabilitation, Lending, Real Estate Services, Foreclosure Prevention, and Community Building and Organizing. Through these programs, we provide comprehensive homebuyer/homeowner services throughout San Bernardino and Riverside counties.

The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

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OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at (909) 884-6891.

Regards,



Dawn M. Lee
Executive Director/CEO, Neighborhood Housing Services of the Inland Empire
1390 North D Street
San Bernardino, CA 92405
(909) 963-5215 direct line
(909) 884-6891 x222 office
www.nhsie.org
A NeighborWorks® Organization

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: CIT Group and OneWest Comment Letter
Date: Friday, October 10, 2014 1:00:03 PM
Attachments: [CIT Group and OneWest Comment Letter 10.10.14.pdf](#)

From: Nicole Barden
Sent: Friday, October 10, 2014 12:59:47 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments; Hurwitz, Ivan
Subject: CIT Group and OneWest Comment Letter

Hi Mr. Hurwitz,

The comment letter concerning the acquisition of IMB HoldCo LLC by CIT Group Inc. is attached to this e-mail. Please let me know if you need additional information from me.

Nicole



Nicole Barden
Organizing Manager

National Community Reinvestment Coalition (NCRC)
727 15th Street, NW, Suite 900 | Washington, DC 20005
TEL: 202-464-2724 | FAX: 202-628-9800 | www.ncrc.org



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Save the Date!

Please join us March 25-28 for the NCRC 2015 Annual Conference.

NCRC is proud to be a member of the 2014 Combined Federal Campaign (CFC).
Federal employees can donate to NCRC by designating their contribution to CFC #12361.



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John E. Taylor
President & CEO

Rachel Maleb
Chief of Staff & Membership Matters

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Ernest (Gene) E. Ortega, Treasurer
Rural Housing, Inc.

Ernest Hogan, Secretary
Pittsburgh Community Reinvestment Group

*Bethany Sanchez, Immediate Past
Chairperson*
Metropolitan Milwaukee
Fair Housing Council

Stella J. Adams
North Carolina Branch of NAACP

Marva Smith-Battle Bey
Vermont Slauson
Economic Development Corporation

Gall Burks
Nevada Fair Housing Center, Inc.

Catherine Crosby
City of Dayton Human Relations Council

Pete Garcia
The Victoria Foundation

Mike Gleason
The Arc of Hilo

Charles Harris
Housing Education &
Economic Development

Irvin Henderson
National Trust for Historic Preservation

Matthew Lee
Inner City Press

Maryellen Lewis
Michigan Community
Reinvestment Coalition

Moises Loza
Housing Assistance Council

Dory Rand
Woodstock Institute

Arden Shank
Neighborhood Housing Services
of South Florida

Shelley Sheehy
River Cities Development Services

Dave Snyder
Minnesota Asset Building Coalition

Kevin Stein
California Reinvestment Coalition

Hubert Van Tol
PathStone, Inc.

727 15th Street, NW Suite 900
Washington, DC 20005-6027
Phone: 202 628-8866
Fax: 202 628-9800
Website: www.ncrc.org

October 10, 2014

Ivan J. Hurwitz
Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045-0001

RE: CIT Group Inc.'s Acquisition of IMB HoldCo LLC

Dear Mr. Hurwitz:

The National Community Reinvestment Coalition (NCRC) is writing to express concern about the acquisition by CIT Group Inc. of IMB HoldCo LLC, and the subsequent merger of OneWest Bank N.A. into CIT. We do not believe that CIT Bank should be allowed to merge with OneWest Bank because no clear public benefit, which is required by law, has been outlined. We respectfully request that the Federal Reserve Bank of New York delay approving the merger application until the bank can demonstrate a clear value to the public through the merger.

For nearly 50 years, U.S. law has required that the prudential banking regulators consider the public interest when approving or denying bank mergers and acquisitions. Section 225.24(a) (iii) of Regulation Y states that every bank applying to engage in an acquisition must state the benefits that the public can reasonably expect to receive as a result of the proposed transaction.ⁱ The National Community Reinvestment Coalition is concerned that this acquisition will not provide a clear or significant public benefit, especially for low- and moderate-income (LMI) communities, communities of color, LMI borrowers and borrowers of color.

In 2009, OneWest purchased IndyMac Federal Bank's loans and assets at a discounted price. Given that this acquisition included assistance from the Federal Deposit Insurance Corporation (FDIC) and the Federal Home Loan Bank and the guarantee of support from the FDIC against future losses, we believe the acquisition of OneWest should undoubtedly provide a public benefit. CIT also benefited from public money through the \$2.3 billion of TARP funds it received in 2009. Part of OneWest and CIT's success is due to the public financing that supported their growth, and the public should benefit during the current more prosperous times for the two banks.

Our concern is amplified due to the size of the planned acquisition, which is one of the largest in the previous couple of years. The merger would make CIT Bank a systemically important financial institution (SIFI), which means

that its performance would be of increased concern for the public. In addition, the acquisition would give CIT Bank access to more deposits and a retail branch presence in California. These and other benefits should be accompanied by benefits for the public that are consistent with community needs.

Without a clear public benefit it is impossible to determine if the merger will benefit or harm communities, especially LMI communities and communities of color. This is especially concerning considering that the Community Reinvestment Act (CRA) plans of both banks are being withheld as confidential in the merger application. While the application mentions that CIT Bank will create a new CRA plan it does not make any reference to that plan receiving public input. The current CRA documents should be released, and the new plan should not be finalized until public comments are received and addressed by the bank. We urge the Federal Reserve Bank of New York not to accept CIT Group's application to acquire IMB HoldCo LLC and by extension OneWest Bank until the bank can demonstrate a clear value to the public through this merger. We also request that the Federal Reserve conduct public hearings to give the affected public a chance to voice their views regarding the public benefits of this merger.

Thank you for the opportunity to comment on this important matter.

Sincerely,



John Taylor
National Community Reinvestment Coalition

CC: John Thain, Chairman and CEO
CIT Group Inc.

Steven Mnuchin, Chairman
OneWest Bank

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Opposition to CIT Group application to Acquire IMB and OneWest Bank
Date: Friday, October 10, 2014 1:19:39 PM
Attachments: [image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[CIT Opposition Letter 10-9-14.pdf](#)
Importance: High

From: Namoch Sokhom
Sent: Friday, October 10, 2014 1:18:58 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: 'Kevin Stein'
Subject: Opposition to CIT Group application to Acquire IMB and OneWest Bank

To Whom this May concern,

Please see attached letter from Pacific Asian Consortium in Employment which oppose the acquisition by CIT Group of IMB and OneWest Bank.
We would like to request also for the extension of comment period.

Sincerely yours,

NAMOCH SOKHOM
Director
Business Development Center (BDC)



1055 Wilshire Blvd, Ste 1475 • Los Angeles, CA 90017
Ph (213) 989-3265 • Fx (213) 353- 4665 • www.pacela.org

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Building Credit is Building Asset



Pacific Asian
Consortium
in Employment

October 10, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

Pacific Asian Consortium in Employment (PACE) in Los Angeles, California files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

Founded in 1976, the mission of Pacific Asian Consortium in Employment (PACE) is to create economic solutions to meet the challenges of employment, education, housing, business development, and the environment in Pacific Asian and other diverse communities. Over the past 38 years, PACE has assisted over 800,000 low-income families of diverse ethnic backgrounds. PACE has a reputation of being responsive to community needs and is known for creating innovative solutions to meet the myriad challenges faced by its target population.

