

From: Brenda Rodriguez
Sent: Friday, October 10, 2014 7:11:46 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: Paulina Gonzales; Kevin Stein
Subject: RE: OneWest AHC comment letter

Dear Mr. Hurwitz,
Affordable Housing Clearinghouse appreciates this opportunity to comment on the proposal CIT Group submitted to purchase OneWest Bank, based in Pasadena. Attached for your consideration is a letter opposing the acquisition. I urge you and the agencies involved to carefully consider the banks history in reviewing their proposal.

Kindest Regards,

Brenda J. Rodriguez
Executive Director



23861 El Toro Road, Suite #401

Lake Forest, CA 92630

Office: (949) 859-9255

FAX: (949) 859-8534

brodriguez@affordable-housing.org

www.affordable-housing.org

Hablamos Español!

BJR

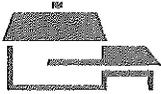


Office: (949) 859-9255

If this message relates to a property transaction, then please include the full property address in the subject line.

Clearinghouse CDFI made the following annotations

Electronic Privacy Notice. This e-mail, and any attachments, contains information that is, or may be, covered by electronic communications privacy laws, and is also confidential and proprietary in nature. If you are not the intended recipient, please be advised that you are legally prohibited from retaining, using, copying, distributing, or otherwise disclosing this information in any manner. Instead, please reply to the sender that you have received this communication in error, and then immediately delete it. Thank you in advance for your cooperation.



Affordable Housing Clearinghouse

A network of lenders, community groups, and public agencies dedicated to the creation of quality affordable housing

October 10, 2014

23861 El Toro Road, Suite 401 • Lake Forest, CA 92630
(949) 859-9255 • FAX (949) 859-8534
www.affordable-housing.org

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,

Affordable Housing Clearinghouse 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 or Orange County.

Affordable Housing Clearinghouse is a nonprofit organization dedicated to helping low to moderate income and special needs populations find affordable housing in the Orange County and Los Angeles area. We help clients through the process of buying a house, starting with educational workshops focused on first time homebuyer education, budget and credit counseling as well as offer resources to down payment assistance programs.

Over the last four years, Affordable Housing Clearinghouse has reached out to OneWest Bank several times to act as a partner serving the affordable housing needs of the southern California community. In 2010, OneWest responded to our request in a written message indicating that "the Foundation is not set up to accept grant applications." Furthermore, they indicated that they hope to be in a position to accept applications later this year.

This was unfortunate since we hoped for support during a serious foreclosure crisis in Orange County communities. In 2011, we reached out again and were told our request for support was being considered. However, our request fell on deaf ears. In 2012, we again submitted a letter of intent and from February to April there was no responsible party available to provide feedback or confirmation of whether our organization would receive any support. In 2013, AHC received correspondence thanking us for our patience and that we were being considered. It is now 2014, OneWest has proven that although Orange County has 11 branches throughout our 34 cities, the region is not a 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.

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.
 - 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 or Orange County 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 949-859-9255

Very Truly Yours,



Brenda Rodriguez

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 7:26:00 PM
Attachments: [OneWestMergerOppLtrTo2014_10_10.pdf](#)

From: Matt Schwartz
Sent: Friday, October 10, 2014 7:25:47 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Subject: Opposition to CIT Group application to acquire IMB and OneWest Bank

To Whom It May Concern:

Please deliver the attached letter to Ivan J. Hurwitz, Vice President, Bank Applications Function.

Thank you.

--

Matt Schwartz

President & CEO

The California Housing Partnership

T: (415) 433-6804 x311 | mschwartz@chpc.net

369 Pine Street, Suite 300 | San Francisco, CA 94104

www.chpc.net | [@CHPCnews](https://twitter.com/CHPCnews)



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 California Housing Partnership 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.

The California Housing Partnership was created by the State of California to provide leadership on affordable housing finance. Over the past 25 years, we have helped more than 100 nonprofit and local government housing organizations leverage more than \$5 billion in private and public capital to create and preserve more than 20,000 affordable homes.

Although we have worked with most of the major banks in California, we have no knowledge of either CIT Group or OneWest Bank participating in Community Reinvestment Act loans, grants or investments in affordable rental homes serving lower income Californians.

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.

Our concerns about this merger include:

- 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.

SAN FRANCISCO
369 Pine Street
Suite 300
San Francisco, CA 94104
Tel: (415) 433-6804
Fax: (415) 433-6805

LOS ANGELES
600 Wilshire Blvd.
Suite 890
Los Angeles, CA 90017
Tel: (213) 892-8775
Fax: (213) 892-8776

SACRAMENTO
5325 Elkhorn Blvd.
P.O. Box 8132
Sacramento, CA 95842
Tel: (916) 683-1180
Fax: (916) 682-1194

- 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 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 failure of OneWest Bank to develop and make public a strong 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 mschwartz@chpc.net or 415-433-6804 x 311.

Sincerely,



President & 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: Comment on OneWest CIT Merger
Date: Friday, October 10, 2014 7:38:27 PM
Attachments: [OneWest CIT merger comment letter.doc](#)

From: Marcia Rosen
Sent: Friday, October 10, 2014 7:38:13 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: 'Kevin Stein'
Subject: Comment on OneWest CIT Merger

Marcia Rosen
Executive Director
National Housing Law Project
703 Market St., Suite 2000
San Francisco, CA 94103
415 546-7000, Ext. 3106
mrosen@nhlp.org

[Support NHLP When You Shop Amazon](#)



703 Market St., Suite 2000
San Francisco, CA 94103
Telephone: 415-546-7000
Fax: 415-546-7007
nhlp@nhlp.org
www.nhlp.org

October 10, 2014

Sent via email: comments.applications@ny.frb.org

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

**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 National Housing Law Project joins the California Reinvestment Coalition in opposing the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for an extension of the comment period and for public hearings on the matter to be held in Los Angeles.

The National Housing Law Project (NHLP) is a charitable nonprofit corporation established in 1968 whose mission is to use the law to advance housing justice for the poor by increasing and preserving the supply of decent, affordable housing; by improving existing housing conditions, including physical conditions and management practices; by expanding and enforcing tenants' and homeowners' rights; and by increasing housing opportunities for people protected by fair housing laws.