PACE has had no experience with IMB, OneWest Bank or CIT Group (CIT) and questions the values of a bank corporation that refuses to commit to a strong community development plan. The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was borne from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. The OneWest investors received not only a bargain basement price to purchase Indymac, they also obtained a favorable loss share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses on loans made



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- The transfer of OneWest's loss share agreement to CIT is not appropriate. Loss share agreements are meant to protect our financial system, not enrich investors and private companies.
- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.
- OneWest and its reverse mortgage lender were responsible for foreclosing on over 35,000 seniors and residents of California over the last 7.5 years.
- Over 450 complaints against OneWest were filed by OneWest customers with the CFPB over the last 32 months, with 432 of those complaints relating to mortgages.
- OneWest offers a community plan that does not oblige it to noticeably increase its reinvestment activities, even though its asset size will dramatically increase.
- OneWest received a "low satisfactory" under the Investment test, in its most recent CRA Performance Evaluation.
- OneWest has a low 15% of its branches in LMI neighborhoods, including only two branches in low income neighborhoods.
- The Bank will significantly underperform its peers in overall CRA activity as a percentage of its California deposits.
- The Bank's low level of charitable contributions as a percentage of its California deposits is below many of its peers, and the bank has only provided 7% of contributions to support housing and economic development activities and groups.
- The Bank has no specific goals to contract with Minority/Women/Disabled Business Enterprises.
- The Bank has no multifamily loan product to support affordable housing development.
- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.

For all of these reasons, we urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts



Pacific Asian
Consortium
in Employment

this merger can have on local communities, and the failure of OneWest Bank to develop and make public a strong CRA Plan that identifies and addresses local community needs.

OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at (213) 353-3982.

Sincerely

A handwritten signature in black ink, appearing to read 'Kerry N. Doi'.

Kerry N. Doi
President and CEO

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: KCCD Opposition of OneWest and CIT Bank Merger - Comment Letter
Date: Friday, October 10, 2014 3:16:10 PM
Attachments: [KCCD Opposition to OneWest and CIT Merger - Comment Letter.pdf](#)

From: Moses Kim
Sent: Friday, October 10, 2014 3:16:03 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: Hyepin Im; Kevin Stein
Subject: KCCD Opposition of OneWest and CIT Bank Merger - Comment Letter

To whom it may concern:

Please see attached - Korean Churches for Community Development's comment letter on the aforementioned bank merger.

Thank you.

--

Moses Kim
HCA Program Supervisor
Housing Counseling Agency
Korean Churches for Community Development
3550 Wilshire Blvd., Suite 736
Los Angeles, CA 90010

Phone: (213) 985-1500 x205
Email: moses.kim@kccd3300.org



KOREAN CHURCHES FOR COMMUNITY DEVELOPMENT

October 10, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

Korean Churches for Community Development (KCCD) files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

KCCD is an award-winning non-profit organization with the vision to serve as a light and bridge between the Asian American community and the greater community at large by connecting and creating private and public collaboration. We work to empower and strengthen the communities in which we serve by increasing the capacities of Asian American faith-based and community organizations, collaborating with leaders and organizations within the greater community, increasing access to resources and funds, assisting low-income individuals and immigrants, and working to revitalize neighborhoods and communities. KCCD, as a HUD-approved housing counseling agency, has on the ground experiences working with clients who have received mortgages from IndyMac, in which OneWest Bank acquired.

The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was borne from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. The OneWest investors received not only a bargain basement price to purchase Indymac, they also obtained a favorable loss share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses on loans made by Indymac. In other words, OneWest investors paid little for a bank that came with limited risks to the investors.

CIT Group sought and received \$2.3 billion in TARP funds. As if that were not enough, CIT soon thereafter filed one of the biggest bankruptcies in history, and failed to repay its TARP funds.

Our concerns about this merger include:

- Another Too Big To Fail Bank is not what our communities need.
- The transfer of OneWest's loss share agreement to CIT is not appropriate. Loss share agreements are meant to protect our financial system, not enrich investors and private companies.



KOREAN CHURCHES FOR COMMUNITY DEVELOPMENT

- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.
- OneWest and its reverse mortgage lender were responsible for foreclosing on over 40,000 seniors and residents of California over the last 4 years.
- Over 450 complaints against OneWest were filed by OneWest customers with the CFPB over the last 32 months, with 432 of those complaints relating to mortgages.
- OneWest offers a community plan that does not oblige it to noticeably increase its reinvestment activities, even though its asset size will dramatically increase.
- OneWest received a "low satisfactory" under the Investment test, in its most recent CRA Performance Evaluation.
- OneWest has a low 15% of its branches in LMI neighborhoods, including only two branches in low income neighborhoods.
- The Bank will significantly underperform its peers in overall CRA activity as a percentage of its California deposits.
- The Bank's low level of charitable contributions as a percentage of its California deposits is below many of its peers, and the bank has only provided 7% of contributions to support housing and economic development activities and groups.
- The Bank has no specific goals to contract with Minority/Women/Disabled Business Enterprises.
- The Bank has no multifamily loan product to support affordable housing development.
- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.

For all of these reasons, we urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this merger can have on local communities, and the failure of OneWest Bank to develop and make public a strong CRA Plan that identifies and addresses local community needs.

OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at 213-985-1500.

Very Truly Yours,

Hyepin Im
President / CEO



KOREAN CHURCHES FOR COMMUNITY DEVELOPMENT

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Comment Letter on OneWest & CIT Merger
Date: Friday, October 10, 2014 3:39:53 PM
Attachments: [One West Comment Letter 10.10.14.doc](#)

From: Amy Schur
Sent: Friday, October 10, 2014 3:39:41 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: Kevin Stein
Subject: Comment Letter on OneWest & CIT Merger

To Whom it May Concern

Please find attached our Comment Letter opposing the CIT Group application to acquire IMB and OneWest Bank, requesting extension of the comment period, and requesting public hearings. OneWest, in particular, needs to do a far better job supporting housing and economic and community development in low income communities and communities of color in the state!

Thank you for your attention.

Amy Schur

Amy Schur, Campaign Director
ACCE (Alliance of Californians for Community Empowerment)
3655 S. Grand Avenue, Suite 250
Los Angeles, CA 90007
(213) 804-3161
www.calorganize.org



calorganize.org

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State Office
3655 S Grand Ave, Ste. 250
Los Angeles, CA 90007

P 877-633-9251
F 888-463-1187
info@calorganize.org

October 10, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

The Alliance of Californians for Community Empowerment (ACCE) files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

ACCE is a non-profit community organization of low and moderate income families across California. Our members come together, neighborhood by neighborhood, to work for community improvements and policies that improve the quality of life for poor and working families. Our membership is predominantly Latino and African American. Our neighborhoods have suffered from terrible disinvestment and our community members often face barriers access fair and affordable bank services. Making sure that lending institutions meet the needs of our communities is a very high priority.

The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was borne from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. The OneWest investors received not only a bargain basement price to purchase Indymac, they also obtained a favorable loss share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses on loans made by Indymac. In other words, OneWest investors paid little for a bank that came with limited risks to the investors.

Alliance of **Californians** for Community Empowerment

San Diego • Orange County • Los Angeles • San Bernardino • Fresno • Sacramento • Contra Costa • Oakland • San Francisco • San Mateo • San Jose

CIT Group sought and received \$2.3 billion in TARP funds. As if that were not enough, CIT soon thereafter filed one of the biggest bankruptcies in history, and failed to repay its TARP funds.

Our concerns about this merger include:

- Another Too Big To Fail Bank is not what our communities need.
- The transfer of OneWest's loss share agreement to CIT is not appropriate. Loss share agreements are meant to protect our financial system, not enrich investors and private companies.
- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.
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- The Bank has no specific goals to contract with Minority/Women/Disabled Business Enterprises.
- The Bank has no multifamily loan product to support affordable housing development.
- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.

For all of these reasons, we urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this merger

can have on local communities, and the failure of OneWest Bank to develop and make public a strong CRA Plan that identifies and addresses local community needs.

OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at [213-804-3161]

Very Truly Yours,

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

Amy Schur, Campaign Director
ACCE

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings
Date: Friday, October 10, 2014 4:15:44 PM
Attachments: [BankOne Comment Letter Fair Housing SFV.pdf](#)

From: Sharon Kinlaw
Sent: Friday, October 10, 2014 4:15:09 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: 'Paulina Gonzalez'; 'Kevin Stein'
Subject: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Please see attached comment letter in reference to CIT Group application to acquire OneWest Bank



14621 TITUS STREET SUITE # 100
PANORAMA CITY, CA 91402
TELEPHONE: (818) 373-1185
FAX: (818) 373-1193

October 10, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

The Fair Housing Council of the San Fernando Valley (Council), submits these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period as well as public hearings to be held in Los Angeles to fully vet this matter.

The Fair Housing Council of San Fernando Valley is a non-profit community based organization, established in 1959 and is the second oldest fair housing organization in the country. The Council's mission is the prevention and elimination of housing discrimination. The Council engages in several different programs to further its mission; its main programs include education and outreach, housing and lending policy advocacy, tenant and landlord counseling, foreclosure prevention, and fair housing counseling. These programs are designed to raise public awareness of federal and state fair housing laws and to ensure equal housing opportunity. The Fair Housing Council also advocates on a statewide, regional, and local level for integrated, accessible, and affordable housing.

The Council is familiar with and has provided counseling and loss mitigation assistance to customers of OneWest Bank. As such, the Council is very concerned about the alarming numbers of foreclosures by OneWest, complaints about unfair lending and the banks reluctance to work with homeowners to obtain sustainable loan modifications. These complaints are particularly troubling since OneWest acquired the risky IndyMac loan portfolio, whose business practices seem to mirror Countrywide Financial who was accused of "systemic racial discrimination" and discriminatory lending practices by the Department of Justice.

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Bilingual Housing Coord.



The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was borne from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. The OneWest investors received not only a bargain basement price to purchase Indymac, they also obtained a favorable loss share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses on loans made by Indymac. In other words, OneWest investors paid little for a bank that came with limited risks to the investors.

CIT Group sought and received \$2.3 billion in TARP funds. As if that were not enough, CIT soon thereafter filed one of the biggest bankruptcies in history, and failed to repay its TARP funds.

Our concerns about this merger include:

- Another Too Big To Fail Bank is not what our communities need.
- The transfer of OneWest's loss share agreement to CIT is not appropriate. Loss share agreements are meant to protect our financial system, not enrich investors and private companies.
- Most of OneWest Bank's "small business" lending has gone to banks over \$1 million in revenue.
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- The Bank will significantly underperform its peers in overall CRA activity as a percentage of its California deposits.



- The Bank's low level of charitable contributions as a percentage of its California deposits is below many of its peers, and the bank has only provided 7% of contributions to support housing and economic development activities and groups.
- The Bank has no specific goals to contract with Minority/Women/Disabled Business Enterprises.
- The Bank has no multifamily loan product to support affordable housing development.
- Though it takes deposits nationally via its internet platform, CIT Bank only reinvests in Utah, where it is headquartered, not where its depositors reside. The combined bank must reinvest where depositors live, and where CIT and OneWest earn profits.

For all of these reasons, we urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this merger can have on local communities, and the failure of OneWest Bank to develop and make public a strong CRA Plan that identifies and addresses local community needs.

OneWest needs to be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods. Enough is enough; the despotic quest for profit by financial institutions and Wall Street along with minimal oversight by regulators has literally destroyed the wealth of African-American and Hispanic families and continues to suffocate and stifle the economic & social recovery in communities of color. We need fair lending, responsible banking practices and financial institutions that are responsive to the needs of the community. The bank should serve as a public benefit not a private trough for speculators.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at 818-373-1185.

Very Truly Yours,

Sharon Kinlaw

Sharon Kinlaw

Interim Executive Director

Cc: California Reinvestment Coalition
 Janet Yellen, Chair, Federal Reserve Board of Governors
 Thomas Curry, Comptroller, OCC
 Martin Gruenberg, Chair, FDIC
 Mel Watt, Director, FHFA
 Richard Cordray, Director, CFPB



From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Opposition to CIT Group application to acquire IMB and OneWest Bank
Date: Friday, October 10, 2014 4:55:55 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[OneWest Merger - Oppose - MEDA.pdf](#)

From: Gabriel Medina
Sent: Friday, October 10, 2014 4:55:39 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: Kevin Stein; Luis Granados
Subject: Opposition to CIT Group application to acquire IMB and OneWest Bank

Dear Mr. Hurwitz,

The Mission Economic Development Agency (MEDA) files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period and public hearings on the matter to be held in Los Angeles.

If you have any questions about this letter, or wish to talk further, please feel free to contact me. Thank you.

Best Regards,



Every Family Succeeds. Every Student Achieves.
Cada Familia Triunfa. Cada Estudiante Logra.

Gabriel Medina
Policy Manager

Mission Economic Development Agency
Main Office: Plaza Adelante
2301 Mission Street, Suite 301
San Francisco, CA 94110
P: 415.282.3334 ext. 150
F: 415.282.3320
Cell: 415.690.6992
www.medasf.org



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October 10, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: *Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings*

Dear Mr. Hurwitz,

The Mission Economic Development Agency (MEDA) files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

MEDA is a community-based, local economic development corporation located in the Mission District of San Francisco. For over 40 years MEDA has worked to achieve economic justice for San Francisco's low- to moderate-income Latino families through asset development-the process of encouraging and supporting individuals and families to develop, accumulate and manage personal, social and material assets. MEDA currently leads the Mission Promise Neighborhood, a cradle to career continuum of services in partnership with 26 local agencies to increase academic performance in underperforming schools with family economic success.

MEDA has limited experience with OneWest and CIT. MEDA is concerned that an increasing amount of deposits made from our community will be held in Utah as a result of this merger, as opposed to being invested back in our community.

The merger is of particular concern because this merger would create the newest Too Big to Fail Bank, or Systemically Important Financial Institutions (SIFI). And yet, both of these institutions are products of failed institutions that have benefited from various forms of public subsidy, but have not provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit, and as such, the regulators must scrutinize the merger before approving another Too Big to Fail Institution.

Specifically, OneWest was borne from the ashes of Indymac Bank, a failed lender that made too many problematic loans in our communities. The OneWest investors received not only a bargain basement price to purchase Indymac, they also obtained a favorable loss share agreement with the FDIC that provided for the FDIC to cover a significant amount of the losses

on loans made by Indymac. In other words, OneWest investors paid little for a bank that came with limited risks to the investors.

CIT Group sought and received \$2.3 billion in TARP funds. As if that were not enough, CIT soon thereafter filed one of the biggest bankruptcies in history, and failed to repay its TARP funds.

Our concerns about this merger include:

- Another Too Big To Fail Bank is not what our communities need.
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For all of these reasons, we urge the Federal Reserve Bank to extend the comment period and hold hearings in Los Angeles so that a fuller picture can be presented about the negative impacts this

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If you have any questions about this letter, or wish to talk further, please feel free to contact Gabriel Medina, Policy Manager at (415) 282-3334x150. Thank you.

Sincerely,



Luis Granados
Executive Director

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: CRC OneWest comment letter
Date: Friday, October 10, 2014 6:44:48 PM
Attachments: [CRC OneWest comment letter.doc](#)
[OWB Consent Order.pdf](#)

From: Sandy Jolley
Sent: Friday, October 10, 2014 6:44:25 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Subject: CRC OneWest comment letter

Copy of letter below attached.