As part of NHLP's work with the California Homeowner Bill of Rights Collaborative—a partnership with the National Consumer Law Center, Western Center on Law & Poverty, and Tenants Together, and funded by a grant from the California Attorney General's Office—we provide technical assistance to California consumer attorneys working on behalf of tenants and homeowners in foreclosure. We have responded to technical assistance requests involving both OneWest and Indymac, the failed bank purchased by

OneWest. The requesting attorneys have described servicing transfer problems and suspected Homeowner Bill of Rights violations.

The merger of OneWest and CIT is of particular concern because it would create the newest “too big to fail” bank, or Systemically Important Financial Institutions (SIFI). Both OneWest and CIT are products of failed institutions that have benefited from various forms of public subsidy, and yet neither institution has provided sufficient commitments to serve our communities. This merger will not provide a clear public benefit and regulators must therefore scrutinize the merger before approving it.

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

CIT Group sought and received \$2.3 billion in TARP funds and soon thereafter filed one of the biggest bankruptcies in history without repaying its TARP funds.

Our concerns about this merger include:

- The transfer of OneWest’s loss share agreement to CIT is inappropriate because loss share agreements are only meant to protect our financial system.
- 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 fails to increase its reinvestment activities commensurate with the dramatic its increase in its asset size.
- 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 to hold hearings in Los Angeles. This will present a fuller picture about the negative impacts this merger can have on local communities, and OneWest's failure to develop and publicize a strong CRA Plan that identifies and addresses local community needs.

We urge the Federal Reserve Bank of New York to hold OneWest accountable through clear CRA benchmarks and timetables. The regulators should not approve this merger or permit the transfer of loss sharing agreements without ensuring that the Bank works to undo the damage of Indymac Bank by committing to stabilizing and revitalizing our neighborhoods.

Sincerely,



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

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: Oposition to CIT Group application to acquire IMB and One West Bank
Date: Friday, October 10, 2014 7:51:15 PM
Attachments: [10.10.14 Letter to Ivan J. Hurwitz.pdf](#)

From: Neal Dudovitz
Sent: Friday, October 10, 2014 7:50:25 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: kstein@calreinvest.org
Subject: Oposition to CIT Group application to acquire IMB and One West Bank

Dear Mr. Hurwitz,

Please see attached.

Neal

Neal S. Dudovitz
Executive Director
Neighborhood Legal Services of Los Angeles County
1104 East Chevy Chase Drive
Glendale, CA 91205
(818) 834-7590 - Direct
(818) 291-1791 Administrative Fax
ndudovitz@nls-la.org



Neighborhood Legal Services
of Los Angeles County

October 10, 2014

Neal S. Dudovitz
Executive Director
(818) 834-7590
ndudovitz@nls-la.org

VIA U.S. MAIL AND E-MAIL

Ivan J. Hurwitz
Vice President, Bank Applications Function
New York Federal Reserve Bank
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; and Request for public hearings

Dear Mr. Hurwitz,

Neighborhood Legal Services of Los Angeles County (NLSLA) files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). We call for (1) an immediate extension of the comment period and (2) the prompt scheduling of public hearings on the matter in Los Angeles.

NLSLA is a steadfast advocate for individuals, families and communities throughout Los Angeles County and one of the largest and most prominent public interest law offices in California. Through a combination of individual representation, high impact litigation and public policy advocacy, NLSLA combats the immediate and long-lasting effects of poverty and expands access to health, opportunity, economic security and justice in Los Angeles' diverse neighborhoods. In 2013 alone, through its various programs NLSLA provided assistance and help to more than 100,000 Los Angeles area residents.

NLSLA was at the forefront in the battle to save people's homes from foreclosure and we remain actively involved in advocacy to help protect low-income homeowners from their ongoing problems securing mortgage adjustments that avoid foreclosures and keep individuals and families in their homes. In 2008, just as the foreclosure crisis was exploding in Los Angeles County, we went into action. As part of our strategy, we reached out to several large banks that commonly held our clients' mortgages, including Indymac Bank, to negotiate modifications in an organized manner.

In that process we engaged several high ranking Indymac executives and held a number of personal meetings/discussions with them. IndyMac (and later its successor, OneWest) were initially quite resistant to helping homeowners modify their mortgages to avoid foreclosure. They refused to recognize their role in creating the crises through their marketing strategies towards the large, immigrant communities of color that live in Los Angeles County. Nor, did IndyMac/OneWest agree to even one modification for our homeowners.

ADMINISTRATIVE OFFICE
1102 East Chevy Chase Drive
Glendale, CA 91205
Fax: (818) 291-1790

EL MONTE OFFICE
9354 Telstar Ave
El Monte, CA 91731
Fax (626) 307-3650

GLENDALE OFFICE
1104 East Chevy Chase Dr.
Glendale, CA 91205
Fax (818) 291-1795

PACOIMA OFFICE
13327 Van Nuys Blvd
Pacoima, CA 91331
Fax (818) 896-6647

TEL: (800) 433-6251

In short, our experience is OneWest did little, if anything, to assist homeowners or help save homes from foreclosure. Today, even though the over-all volume of our foreclosure efforts has decreased, we continue to see homeowners that are struggling to save their homes from foreclosure under an IndyMac or OneWest generated mortgage.

In light of our many years of experience with the bank we are very troubled by the prospects of the proposed merger with CIT Group. The merger is particularly problematic because it would create yet another "Too Big to Fail Bank", or Systemically Important Financial Institutions (SIFI). Indeed, both of the institutions involved in the merger are themselves products of failed institutions that have benefited from various forms of public subsidy, but have a long track record of failing to provide sufficient commitments to serve our homeowner communities. This merger will not provide a clear public benefit. We urge the regulators to carefully scrutinize the merger before approving another "Too Big to Fail Institution" and to set a Los Angeles hearing to provide the homeowners that have experience with these institutions, as well as those who live in the impacted communities, a meaningful opportunity to be heard.

As you well know, OneWest was borne from the ashes of IndyMac Bank, a notorious failed lender that made too many problematic loans in our communities. The OneWest investors not only received 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. Through this proposed merger, once again, it appears that OneWest investors will end up with more profits at the expense of the community.

CIT Group is also far from a model financial institution. It sought and received \$2.3 billion in TARP funds and soon thereafter filed one of the biggest bankruptcies in history, thereby failing to repay its billions of dollars of TARP funds.