October 10, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

My name is Sandy Jolley. I am a Reverse Mortgage Suitability and Abuse Consultant and a Certified HUD HECM Counselor. My comments are in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT) based on my 9 years experience working with consumers harmed by Financial Freedom/OneWest Bank reverse mortgage lending practices. I believe it is imperative to have an extension of the comment period, and public hearings on the matter to be held in Los Angeles in order to a) hear directly from consumers regarding their experiences dealing with Financial Freedom/OneWest Bank (hereafter OWB) and, b) for this committee to examine the financial impact of OWB's business practices on the US Economy and the FHA insurance fund deficit.

In March, 2013 Carol Galante testified to the House Financial Services Committee that the HECM Insurance fund was negative \$2.8 billion. On September 30, 2013, the FHA received a \$1.7 billion bailout from the US Treasury to cover losses caused by the deceptive lending and servicing practices by OWB (and a few other reverse mortgage lenders). This is not because homeowner's were unable to pay property taxes.

In 2010 OWB signed a "Consent Order" that does not have an expiration date. The OTS identified certain deficiencies and unsafe/unsound practices in the residential mortgage servicing and in the initiation/handling of foreclosure proceedings. All of the findings in the attached consent order still exist. Additionally OWB has become more sophisticated and aggressive in the wrongful foreclosure and inflated/false FHA Claims. OWB has no

accountability or liability. They are guaranteed to recover 100% of the loan, interest, costs and fees either through the sale of the property and/or the property and FHA insurance claim.

Financial Freedom was the number one (1) lender for more than 10 years and as such services a major portion of reverse mortgage loans. 80% to 90% of my clients have reverse mortgage loans made and/or serviced by OWB. I consult with Borrowers, their heirs, family members and beneficiaries to understand and exercise their HUD rights and options in Loan Servicing, Maturity, and Wrongful Foreclosure.

In the past nine (9) years, since my parents were sold a Financial Freedom Reverse Mortgage (they didn't need) while my dad was in the last month of his life with terminal cancer on narcotic pain medication and my mother had Alzheimer's disease, I have worked with hundreds of consumers who have been consistently obstructed and denied their rights and options by OWB. Just a few examples of wrongdoing:

1. OWB consistently misleads/deceives Borrowers & heirs in written and verbal communications, and fails to inform the consumer of their HUD rights and options.
2. OWB intentionally accelerates and forces mortgages into default for the purpose of making inflated claims for FHA Insurance Claim Benefits.
3. OWB consistently deprives consumers of their property by violating Federal Regulations and State Laws.
4. OWB consistently inflates appraisals of the consumer property in order to prevent the consumer from exercising the 95% option to retain or sell the property.
5. OWB knowingly falsifies loan status information to HUD in order to gain approval to foreclose.
6. Unfortunately, HUD does not have the personnel, ability or structure in place to audit, regulate, or verify claims to safeguard against lender fraud. Therefore, it is very easy for OWB to violate the duty of good faith given by HUD to make accurate and truthful claims.
7. ***Non-Borrowing Spouse – Virtually all borrowers were told by OWB to take one spouse off title. Various reasons given by the lender - to qualify faster, get more money or one wasn't yet 62. The couple was told the non-borrower would still be protected, could get their name right back on title or would automatically be on title at age 62.

Non-Borrowing Spouse – The latest guidance from HUD states ***“HUD has acknowledged that, after the court invalidated its regulation calling a HECM due and payable if a Borrowing spouse dies, there is no longer a due and payable event and HUD cannot press lenders to foreclose on the non-borrowing spouse. As a result, HUD now concedes that it must allow lenders to hold onto borrower's mortgages until they reach the maximum claim amount and then assign them to HUD, or until the spouse dies.”

Unfortunately, this guidance leaves the decision up to OWB to foreclose or allow the spouse to remain in the property.

In a recent meeting with CRC, OWB acknowledged they could make the decision to allow the non-borrowing spouse to remain in the property as stated above but “OWB chooses

not to do that”.

OWB would not lose any profit by allowing the spouse to remain in the property since they always recover 100% of the loan, fees and costs from the property and/or FHA insurance fund. At every turn when OWB has the opportunity to act in good faith and provide the consumer any benefit they choose not to.

RECOMMENDATIONS:

1. Clear consistent consumer friendly communications identifying all consumer rights
 - Give a copy of HUD FAQ's or use HUD FAQ's as basis for repayment letter.
 - Clearly state: The heir has the right to sell (or retain) the property for the lesser amount of 95% of the appraised value or payoff of the loan balance.
 - The heir can have an initial 6 month grace period (from the date of borrower's death) with 2 possible 90 day extensions to sell/retain the property per HUD regulations
2. Train Customer Support in HUD regulations to help the consumer exercise their rights (instead of accelerating foreclosure and obstructing their effort to repay the loan)
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5. Wait for completion of probate in States where it takes time before accelerating foreclosure.
6. Allow Affidavit of heirship to be used as ability to convey title in States that allow.

For all of these reasons, I urge the Federal Reserve Bank to extend the comment period and hold public hearings in Los Angeles so that a fuller picture can be presented about the

negative impact this merger will have on consumers, local communities, and the failure of OneWest Bank to develop and make public any CRA Plan that identifies and addresses consumer and community needs. Consumer voices need to be heard.

This merger is yet one more way OWB seeks to avoid any responsibility or liability and transfer billions in assets to CIT. OWB must be held accountable to serving its communities through clear CRA benchmarks and timetables. The regulators must not rubber stamp this merger, allow the transfer of loss sharing agreements, and create another Too Big To Fail bank without ensuring the Bank works to undo the damage of Indymac Bank by stabilizing and revitalizing our neighborhoods.

If you have any questions about this letter, or wish to talk further, please feel free to contact me at (805) 402-3066

Very Truly Yours,

Sandy Jolley

Sandy Jolley
Reverse Mortgage Suitability and Abuse Consultant
Certified HUD Counselor

Cc: California Reinvestment Coalition
Janet Yellen, Chair, Federal Reserve Board of Governors
Thomas Curry, Comptroller, OCC
Martin Gruenberg, Chair, FDIC
Mel Watt, Director, FHFA
Richard Cordray, Director, CFPB

October 10, 2014

Ivan J. Hurwitz
Vice President, Bank Applications Function
33 Liberty Street, New York, NY 10045-0001
comments.applications@ny.frb.org

Re: Opposition to CIT Group application to acquire IMB and OneWest Bank, request for extension of the comment period, request for public hearings

Dear Mr. Hurwitz,

My name is Sandy Jolley. I am a Reverse Mortgage Suitability and Abuse Consultant and a Certified HUD HECM Counselor. My comments are in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT) based on my 9 years experience working with consumers harmed by Financial Freedom/OneWest Bank reverse mortgage lending practices. I believe it is imperative to have an extension of the comment period, and public hearings on the matter to be held in Los Angeles in order to a) hear directly from consumers regarding their experiences dealing with Financial Freedom/OneWest Bank (hereafter OWB) and, b) for this committee to examine the financial impact of OWB's business practices on the US Economy and the FHA insurance fund deficit.

In March, 2013 Carol Galante testified to the House Financial Services Committee that the HECM Insurance fund was negative \$2.8 billion. On September 30, 2013, the FHA received a \$1.7 billion bailout from the US Treasury to cover losses caused by the deceptive lending and servicing practices by OWB (and a few other reverse mortgage lenders). This is not because homeowner's were unable to pay property taxes.

In 2010 OWB signed a "Consent Order" that does not have an expiration date. The OTS identified certain deficiencies and unsafe/unsound practices in the residential mortgage servicing and in the initiation/handling of foreclosure proceedings. All of the findings in the attached consent order still exist. Additionally OWB has become more sophisticated and aggressive in the wrongful foreclosure and inflated/false FHA Claims. OWB has no accountability or liability. They are guaranteed to recover 100% of the loan, interest, costs and fees either through the sale of the property and/or the property and FHA insurance claim.