In sum, our concerns about this merger include the following:

- Another "Too Big To Fail Bank" is not what our communities need.
- 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 has a few of its branches (15%) in LMI neighborhoods, including only two branches in low income neighborhoods.

ADMINISTRATIVE OFFICE
1102 East Chevy Chase Drive
Glendale, CA 91205
Fax: (818) 291-1790

EL MONTE OFFICE
9354 Telstar Ave
El Monte, CA 91731
Fax (626) 307-3650

GLENDALE OFFICE
1104 East Chevy Chase Dr.
Glendale, CA 91205
Fax (818) 291-1795

PACOIMA OFFICE
13327 Van Nuys Blvd
Pacoima, CA 91331
Fax (818) 896-6647

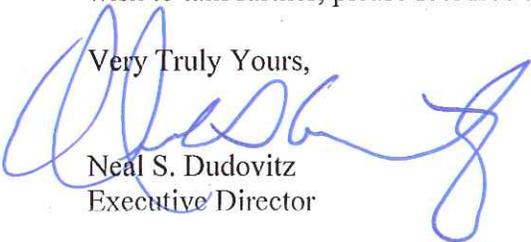
- OneWest will significantly underperform its peers in overall CRA activity as a percentage of its California deposits.
- OneWest's low level of charitable contributions as a percentage of its California deposits is below many of its peers, and the bank has only provided 7% of contributions to support housing and economic development activities and groups.
- OneWest received a "low satisfactory" under the Investment test, in its most recent CRA Performance Evaluation.
- OneWest has no specific goals to contract with Minority/Women/Disabled Business Enterprises.
- OneWest 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.
- 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.

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

We believe it is critical that OneWest 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 new Bank works to undo the damage of IndyMac Bank by stabilizing and revitalizing our neighborhoods.

Thank you for considering our comments and requests. If you have any questions about this letter, or wish to talk further, please feel free to contact me directly at (818) 834-7590.

Very Truly Yours,



Neal S. Dudovitz
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

ADMINISTRATIVE OFFICE
1102 East Chevy Chase Drive
Glendale, CA 91205
Fax: (818) 291-1790

EL MONTE OFFICE
9354 Telstar Ave
El Monte, CA 91731
Fax (626) 307-3650

GLENDALE OFFICE
1104 East Chevy Chase Dr.
Glendale, CA 91205
Fax (818) 291-1795

PACOIMA OFFICE
13327 Van Nuys Blvd
Pacoima, CA 91331
Fax (818) 896-6647

TEL: (800) 433-6251

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
Date: Friday, October 10, 2014 8:35:56 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[HRC Opposition Letter to CIT Group app.pdf](#)

From: Chancela Al-Mansour
Sent: Friday, October 10, 2014 8:35:19 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

To Whom it May Concern:

Please find attached a letter sent to you in opposition to the CIT group application to acquire IMB and OneWest Bank. The Housing Rights Center hopes that the serious concerns it and other organizations and persons have raised about this acquisition will lead you to extend the comment period and hold public hearings in Los Angeles, CA.

Sincerely,

Chancela Al-Mansour
Executive Director
Housing Rights Center
3255 Wilshire Blvd., Suite 1150
Los Angeles, CA 90010
calmansour@housingrightscenter.org
Tel.: (213) 387-8400, ext. 1111
Fax: 213.381.8555

Check Us Out Online!





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 Housing Rights 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.

Founded in 1968, the Housing Rights Center (HRC) is the largest non-profit civil rights organization in the United States dedicated to securing the right to equal access in housing. HRC's mission is to actively support and promote fair housing to the end that all persons have the opportunity to secure the housing they desire and can afford, without discrimination based on their race, color, religion, gender, sexual orientation, national origin, familial status, marital status, disability, ancestry, age, source of income, or other characteristics protected by law. Access to credit and financial services free from predatory practices and products are fair housing issues that are of great concern to HRC and the community of consumers that we serve. HRC has offices in Los Angeles and Pasadena – service areas currently “covered” by OneWest Bank.

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 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.

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) 387-8400, ext. 1111.

Very Truly Yours,



Chancela Al-Mansour
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, Crystal](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Greenlining Institute's Formal Opposition Letter to CIT Group's Acquisition of OneWest Bank (IMB Holding Co)
Date: Friday, October 10, 2014 9:48:53 PM
Attachments: [Greenlining Formal Opposition Letter to CIT Group Inc's Application to Acquire OneWest Bank.pdf](#)

From: Aguilar, Orson
Sent: Friday, October 10, 2014 9:47:55 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: Sasha Werblin; Bruce Mirken; Kevin Stain; Paulina Gonzalez; Orson Aguilar; Danielle Beavers; Preeti Vissa
Subject: Greenlining Institute's Formal Opposition Letter to CIT Group's Acquisition of OneWest Bank (IMB Holding Co)

Dear Federal Reserve,

Attached is our formal opposition letter related to the application by CIT Group Inc. and intention to acquire IMB Hold Co (OneWest Bank).

Please confirm that you have received this letter.

Sincerely,

Orson

--

Orson Aguilar
Executive Director
[The Greenlining Institute](#) | 1918 University Ave, Berkeley CA 94704
orsona@greenlining.org | 510.926.4005



October 10, 2014

Ms. Janet Yellen
Chair
Federal Reserve Board of Governors

Mr. Stanley Fisher
Vice Chairman
Federal Reserve Board of Governors

Mr. Daniel Tarullo
Governor
Federal Reserve Board of Governors

Mr. Jerome H. Powell
Governor
Federal Reserve Board of Governors

Ms. Lael Brainard
Governor
Federal Reserve Board of Governors

**Strong Opposition to CIT Group application to Acquire IMB and OneWest Bank –
Southern California Doesn't Need Another Bank for the 1%**

Dear Chair Yellen and Governors Fisher, Tarullo, Powell, and Brainard,

The Greenlining Institute (Greenlining) is in strong opposition to the application by CIT Group Inc. and its direct, wholly-owned subsidiary, Carbon Merger Sub LLC, to acquire 100 percent of the stock of IMB HoldCo LLC, and indirectly acquire OneWest Bank (OneWest), N.A., both of Pasadena, California.

Greenlining is opposed to the acquisition for the reasons stated below.