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OTS, and to enhance the Association's residential mortgage servicing and foreclosure processes. The Association has begun implementing procedures to remediate the practices addressed in this Order.

OTS's Findings.

The OTS finds, and the Association neither admits nor denies, the following:

1. The Association is a servicer of residential mortgages in the United States, and services a portfolio of approximately \$141 billion dollars in residential mortgage loans. During the recent housing crisis, a large number of residential mortgage loans serviced by the Association became delinquent and resulted in foreclosure actions.
2. In connection with certain foreclosures of loans in its residential mortgage servicing portfolio, the Association engaged in the following unsafe or unsound practices:
 - (a) filed or caused to be filed in state and federal courts numerous affidavits executed by its employees or employees of third-party service providers making various assertions, such as ownership of the mortgage note and mortgage, the amount of the principal and interest due, and the fees and expenses chargeable to the borrower, in which the affiant represented that the assertions in the affidavit were made based on personal knowledge or based on a review by the affiant of the relevant books and records, when, in many cases, they were not based on such personal knowledge or review of the relevant books and records;
 - (b) filed or caused to be filed in state and federal courts, or in local land records offices, numerous affidavits or other mortgage-related documents that were not properly notarized, specifically that were not signed or affirmed in the presence of a notary;

- (c) litigated foreclosure and bankruptcy proceedings and initiated non-judicial foreclosure proceedings without always ensuring that the promissory note and mortgage document were properly endorsed or assigned and, if necessary, in the possession of the appropriate party at the appropriate time;
- (d) failed to devote sufficient financial, staffing and managerial resources to ensure proper administration of its foreclosure processes;
- (e) failed to devote to its foreclosure processes adequate oversight, internal controls, policies, and procedures, compliance risk management, internal audit, third party management, and training; and
- (f) failed sufficiently to oversee outside counsel and other third-party providers handling foreclosure-related services.

Board Oversight of Compliance with Order.

3. Within five (5) days, the Board shall designate a committee to monitor and coordinate the Association's compliance with the provisions of this Order (Oversight Committee). The Oversight Committee shall be comprised of three (3) or more directors, which at least two (2) may not be employees or officers of the Association or any of its subsidiaries or affiliates.
4. Within ninety (90) days, and within thirty (30) days after the end of each quarter thereafter, the Oversight Committee shall submit a written compliance progress report to the Board (Compliance Tracking Report). The Compliance Tracking Report shall, at a minimum:
 - (a) separately list each corrective action required by this Order;
 - (b) identify the required or anticipated completion date for each corrective action; and
 - (c) discuss the current status of each corrective action, including the action(s) taken or to be taken to comply with each corrective action.

5. Within ten (10) days of receipt of the Compliance Tracking Report, the Board shall review the Compliance Tracking Report and all reports required to be prepared by this Order. Following its review, the Board shall adopt a resolution: (a) certifying that each director has reviewed the Compliance Tracking Report and all required reports; and (b) documenting any corrective actions taken. A copy of the Compliance Tracking Report and the Board resolution shall be provided to the Regional Director within five (5) days after the Board meeting at which such resolution was adopted.

6. Nothing contained herein shall diminish the responsibility of the entire Board to ensure the Association's compliance with the provisions of this Order. The Board shall review and adopt all policies and procedures required by this Order prior to submission to the OTS.

Comprehensive Action Plan.

7. Within sixty (60) days of this Order, the Association shall submit to the Regional Director an acceptable plan containing a complete description of the actions that are necessary and appropriate to achieve full compliance with this Order (Action Plan). In the event the Regional Director asks the Association to revise the Action Plan, the Association shall make the requested revisions and resubmit the Action Plan to the Regional Director within ten (10) days of receiving any comments from the Regional Director. Following acceptance of the Action Plan by the Regional Director, the Association shall not take any action that would constitute a significant deviation from, or material change to the requirements of the Action Plan or of this Order, unless and until the Association has received a prior written determination of no supervisory objection from the Regional Director.

8. The Board shall ensure that the Association achieves and thereafter maintains compliance with this Order, including, without limitation, successful implementation of the Action Plan.

The Board shall further ensure that, upon implementation of the Action Plan, the Association achieves and maintains effective mortgage servicing, foreclosure and loss mitigation activities (as used herein, the phrase "loss mitigation" shall include, but not be limited to, activities related to special forbearances, modifications, short refinances, short sales, cash-for-keys, and deeds-in-lieu of foreclosure and be referred to as either Loss Mitigation or Loss Mitigation Activities), as well as associated risk management, compliance, quality control, audit, training, staffing, and related functions. In order to comply with these requirements, the Board shall:

- (a) require the timely reporting by Association management of such actions directed by the Board to be taken under this Order;
- (b) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (c) require corrective action be taken in a timely manner for any non-compliance with such actions.

9. The Action Plan shall address, at a minimum:

- (a) financial resources to develop and implement an adequate infrastructure to support existing and/or future Loss Mitigation and foreclosure activities and ensure compliance with this Order;
- (b) organizational structure, managerial resources and staffing to support existing and/or future Loss Mitigation and foreclosure activities and ensure compliance with this Order;
- (c) metrics to measure and ensure the adequacy of staffing levels relative to existing and/or future Loss Mitigation and foreclosure activities, such as limits for the number of loans assigned to a Loss Mitigation employee, including the single point of contact as

hereinafter defined, and deadlines to review loan modification documentation, make loan modification decisions, and provide responses to borrowers; and

(d) governance and controls to ensure full compliance with all applicable federal and state laws (including, but not limited to, the U.S. Bankruptcy Code and the Servicemembers Civil Relief Act (SCRA)), rules, regulations, court orders and requirements, as well as the Membership Rules of MERSCORP, servicing guides of the Government Sponsored Enterprises (GSEs) or investors, including those with the Federal Housing Administration and those required by the Home Affordable Modification Program (HAMP), and loss share agreements with the Federal Deposit Insurance Corporation (collectively Legal Requirements), and the requirements of this Order.

10. The Action Plan shall specify timelines for completion of each of the requirements of this Order. The timeliness in the Action Plan shall be consistent with any deadlines set forth in this Order.

Compliance Program.

11. Within sixty (60) days of this Order, the Association shall submit to the Regional Director an acceptable compliance program to ensure that the mortgage servicing and foreclosure operations, including Loss Mitigation and loan modification, comply with all applicable Legal Requirements, supervisory guidance, and the requirements of this Order and are conducted in a safe and sound manner (Compliance Program). The Compliance Program shall be implemented within one hundred twenty (120) days of this Order. Any corrective action timeframe in the Compliance Plan that is in excess of one hundred twenty (120) days must be approved by the Regional Director. The Compliance Program shall include, at a minimum:

- (a) appropriate written policies and procedures to conduct, oversee, and monitor mortgage servicing, Loss Mitigation, and foreclosure operations;
- (b) processes to ensure that all factual assertions made in pleadings, declarations, affidavits, or other sworn statements filed by or on behalf of the Association are accurate, complete, and reliable, and that affidavits, declarations, or other sworn statements are based on personal knowledge or a review of the Association's books and records when the affidavit, declaration, or sworn statement so states;
- (c) processes to ensure that affidavits filed in foreclosure proceedings are executed and notarized in accordance with state legal requirements and applicable guidelines, including jurat requirements;
- (d) processes to review and approve standardized affidavits and declarations for each jurisdiction in which the Association files foreclosure actions to ensure compliance with applicable laws, rules, and court procedures;
- (e) processes to ensure that the Association has properly documented ownership of the promissory note and mortgage (or deed of trust) under applicable state law, or is otherwise a proper party to the action (as a result of agency or other similar status) at all stages of foreclosure and bankruptcy litigation, including appropriate transfer and delivery of endorsed notes and assigned mortgages or deeds of trust at the formation of a residential mortgage-backed security, and lawful and verifiable endorsement and successive assignment of the note and mortgage or deed of trust to reflect all changes of ownership;
- (f) processes to ensure that a clear and auditable trail exists for all factual information contained in each affidavit or declaration, in support of each of the charges that are listed,

including whether the amount is chargeable to the borrower and/or claimable to the investor;

(g) processes to ensure that foreclosure sales (including the calculation of the default period, the amounts due, and compliance with notice requirements) and post-sale confirmations are in accordance with the terms of the mortgage loan and applicable state and federal law requirements;

(h) processes to ensure that all fees, expenses, and other charges imposed on the borrower are assessed in accordance with the terms of the underlying mortgage note, mortgage, or other customer authorization with respect to the imposition of fees, charges, and expenses, and in compliance with all applicable Legal Requirements and supervisory guidance;

(i) processes to ensure that the Association has the ability to locate and secure all documents, including the original promissory notes if required, necessary to perform mortgage servicing, foreclosure and Loss Mitigation, or loan modification functions;

(j) ongoing testing for compliance with applicable Legal Requirements and supervisory guidance that is completed by qualified persons with requisite knowledge and ability (which may include internal audit) who are independent of the Association's business lines;

(k) measures to ensure that policies, procedures, and processes are updated on an ongoing basis as necessary to incorporate any changes in applicable Legal Requirements and supervisory guidance;

(l) processes to ensure the qualifications of current management and supervisory personnel responsible for mortgage servicing and foreclosure processes and operations,

including collections, Loss Mitigation and loan modification are appropriate, and a determination of whether any staffing changes or additions are needed;

(m) processes to ensure that staffing levels devoted to mortgage servicing and foreclosure processes and operations, including collections, Loss Mitigation and loan modification, are adequate to meet current and expected workload demands;

(n) processes to ensure that workloads of mortgage servicing, foreclosure and Loss Mitigation and loan modification personnel, including single point of contact personnel as hereinafter defined, are reviewed and managed. Such processes, at a minimum, shall assess whether the workload levels are appropriate to ensure compliance with the requirements of this Order, and necessary adjustments to workloads shall promptly follow the completion of the reviews. An initial review shall be completed within ninety (90) days of this Order, and subsequent reviews shall be conducted semi-annually;

(o) processes to ensure that the risk management, quality control, audit, and compliance programs have the requisite authority and status within the organization so that appropriate reviews of the Association's mortgage servicing, Loss Mitigation, and foreclosure activities and operations may occur and deficiencies are identified and promptly remedied;

(p) appropriate training programs for personnel involved in mortgage servicing and foreclosure processes and operations, including collections, Loss Mitigation, and loan modification, to ensure compliance with applicable Legal Requirements and supervisory guidance; and

- (q) appropriate procedures for customers in bankruptcy, including a prohibition on the collection of fees in violation of bankruptcy's automatic stay (11 U.S.C. § 362), the discharge injunction (11 U.S.C. § 524), or any applicable court order.

Third Party Management.

12. Within sixty (60) days of this Order, the Association shall submit to the Regional Director acceptable policies and procedures for outsourcing foreclosure or related functions, including Loss Mitigation and loan modification, and property management functions for residential real estate acquired through or in lieu of foreclosure, to any agent, independent contractor, consulting firm, law firm (including local counsel in foreclosure or bankruptcy proceedings retained to represent the interests of the owners of mortgages), property management firm, or other third-party (including any subsidiary or affiliate of the Association not specifically named in this Order) (Third-Party Providers). Third-party management policies and procedures shall be implemented within one hundred twenty (120) days of this Order. Any corrective action timetable that is in excess of one hundred twenty (120) days must be approved by the Regional Director. The policies and procedures shall include, at a minimum:

- (a) appropriate oversight to ensure that Third-Party Providers comply with all applicable Legal Requirements, supervisory guidance (including applicable portions of OTS Thrift Bulletin 82a), and the Association's policies and procedures;
- (b) measures to ensure that all original records transferred from the Association to Third-Party Providers (including the originals of promissory notes and mortgage documents) remain within the custody and control of the Third-Party Provider (unless filed with the appropriate court or the loan is otherwise transferred to another party), and are returned to the Association or designated custodians at the conclusion of the

performed service, along with all other documents necessary for the Association's files, and that the Association retains imaged copies of significant documents sent to Third-Party Providers;

(c) measures to ensure the accuracy of all documents filed or otherwise utilized on behalf of the Association or the owners of mortgages in any judicial or non-judicial foreclosure proceeding, related bankruptcy proceeding, or in other foreclosure-related litigation, including, but not limited to, documentation sufficient to establish ownership of the promissory note and/or the right to foreclose at the time the foreclosure action is commenced;

(d) processes to perform appropriate due diligence on potential and current Third-Party Provider qualifications, expertise, capacity, reputation, complaints, information security, business continuity and financial viability, and to ensure adequacy of Third-Party Provider staffing levels, training, work quality, and workload balance;

(e) processes to ensure that contracts provide for adequate oversight, including requiring Third-Party Provider adherence to Association foreclosure processing standards, measures to enforce Third-Party Provider contractual obligations, and processes to ensure timely action with respect to Third-Party Provider performance failures;

(f) processes to ensure periodic reviews of Third-Party Provider work for timeliness, competence, completeness, and compliance with all applicable Legal Requirements and supervisory guidance, and to ensure that foreclosures are conducted in a safe and sound manner;

(g) processes to review customer complaints about Third-Party Provider services;

- (h) processes to prepare contingency and business continuity plans that ensure the continuing availability of critical third-party services and business continuity of the Association, consistent with federal banking agency guidance, both to address short-term and long-term service disruptions and to ensure an orderly transition to new service providers should that become necessary;
- (i) a review of fee structures for Third-Party Providers to ensure that the method of compensation considers the accuracy, completeness, and legal compliance of foreclosure filings and is not based solely on increased foreclosure volume and/or meeting processing timelines; and
- (j) a certification process for law firms (and recertification of existing law firm providers) that provide residential mortgage foreclosure and bankruptcy services for the Association, on a periodic basis, as qualified to serve as Third-Party Providers to the Association including that attorneys are licensed to practice in the relevant jurisdiction and have the experience and competence necessary to perform the services requested.

Mortgage Electronic Registration System.

13. Within sixty (60) days of this Order, the Association shall submit to the Regional Director an acceptable plan to ensure appropriate controls and oversight of foreclosure activities within respect to the Mortgage Electronic Registration System (MERS) and compliance with MERSCORP's membership rules, terms, and conditions (MERS Requirements) (MERS Plan). The MERS Plan shall be implemented within one hundred twenty (120) days of this Order. Any corrective action timetable that is in excess of one hundred twenty (120) days must be approved by the Regional Director. The MERS Plan shall include, at a minimum:

- (a) processes to ensure that all mortgage assignments and endorsements with respect to mortgage loans serviced or owned by the Association out of MERS' name are executed only by a certifying officer authorized by MERS and approved by the Association;
- (b) processes to ensure that all other actions that may be taken by MERS certifying officers (with respect to mortgage loans serviced or owned by the Association) are executed by a certifying officer authorized by MERS and approved by the Association;
- (c) processes to ensure that the Association maintains up-to-date corporate resolutions from MERS for all Association employees and third-parties who are certifying officers authorized by MERS, and up-to-date lists of MERS certifying officers;
- (d) processes to ensure compliance with all MERS Requirements and with the requirements of the MERS Corporate Resolution Management System (CRMS);
- (e) processes to ensure the accuracy and reliability of data reported to MERSCORP, including monthly system-to-system reconciliations for all MERS mandatory reporting fields, and daily capture of all rejects/warnings reports associated with registrations, transfers, and status updates on open-item aging reports. Unresolved items must be maintained on open-item aging reports and tracked until resolution. The Association shall determine and report whether the foreclosures serviced by the Association that are currently pending in MERS' name are accurate and how many are listed in error, and describe how and by when the data on the MERSCORP system will be corrected;
- (f) an appropriate MERS quality assurance workplan, which clearly describes all tests, test frequency, sampling methods, responsible parties, and the expected process for open-item follow-up, and includes an annual independent test of the control structure of

the system-to-system reconciliation process, the reject/warning error correction process, and adherence to the Association's MERS Plan; and

(g) inclusion of MERS into the Association's third-party vendor management process, which shall include a detailed analysis of potential vulnerabilities, including information security, business continuity, and vendor viability assessments.