1. Little to no public benefits as called for by the Federal Reserve and the community.
2. OneWest's intention to serve the area's wealthy with little to no efforts to serve the area's diverse and LMI communities, especially in the areas of small business and homeownership.
3. OneWest's satisfactory rating and overall poor track record in communities of color.
4. Excessive compensation for bank executives.
5. Lack of transparency by OneWest executives.
6. Explicit threats that community groups that oppose this merger will receive no support.
7. A non-transparent loss-share agreement with the F.D.I.C. that leaves taxpayers on the hook even as investors get over \$5 billion in profits.

We expand upon our seven points in the full body of this letter.

Given our concerns and the fact that this acquisition would create a Systematically Important Financial Institution (SIFI), we urge the Federal Reserve to reject CIT Group's application. If the Federal Reserve is not willing to reject the application at this time, we urge that The Federal Reserve:

1. Extend the public comment period for 30 days;
2. Hold the banks to a greater level of transparency;
3. Fully explain to the public and congress the details of the loss share agreement and the revenue implications for CIT Bank and loss implications to the F.D.I.C.; and
4. Hold public hearings in Southern California to obtain stronger community feedback regarding OneWest's track record in the community.¹

Little to no public benefit as called for by the Federal Reserve and the community.

OneWest revealed a so-called CRA plan on September 17, 2014 in Los Angeles. The plan, devised with no community input, was intended as a way to demonstrate the bank's extensive support in LMI communities. Surprisingly, few very organizations came out to support OneWest on "community day." It appeared that less than five of the organizations in attendance were supported by OneWest bank, including the Los Angeles County Museum of Art. The majority of the organizations present were either Greenlining or Community Reinvestment Coalition (CRC) members. Joseph Otting, CEO of OneWest, told the audience that he had no intention of signing a CRA agreement with Greenlining and CRC.

After reviewing the so-called CRA plan, we see understand why the bank has no intention of signing an agreement. According to an analysis by CRC, "The goals the plan sets for community development lending and investing represent loans and investment in portfolio, not on an annual basis, and it appears that the Bank already has in its portfolio the amount of loans and investment that it targets in the Plan." OneWest can meet its so-called CRA pledge without doing any additional lending in this area.

The bank also commits to an additional \$1.6 million in philanthropic dollars. This would give the new bank a total philanthropic budget of \$3 million per year. OneWest claims that this is consistent if not higher than the philanthropic budgets of other banks including Union Bank and Wells Fargo. There are several ways to benchmark philanthropic giving and regulators have provided little guidance in this area. In Greenlining's view, bank CEO compensation should never surpass the bank's total annual philanthropic budget. According to our analysis, it appears that the CEOs new salary will substantially exceed the \$3 million threshold. The Federal Reserve would raise serious questions if the CEO of Wells Fargo made more than \$275 million per year. (See excessive compensation section.) We urge the Federal Reserve to provide

¹ Greenlining met with F.D.I.C. officials, including Chairman Gruenberg, on October 10, 2014. At this meeting it we were informed that very few organizations and/or individuals weigh in on CRA exams during the public participation process. We believe that the same is true for the Federal Reserve and other regulatory agencies. As you agree, more needs to be done to obtain community input in the examination process. The size of this transaction and the creation of a SIFI requires greater community input and scrutiny.

guidance in this area and to confirm whether the CEO's new salary will exceed the bank's total philanthropic budget.

The so-called CRA agreement is consistent with empty promises. On page 3 for example the bank highlights its wish to achieve the SBA Preferred Lender designation. According to the SBA, this designation is currently meaningless and does not indicate a bank's commitment to small business lending. Given the bank's resources to find facts, we wonder if the bank is playing a game of "smoke and mirrors" in its so-called pledge?

The bank also pretends to incorporate Greenlining's suggestions in its updated so called CRA plan. For example, the Bank says that they *will establish a target for a percentage of vendor spend with women, minority-owned businesses and service disabled veterans within 120 days of the consummation of the merger.* Under this scenario, the bank can establish a target of just 2% and fulfill this portion of the so-called CRA plan.

The bank also commits to a \$50,000 marketing pilot for advertising in minority-owned publications and media platforms to improve their community outreach efforts and to reach an audience who may not be familiar with their products and services. Since the bank admits that their current marketing is to the area's wealthy consumer, the bank thinks that \$50,000 will be enough to gain traction with LMI and communities of color. A member of the Greenlining coalition pointed out that there are easily over 50 minority media outlets in Southern California and that \$1,000 per outlet would be trivial and nearly meaningless. Again, due to the bank's nontransparent behavior, we do not know what formula the bank used to reach its \$50,000 advertising pledge.

Overall, the so-called CRA plan lacks real efforts to serve LMI and consumers of color, especially in the areas of homeownership and small business, two of the biggest areas of need.

To its credit, OneWest has decided to incorporate Greenlining and CRC's suggestion to add a Latina/o to the board of directors.

OneWest's intention to serve the area's wealthy with little to no efforts to serve the areas diverse and LMI communities.

OneWest has had five years to distinguish itself as the self-proclaimed "neighborhood bank." After five years in operation, Greenlining concludes that OneWest wishes to be the bank for wealthy neighborhoods. California does not need another bank for the one percent. Greenlining conducted a thorough examination of the organization's website on September 16, 2014. In our review we observed that OneWest heavily marketed the OneAccount, their branded account with a minimum balance of \$50,000. This account comes with a very special high interest rate that is in fact higher than all other competing banks. This high interest rate is coupled with the bank's low-interest rate jumbo loans. OneWest clearly wants to win the race for private clients and is willing to pay a premium to do so. In summary, OneWest's product offering is consistent with other banks that largely wish to serve the wealthy.

Although the bank does have a low-entry checking account, this product is hardly advertised. The bank should disclose how many active checking accounts of this type currently exist and describe in detail how it advertises this account.

It appears that only 15% of the bank's branches are in true LMI communities. Despite having access to capital, OneWest has made no effort to build branches in diverse communities of Southern California.

The bank also does little to no marketing with Southern California's ethnic media and spends the bulk of its advertising with the Los Angeles Lakers. Although the Lakers do have a very diverse fan base, the fans that attend the games do not reflect the true ethnic and income diversity of Southern California.