Foreclosure Review.

14. Within forty-five (45) days of this Order, the Association shall retain an independent consultant acceptable to the Regional Director to conduct an independent review of certain residential foreclosure actions regarding individual borrowers with respect to the Association's mortgage servicing portfolio. The review shall include residential foreclosure actions or proceedings (including foreclosures that were in process or completed) for loans serviced by the Association, whether brought in the name of the Association, the investor, the mortgage note holder, or any agent for the mortgage note holder (including MERS), that have been pending at any time from January 1, 2009 to December 31, 2010, as well as residential foreclosure sales that occurred during this time period (Foreclosure Review).

15. Within fifteen (15) days of the engagement of the independent consultant described in Paragraph 14, but prior to the commencement of the Foreclosure Review, the Association shall submit to the Regional Director for approval an engagement letter that sets forth:

(a) the methodology for conducting the Foreclosure Review, including: (i) a description of the information systems and documents to be reviewed, including the selection of criteria for files or aspects of files to be reviewed; (ii) the criteria for

evaluating the reasonableness of fees and penalties; (iii) other procedures necessary to make the required determinations (such as through interviews of employees and third parties and a process for the submission and review of borrower claims and complaints); and (iv) any proposed sampling techniques. In setting the scope and review methodology under clause (i) of this sub-paragraph, the independent consultant may consider any work already done by the Association or other third-parties on behalf of the Association. The engagement letter shall contain a full description of the statistical basis for the sampling methods chosen, as well as procedures to increase the size of the sample depending on results of the initial sampling;

- (b) expertise and resources to be dedicated to the Foreclosure Review;
- (c) completion of the Foreclosure Review and the Foreclosure Report within one hundred twenty (120) days from approval of the engagement letter; and
- (d) a written commitment that any workpapers associated with the Foreclosure Review shall be made available to the OTS immediately upon request.

16. The purpose of the Foreclosure Review shall be to determine, at a minimum:

- (a) whether at the time the foreclosure action was initiated or the pleading or affidavit or declaration filed (including in bankruptcy proceedings and in defending suits brought by borrowers), the foreclosing party or agent of the party had properly documented ownership of the promissory note and mortgage (or deed of trust) under relevant state law, or was otherwise a proper party to the action as a result of agency or similar status;
- (b) whether the foreclosure was in accordance with applicable federal and state laws, including, but not limited to, the U.S. Bankruptcy Code and the SCRA;

- (c) whether a foreclosure sale occurred when an application for a loan modification or other Loss Mitigation was under consideration when the loan was performing in accordance with a trial or permanent loan modification, or when the loan had not been in default for a sufficient period of time to authorize foreclosure pursuant to the terms of the mortgage loan documents and related agreements;
- (d) whether, with respect to non-judicial foreclosures, the procedures followed with respect to the foreclosure sale (including the calculation of the default period, the amounts due, and compliance with notice periods) and post-sale confirmations were in accordance with the terms of the mortgage loan and state law requirements;
- (e) whether a delinquent borrower's account was only charged fees and/or penalties that were permissible under the terms of the borrower's loan documents, applicable Legal Requirements, and were otherwise reasonable and customary;
- (f) whether the frequency that fees were assessed to any delinquent borrower's account (including broker price opinions) was excessive under the terms of the borrower's loan documents, applicable Legal Requirement, or were otherwise unreasonable;
- (g) whether Loss Mitigation Activities with respect to foreclosed loans were handled in accordance with the requirements of the HAMP, and consistent with the policies and procedures applicable to the Association's proprietary loan modifications or other Loss Mitigation programs, such that each borrower had an adequate opportunity to apply for a Loss Mitigation option or program, any such application was handled properly, a final decision was made on a reasonable basis, and was communicated to the borrower before the foreclosure sale; and

(h) whether any errors, misrepresentations, or other deficiencies identified in the Foreclosure Review resulted in financial injury to the borrower or the mortgagee.

17. The independent consultant shall prepare a written report detailing the findings of the Foreclosure Review (Foreclosure Report), which shall be completed within thirty (30) days of completion of the Foreclosure Review. Immediately upon completion, the Foreclosure Report shall be submitted to the Regional Director and the Board.

18. Within forty-five (45) days of submission of the Foreclosure Report to the Board, the Association shall submit to the Regional Director an acceptable plan to remediate all financial injury to borrowers caused by any errors, misrepresentations, or other deficiencies identified in the Foreclosure Report by:

- (a) reimbursing or otherwise appropriately remediating borrowers for impermissible or excessive penalties, fees or expenses, or for other financial injury identified in accordance with this Order; and
- (b) taking appropriate steps to remediate any foreclosure sale identified in the Foreclosure Report where the foreclosure was not authorized as described in this Order.

19. Within sixty (60) days after the Regional Director provides supervisory non-objection to the plan set forth in paragraph (18) above, the Association shall make all reimbursement and remediation payments and provide all credits required by such plan, and provide the Regional Director with a report detailing such payments and credits.

Management Information Systems.

20. Within sixty (60) days of this Order, the Association shall submit to the Regional Director an acceptable plan for operation of its management information systems (MIS) for foreclosure and Loss Mitigation or loan modification activities to ensure the timely delivery of

complete and accurate information to permit effective decision-making. The MIS plan shall be implemented within one hundred twenty (120) days of this Order. Any corrective action timeframe that is in excess of one hundred twenty (120) days must be approved by the Regional Director. The plan shall include, at a minimum:

- (a) a description of the various components of MIS used by the Association for foreclosure and Loss Mitigation or loan modification activities;
- (b) a description of and timetable for any needed changes or upgrades to:
 - (i) monitor compliance with all applicable Legal Requirements, supervisory guidance, and the requirements of this Order;
 - (ii) ensure the ongoing accuracy of records for all serviced mortgages, including, but not limited to, records necessary to establish ownership and/or the right to foreclose by the appropriate party for all serviced mortgages, outstanding balances, and fees assessed to the borrower; and
 - (iii) measures to ensure that Loss Mitigation, loan foreclosure, and modification staffs have sufficient and timely access to information provided by the borrower regarding loan foreclosure and modification activities; and
- (c) the testing of the integrity and accuracy of the new or enhanced MIS to ensure that reports generated by the system provide necessary information for adequate monitoring and quality controls.

Mortgage Servicing.