The bank claims to have tried to serve the areas growing communities of color with a Magic Johnson branded prepaid card. Given Magic Johnson's past questionable business relationships with payday lenders and predatory tax service companies, it is no wonder the effort failed. Had OneWest worked alongside community leaders such as the Center for Responsible Lending or CRC, OneWest could have avoided this mistake². Overall, OneWest has been a bank that has been out of touch with LMI communities. This is no accident. The bank has simply positioned itself as another bank for the rich.

OneWest Bank's "satisfactory" track record in communities of color.

Despite having considerable access to capital, the bank barely made Satisfactory in its last CRA exam. Given OneWest's commitment to all communities, it is perplexing that the bank barely received a satisfactory.

The bank provides \$1.4 million a year to local charities. Only 7% is invested in housing and/or small business activities. The bank gives an 18% to "other." Given the bank's lack of transparency, we can only assume that this goes to "country club"³ activities. It appears the bank spends more on the "opera" than on true economic development efforts.

The bank also appears to exclude charities run by people of color and/or organizations with boards that are majority people of color. Charities in Southern California are more likely to obtain a grant from OneWest when the CEO is white and when the majority of the board is white. In addition, nonprofit organizations that are connected to Southern California's elite appear to receive preference from OneWest. Again, the bank's lack of transparency doesn't allow us to conduct a full examination of their giving. We urge the Federal Reserve to request a list of all philanthropic grants and to conduct an analysis of the charities executives and board members by race and ethnicity.

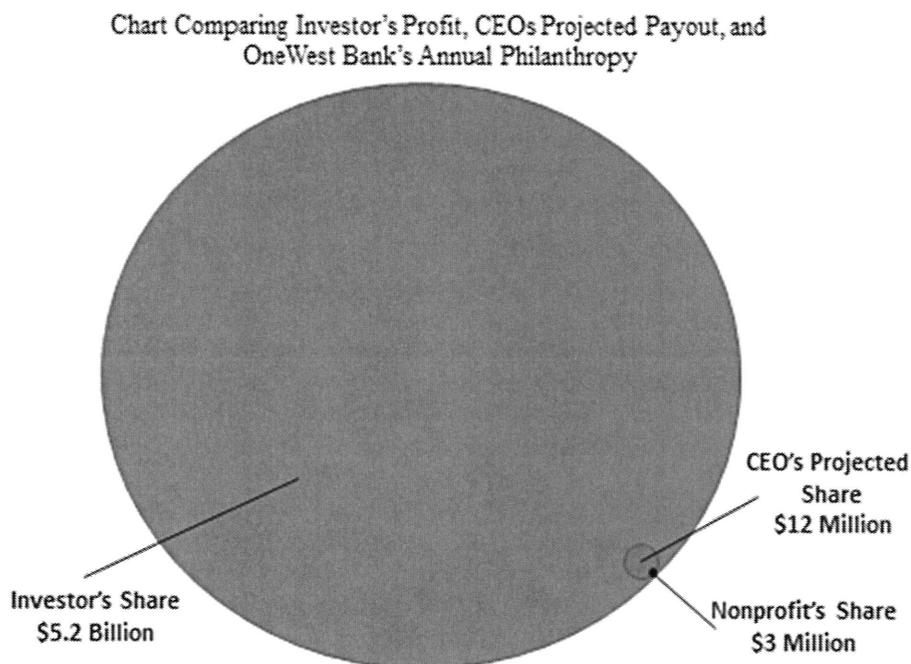
Finally, the bank's small business lending portfolio also appears to trend towards larger non-minority owned businesses.

² Chase Bank for example sought the input of community leaders before the rollout of Chase Liquid.

³ A Greenlining Coalition member described the bank's philanthropy as "Country Club philanthropy."

Excessive compensation for bank executives.

Greenlining agrees with CRC's analysis related to excessive compensation. CRC states that "The compensation to be paid out if this application is approved is astonishing. The Chair of the acquired institution may earn up to \$4.5 million annually working for the new CIT Bank, apparently only on a part time basis, as the offer letter appears to allow him to retain his job of running a private equity fund." We urge the Federal Reserve to examine whether the proposed salaries and payouts are consistent with other major banks. We also urge the Federal Reserve to disclose the new chair's job description and duties so that the banks costumers know why he makes \$4.5 million a year. Please refer to page 3 where we discuss CEO pay as compared to philanthropy.



Lack of Transparency

Greenlining has made two data requests related to this application. Both data request were ignored. When we followed up to our data requests, we received this statement as a response.

"The balance of the information requested in your letter is proprietary OneWest or CIT Bank information that we will not be providing. Going forward, aside from our CRA plan and elective communications in the community day meetings, we will only be providing information required by law or regulation."

The bank has failed to provide us data in areas where other banks routinely provide information. The bank's lack of transparency is not new. Despite claiming to have a robust supplier diversity program, the bank chose not to participate in Greenlining's first ever supplier diversity report

this year. Unlike other banks, OneWest does not disclose the top officers at the bank on its website.

Explicit threats that community groups that oppose this merger will receive no support.

Greenlining had a follow-up conversation with Joseph Otting, CEO, on Saturday October 4, 2014. During the course of the conversation, Mr. Otting stated that organizations that oppose the merger would not receive funding or support from the bank. Greenlining had the support of 40 community based organizations during the course of our negotiations with OneWest. IN the spirit of transparency, Greenlining notified its members. As of today, we are not sure how many members will support our opposition given the threat to funding. Please refer to our footnote on page 3 where we cite the lack of comments by groups and individuals during the CRA exam process. Threats, whether real or perceived, are definitely a source of this problem. We urge the Federal Reserve to investigate and verify Mr. Otting's threat.

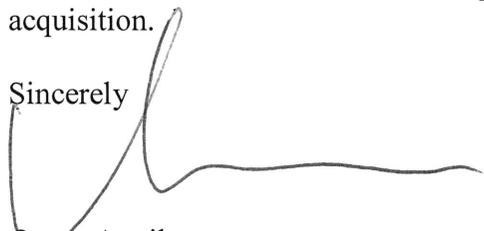
Questionable transfer of a loss share agreement between the Federal Government and OneWest.

Greenlining is concerned with the lack of transparency regarding the F.D.I.C. loss share agreement with OneWest. We are also surprised and disappointed that the F.D.I.C. has no formal process for public input when Loss Share Agreements are transferred to acquiring banks. We will write separately to the F.D.I.C. to encourage them to be more transparent about this deal and to incorporate public comments in their review process.

Conclusion

Greenlining strongly urges the Federal Reserve to seriously consider our arguments and concerns related to this acquisition. Given the growing wealth inequality in the country, we believe that Southern California needs a more responsible bank. Greenlining strongly opposes CIT Bank's acquisition.

Sincerely



Orson Aguilar
Executive Director

cc: Ivan J. Hurwitz, Vice President, Bank Applications Function
Joseph Otting, CEO, OneWest Bank
F.D.I.C. Chairman Gruenberg
OCC Comptroller Curry
CFPB Director Cordray
FHFA Director Watt
California Asian Pacific Islander Caucus
California Black Caucus

California Latino Caucus
Congressional Hispanic Caucus
Congressional Black Caucus
Congressional Asian Pacific Islander Caucus
S.E.C. Chair White
California Commissioner Owen, Department of Business Oversight

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Opposition to CIT Group acquisition of IMB & OneWest Bank
Date: Friday, October 10, 2014 10:14:16 PM
Attachments: [APISBP-CRC_OneWest-CIT_101014.pdf](#)

From: Ron Fong
Sent: Friday, October 10, 2014 10:13:34 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Subject: Opposition to CIT Group acquisition of IMB & OneWest Bank

Letter attached.

--

Ron Fong, Director
Asian Pacific Islander Small Business Program - www.apisbp.org
231 E. 3rd Street, Suite G-106, Los Angeles, CA 90013
T: 213-473-1603 / F: 213-473-3031 / E: rfong@LTSC.org

We are a business assistance collaboration providing business training and individual counseling for entrepreneurs. We are an SBA Women's Business Center assisting more than 2500 entrepreneurs annually. (SBA wants you to know that they are not liable for our opinions/content.)

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 Asian Pacific Islander Small Business Program (API SBP) 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.

Formed in 1999, API SBP is a collaborative of five community organizations: the Chinatown Service Center, Koreatown Youth & Community Center, Little Tokyo Service Center CDC, Search to Involve Pilipino Americans and Thai Community Development Center. Our partners share over 170 years of service between them, are well known and respected for the quality of their work, the impact of their services and their standing in the community. The mission of the API SBP is to assist the development of small and micro businesses in Los Angeles with a particular focus on the Chinese, Korean, Japanese, Thai and Filipino business communities, especially those of low-income immigrants.

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.

Administered by
Little Tokyo Service Center CDC
231 E. Third Street
Los Angeles, CA 90013
Phone: 213.473.1605
Fax: 213.473.1601

A Collaborative of
Chinatown Service Center
Koreatown Youth & Community Center
Little Tokyo Service Center CDC
Search to Involve Pilipino Americans
Thai Community Development Center



- 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.

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 contact me at 213-473-1603.

Sincerely,

Ron Fong
Director

Administered by
Little Tokyo Service Center CDC
231 E. Third Street
Los Angeles, CA 90013
Phone: 213.473.1605
Fax: 213.473.1601

A Collaborative of
Chinatown Service Center
Koreatown Youth & Community Center
Little Tokyo Service Center CDC
Search to Involve Pilipino Americans
Thai Community Development Center



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

Administered by
Little Tokyo Service Center CDC
231 E. Third Street
Los Angeles, CA 90013
Phone: 213.473.1605
Fax: 213.473.1601

A Collaborative of
Chinatown Service Center
Koreatown Youth & Community Center
Little Tokyo Service Center CDC
Search to Involve Pilipino Americans
Thai Community Development Center

From: [NY Banksup Applications Comments](#)
To: [Whidbee, Robin](#); [McCune, Crystall](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Opposition Letter to OneWest/CIT merger
Date: Friday, October 10, 2014 10:29:56 PM
Attachments: [CDC Letter. OppOneWest.pdf](#)

From: Robert Villarreal
Sent: Friday, October 10, 2014 10:29:23 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Subject: Opposition Letter to OneWest/CIT merger

*Robert Villarreal
Senior Vice President
CDC Small Business Finance
2448 Historic Decatur Rd. #200
San Diego, CA 92106
P - 619.243.8652
#1 Community Advantage Lender in the Nation, 2012 & 2013*



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,

CDC Small Business Finance (CDC) 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.

CDC is a mission-driven, nonprofit that has been building communities for 36 years by financing small businesses that create and retain jobs. During this period, CDC has provided \$3.95 billion in financing to 9,625 small businesses that created 125,000 jobs, and the organization has made over 50% of its loans to minority entrepreneurs or those located in LMI communities. The organization is also the largest SBA 504 and SBA Community Advantage lender in the nation.

While CDC appreciates the efforts and performance of OneWest in the secondary market, the focus of the bank has been on larger businesses at the expense of small business loans. As noted below, over 70% of small business loans have been to those businesses with revenues in excess of one million dollars. As a leading non-profit, mission based lender in California, CDC has not seen OneWest or CIT in the market and neither entity has been a community partner.

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.

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.
- 73% of OneWest Bank's "small business" lending has gone to businesses with 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 amount of its branches (15%) 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 (619) 243-8652.

Very Truly Yours,



Robert Villarreal
Senior Vice 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: OneWest
Date: Saturday, October 11, 2014 12:16:46 AM
Attachments: [CHW OneWest Opposition ltr - 10 Oct.pdf](#)

From: Anita Alvarez
Sent: Saturday, October 11, 2014 12:16:37 AM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: Sue Reynolds; kstein@calreinvest.org
Subject: OneWest

Opposition Letter from Community HousingWorks.

Anita Alvarez
Assistant to the CEO



P: 619.858.3519 | **e- Fax:** 619.858.3519
2815 Camino del Rio South, Suite 350 | San Diego, CA 92108

www.chworks.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:

Community HousingWorks (CHW) 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.

CHW helps 8,000 people each year move up in the world, by helping them own, rent and achieve. We help them own for the long term through our nonprofit lending, realty and education services that put 100 to 200 families into their first home each year. We help them rent attractive affordable apartments we build; nearly 1,700 apartments to date and hundreds more on the way. And we help people achieve through programs for financial self-sufficiency, home stability, and school success.

CHW has had no direct experience with OneWest or CIT.