21. Within sixty (60) days of the Order, the Association shall submit to the Regional Director an acceptable plan, along with a timeline, for ensuring effective coordination of communications with borrowers, both oral and written, related to Loss Mitigation or loan modification and

foreclosure activities: (i) to ensure that communications are timely and effective and are designed to avoid confusion to borrowers; (ii) to ensure continuity in the handling of borrowers' loan files during the Loss Mitigation, loan modification and foreclosure process by personnel knowledgeable about a specific borrower's situation; (iii) to ensure that reasonable and good faith efforts, consistent with applicable Legal Requirements, are engaged in Loss Mitigation and foreclosure prevention for delinquent loans, where appropriate; and (iv) to ensure that decisions concerning Loss Mitigation or loan modifications continue to be made and communicated in a timely fashion. Prior to submitting the plan, the Association shall conduct a review to determine whether processes involving past due mortgage loans or foreclosures overlap in such a way that they may impair or impede a borrower's efforts to effectively pursue a loan modification and whether Association employee compensation practices discourage Loss Mitigation or loan modifications. The plan shall be implemented within one hundred twenty (120) days of this Order. Any corrective action timeframe that is in excess of one hundred twenty (120) days must be approved by the Regional Director. The plan shall include, at a minimum:

- (a) measures to ensure that staff handling Loss Mitigation and loan modification requests routinely communicates and coordinates with staff processing the foreclosure on the borrower's property;
- (b) appropriate deadlines for responses to borrower communications and requests for consideration of Loss Mitigation, including deadlines for decision-making on Loss Mitigation activities, with the metrics established not being less responsive than the timelines in the HAMP;
- (c) establishment of an easily accessible and reliable single point of contact for each borrower so that the borrower has access to an employee of the bank to obtain

information throughout the Loss Mitigation, loan modification, and foreclosure processes;

(d) a requirement that written communications with the borrower identify such single point of contact along with one or more direct means of communication with the contact;

(e) measures to ensure that the single point of contact has access to current information and personnel (in-house or third-party) sufficient to timely, accurately, and adequately inform the borrower of the current status of the Loss Mitigation, loan modification, and foreclosure activities;

(f) measures to ensure that staff are trained specifically in handling mortgage delinquencies, Loss Mitigation and loan modifications;

(g) procedures and controls to ensure that a final decision regarding a borrower's loan modification request (whether on a trial or permanent basis) is made and communicated to the borrower in writing, including the reason(s) why the borrower did not qualify for the trial or permanent modification (including the net present value calculations utilized by the Association, if applicable), by the single point of contact within a reasonable time before any foreclosure sale occurs;

(h) procedures and controls to ensure that when the borrower's loan has been approved for modification on a trial or permanent basis that: (i) no foreclosure or legal action predicate to foreclosure occurs, unless the borrower is deemed in default on the terms of the trial or permanent modification; and (ii) the single point of contact remains available to the borrower and continues to be referenced on all written communications with the borrower;

- (i) policies and procedures to enable borrowers to make complaints regarding the Loss Mitigation or loan modification process, denial of modification requests, the foreclosure process, or foreclosure activities which prevent a borrower from pursuing Loss Mitigation or loan modification options, and a process for making borrowers aware of the complaint procedures;
- (j) procedures for the prompt review, escalation, and resolution of borrower complaints, including a process to communicate the results of the review to the borrower on a timely basis;
- (k) policies and procedures to ensure that payments are credited in a prompt and timely manner, that payments, including partial payments, to the extent permissible under the terms of applicable legal instruments, are applied to scheduled principal, interest, and/or escrow before fees, and that any misapplication of borrower funds is corrected in a prompt and timely manner;
- (l) policies and procedures to ensure that timely information about Loss Mitigation options is sent to the borrower in the event of a delinquency or default, including plain language notices about Loss Mitigation, loan modification, and the pendency of foreclosure proceedings; and
- (m) policies and procedures to ensure that foreclosure, Loss Mitigation, and loan modification documents provided to borrowers and third-parties are appropriately maintained and tracked, that borrowers generally will not be required to resubmit the same documented information that has already been provided, and that borrowers are notified promptly of the need for additional information; and

(n) policies and procedures to consider loan modifications or other Loss Mitigation Activities with respect to junior lien loans owned by the Association, and to factor the risks associated with such junior lien loans into loan loss reserving practices, where the Association services the associated first lien mortgage and becomes aware that such first lien mortgage is delinquent or has been modified. Such policies and procedures shall require the ongoing maintenance of appropriate loss reserves for junior lien mortgages owned by the Association and the charge-off of such junior lien loans in accordance with Federal Financial Institutions Examination Council (FFIEC) retail credit classification guidelines.

Effective Date, Incorporation of Stipulation.

22. This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

Duration.

23. This Order shall remain in effect until terminated, modified, or suspended by written notice of such action by the OTS, acting by and through its authorized representatives.

Time Calculations.

24. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be based on calendar days, unless otherwise noted.

25. The Regional Director, or an OTS authorized representative, may extend any of the deadlines set forth in the provisions of this Order upon written request by the Association that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

Submissions and Notices.

26. All submissions, including any reports, to the OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes.

27. Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and sent by first class U.S. mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:

(a) To the OTS¹:

Regional Director Philip A. Gerbick
OTS Western Regional Office
225 East John Carpenter Freeway, Suite 500
Irving, Texas 75062-2326

(b) To the Association:

Mr. Joseph M. Otting
President and Chief Executive Officer
OneWest Bank, FSB
888 E. Walnut Street
Pasadena, California 91101-7211

¹ Following the Transfer Date, see Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. Law No. 111-203, § 311, 124 Stat. 1520-21 (2010), all submissions, requests, communications, consents or other documents relating to this Order shall be directed to the Comptroller of the Currency, or to the individual, division, or office designated by the Comptroller of the Currency.

Scope of Board Responsibility.

28. In each instance in this Order in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Association, it is intended to mean that the Board shall:

- (a) authorize and adopt such actions on behalf of the Association as may be necessary for the Association to perform its obligations and undertakings under the terms of this Order;
- (b) require the timely reporting by Association management of such actions directed by the Board to be taken under the terms of this Order;
- (c) follow-up on any material non-compliance with such actions in a timely and appropriate manner; and
- (d) require corrective action be taken in a timely manner of any material non-compliance with such actions.

No Violations Authorized.

29. Nothing in this Order or the Stipulation shall be construed as allowing the Association, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: _____/s/_____
Philip A. Gerbick
Regional Director, Western Region

Date: See Effective Date on page 1

that term is defined in 12 U.S.C. § 1813(c).

2. Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings association. Therefore, the Association is subject to the authority of the OTS to initiate and maintain an administrative cease and desist proceeding against it pursuant to 12 U.S.C. § 1818(b).

Consent.

3. The Association, without admitting or denying any wrongdoing, consents to the issuance by the OTS of the accompanying Order. The Association further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

Finality.

4. The Order is issued by the OTS under 12 U.S.C. § 1818(b). Upon the Effective Date, the Order shall be a final order, effective, and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

Waivers.

5. The Association waives the following:

- (a) the right to be served with a written notice of the OTS’s charges against it as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (b) the right to an administrative hearing of the OTS’s charges as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes, or otherwise.

OTS Authority Not Affected.

6. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting the Association if at any time the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law.

Other Governmental Actions Not Affected.

7. The Association acknowledges and agrees that its consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 6 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

Miscellaneous.

8. The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

9. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise.

10. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

11. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order.

12. The terms of this Stipulation and of the Order represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters. Nothing in this Stipulation or the Order, express or implied, shall give to any person or entity, other than the parties hereto, and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Stipulation or the Order.

13. The Stipulation and Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Regional Director or other authorized representative.

14. For purposes of, and within the meaning of 12 C.F.R. §§ 563.555, 563.560, and 565.4, this Consent Order shall not be construed to be a "cease-and-desist order", "consent order", or "order", unless the OTS informs the Association otherwise.

Signature of Directors/Board Resolution.

15. Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of the Association to the issuance of the Order and the execution of the Stipulation.