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 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.

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 619.282.6647

Very Truly Yours,

Susan M. Reynolds
President/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: Comment Letter RE: CIT Group Application to Acquire IMB & OneWest Bank
Date: Monday, October 13, 2014 5:12:03 PM
Attachments: [USC CIT-OneWest CommentLetter Oct2014.pdf](#)

From: Steve King
Sent: Monday, October 13, 2014 5:09:40 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Subject: Comment Letter RE: CIT Group Application to Acquire IMB & OneWest Bank

Dear Mr. Hurwitz:

Please find attached a comment letter from Urban Strategies Council regarding CIT Group's application to acquire IMB and OneWest Bank. We appreciate your thoughtful consideration of our comments and concerns. Please feel free to get in touch with me if you have any questions.

Sincerely,
Steve King

+++++

Steve King

Urban Strategies Council | Senior Associate
Policy, Research, Collaboration, and Innovation Supporting Social Change
1720 Broadway, 2nd Floor, Oakland, California 94612
(510) 463-2887 direct
(510) 893-6657 fax
f: [/urbanstratoak](#)
t: [@urbanstratoak](#)
w: [urbanstrategies.org](#)
w: [infoalamedacounty.org](#)
b: [blog.urbanstrategies.org](#)

CONFIDENTIALITY NOTICE: This electronic mail message and any attached files contain information intended for the exclusive use of the individual or entity to whom it is addressed and may contain information that is proprietary, privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful. Please notify the sender, by electronic mail or telephone, of any unintended recipients and delete the original message without making any copies.



Junious Williams, Jr.
Chief Executive Officer

Staff:

Adrian Sanchez
Program Associate

Alison Feldman
Program Coordinator

Betty Walker
Executive Asst. to CEO/HR

Calvin Williams
Program Coordinator

Charlie Eddy
Volunteer Consultant

Fosster Gandrup
Network Administrator

Joe Jackson
Research Associate

John Garvey
Research Associate

Nic Aulston
Research Associate

Rebecca Brown
Research Coordinator

Robb Smith
Interim OYIF Project Director

Sarah Marxer
Research Associate

Shantelle Brumfield
Program Assistant

Stephen Watkins
Program Associate

Steve King
Senior Associate

Steve Spiker
Research & Technology Director

Teri Carlyle
Accounting Manager

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,

Urban Strategies Council 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.

Urban Strategies Council is 27 year old nonprofit organization based in Oakland, California that uses research, data, policy analysis, advocacy, and collaboration to help eliminate persistent poverty, ensure equity, and build vibrant, healthy communities in the Bay Area.

The merger is of particular concern 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.
- 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.

Thank you for your consideration of our comments and concerns.

Sincerely,



Junious Williams
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

Hubert Van Tol
President
PathStone Enterprise Center
400 East Avenue
Rochester, NY 14607
585-340-3385
hvantol@pathstone.org



RECEIVED
BANK APPLICATIONS DIVISION

2014 OCT 14 A 11:26

www.pathstone.org

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

October 9, 2014

Re: CIT Group Inc., Livingston, New Jersey, and its subsidiary, Carbon Merger Sub LLC, New York, New York application 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.

Dear Mr. Hurwitz:

I am writing to request that the Federal Reserve deny the above merger application under Section 3 of the Bank Holding Company Act because it fails the public benefits test. CIT Group has developed a business model that pulls wealth out of communities by offering online deposit services while putting nothing back into the communities that benefits the vast majority of the members of those communities.

As part of an ongoing review of small business lending practices, I have monitored the activities of CIT Bank in the Rochester, New York region for the past seven years. They consistently provide some small business lending in the nine county Finger Lakes region of New York and they just as consistently make none of that lending available for businesses with annual revenues under \$1,000,000. For instance, in Monroe County, where Rochester is located, between 2007 and 2013 CIT Bank has made 707 business loans totaling \$13,095,000, but none of those loans have been made to businesses with annual revenues under \$1,000,000.

While the geographic origin of bank deposits is not publicly available, I am quite certain that because of its aggressive marketing of its online deposit services, CIT bank pulls a significant dollar amount out of Monroe County, which they in turn lend only to the largest businesses. While this technically is not a violation of the Community Reinvestment Act, because CIT Bank doesn't include Monroe County as an assessment area, it should mean that their activities bear some scrutiny from the Federal Reserve as you determine whether their proposed merger provides a public benefit.

There is a huge unmet need for small dollar loans for startup businesses and small "mom-and-pop" retail businesses in Monroe County and CIT Bank does nothing to meet that need in our community and I suspect they are just as unresponsive to that need in other parts of the country.



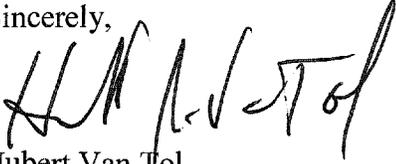
PathStone builds family and individual self-sufficiency by strengthening farmworker, rural and urban communities. PathStone promotes social justice through programs and advocacy.



Income inequality is a growing problem in our country and it is having a devastating impact on our communities. This merger is designed to provide a large amount of very, very private benefits to a few insiders and stockholders, while providing nothing of value to the public. It is time for the Federal Reserve to stop enabling this kind of wealth transfer under the powers given to you to regulate mergers for the public interest.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Van Tol". The signature is stylized and cursive.

Hubert Van Tol
President



FAIR HOUSING OF MARIN

1314 Lincoln Ave., Ste. A, San Rafael, CA 94901 ▼ (415) 457-5025 ▼ TDD: (800) 735-2922 ▼ Fax: (415) 457-6382
www.fairhousingmarin.com ▼ fhom@fairhousingmarin.com

October 10, 2014

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

RECEIVED
FEDERAL RESERVE BANK
NEW YORK
OCT 14 AM 11:27

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,

Fair Housing of Marin is filing 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 1986, Fair Housing of Marin (FHOM) provides counseling, investigation, mediation and legal referrals to persons experiencing housing discrimination. **In 2009, FHOM became a HUD-certified housing counseling agency and provides pre-purchase and foreclosure prevention counseling.** In addition, FHOM conducts preventive trainings for housing providers and offers programs that educate the community about fair housing and the value of diversity.

While we have no direct experience with these banks, the merger is of particular concern 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.



TDD: CALIFORNIA RELAY SERVICE FOR THE HEARING OR SPEECH IMPAIRED: (800) 735-2922
SE HABLA ESPAÑOL - NẾU CẦN GIÚP ĐỖ BẰNG TIẾNG VIỆT NAM XIN LIÊN LẠC SỐ: (415) 491-9677

The following is a list of concerns about this merger shared by many of our colleagues and sister agencies:

- 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.

Sincerely,



Caroline Peattie
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, Crystal](#); [Caetano, Ruth](#); [Brannon, Lisa](#)
Subject: FW: Buy-Out of OneWest
Date: Tuesday, October 14, 2014 2:23:55 PM
Attachments: [OneWest Comment Letter.pdf](#)

From: Rob Wiener
Sent: Tuesday, October 14, 2014 2:23:38 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Subject: Buy-Out of OneWest



California Coalition for Rural Housing

717 K Street, Suite 400
Sacramento, CA 95814
916-443-4448 FAX 916-447-0458
www.calruralhousing.org

October 14, 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:

California Coalition for Rural Housing (CCRH) files these comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group (CIT). Formed in 1976, CCRH is a statewide association of community-based nonprofit and public developers of affordable homes for rent and purchase by rural and low-income Californians.

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). Yet, both institutions are products of failed institutions that have benefited from various forms of public subsidy, but 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.

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 inappropriate. 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.

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 or wish to talk further, please feel free to contact me at 916-443-4448.

Very truly yours,



Robert Wiener, 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: CIT & OneWest Merger Comment Letter
Date: Wednesday, October 15, 2014 2:57:08 PM
Attachments: [CIT and OneWest Merger Letter.pdf](#)

From: Darryl Rutherford
Sent: Wednesday, October 15, 2014 2:56:58 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments; WE.Licensing@occ.treas.gov
Cc: Kevin Stein; Paul Ainger
Subject: CIT & OneWest Merger Comment Letter

Please find attached our comment letter on the CIT & OneWest bank merger.

Sincerely,

Darryl Rutherford, Executive Director
Sacramento Housing Alliance
1800 21st St, Suite 100
Sacramento, CA 95811
w: (916) 455-4900 Ext. 301
c: (530) 220-0305
darryl@sachousingalliance.org

October 15, 2014

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

David Finnegan
Office of the Comptroller of the Currency
Western District Office
1225 17th St., Suite 300
Denver, CO 80202
WE.Licensing@occ.treas.gov

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

Dear Mr. Hurwitz and Mr. Finnegan,

The Sacramento Housing Alliance 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 the last 25 years, the mission of the Sacramento Housing Alliance has been to promote safe, quality, affordable, and accessible housing and enhanced opportunities for lower income households and people who are homeless through advocacy, education, leadership development and civic engagement. We are the primary voice promoting equitable policy for affordable housing in the Sacramento region, and we involve a diverse group of community stakeholders in the process.

We don't have a relationship with ONEWEST and/or CIT. However, we are concerned that our market won't be served by either institution and, given their history, the banks will do too little to support low- and moderate-income neighborhoods here.

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 are responsible for foreclosing on over 35,000 seniors and residents of California.
- 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 (916)455-4900 x 301

Very Truly Yours,



Darryl Rutherford, Executive Director
Sacramento Housing Alliance.

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: [Pam Nardolilli](#)
To: [Bao Nguyen](#); [Adam Cohen](#); [Andrew Hartlage](#); [Amory Goldberg](#)
Subject: Fw: Third Comment on Application of CIT Group Inc. [CIT provides 100s of pages, long withhold, 2 hour after comment period expired] and Carbon Merger Sub LLC to acquire and merge with IMB HoldCo LLC, and indirectly acquire voting shares of OneWest Bank...
Date: Saturday, October 11, 2014 3:59:19 PM
Attachments: [image001.png](#)

From: Matthew R. Lee [mailto:innercitypress@gmail.com]
Sent: Saturday, October 11, 2014 03:21 PM Eastern Standard Time
To: Office-of-the-Secretary
Cc: NY Banksup Applications Comments; Matthew Lee [at] innercitypress.org <mlee@innercitypress.org>; Matthew R. Lee [at] FairFinanceWatch.org <lee@fairfinancewatch.org>
Subject: Re: Third Comment on Application of CIT Group Inc. [CIT provides 100s of pages, long withhold, 2 hour after comment period expired] and Carbon Merger Sub LLC to acquire and merge with IMB HoldCo LLC, and indirectly acquire voting shares of OneWest Bank...

October 11, 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: Third 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, CIT provides 100s of pages, long withhold, 2 hour after comment period expired

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

This is a third 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.

While the FRB's comment period was set to expire on October 10 at 5 pm, tellingly just afterward at 6:46 pm and 6:49 pm Inner City Press received from CIT Group's outside counsel a slew of documents, some of them improperly withheld by the applicants and the

rest heavily redacted. This is unacceptable; the comment period must be extended.

On August 26, Inner City Press & Fair Finance Watch requested from the Federal Reserve System the entire application, and the FRS' 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:

“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 on the eve of the expiration of the comment period, no response had been received. On the evening of October 9 ICP second comment to the FRB said that “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.”

In fact, these were documents CIT then emailed to Inner City Press just after the comment period closed on October 10, along with heavily redacted letters to the FRB dated October 8 and October 9. ICP is, understandably, still reviewing the documents and joins in other protestants' demand that the comment period be extended and public hearings held.

We also note that while the FRB extended the comment period from September 24 to October 10, it never changed the date on its online H2A, leaving the public to believe for 16 days that the comment period was already closed. This should be explained, and remedied. 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 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 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

----- Forwarded message -----

From: **Matthew R. Lee** <innercitypress@gmail.com>

Date: Thu, Oct 9, 2014 at 8:24 PM

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

To: office-of-the-secretary <Office-of-the-Secretary@frb.gov>

Cc: comments.applications@ny.frb.org, "Matthew Lee [at] innercitypress.org" <mlee@innercitypress.org>, "Matthew R. Lee [at] FairFinanceWatch.org" <lee@fairfinancewatch.org>

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 FRS' 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](tel:7187163540).

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 to CIT Group application to acquire IMB and OneWest Bank and to merge OneWest and CIT Bank, request for extension of the comment period, request for public hearings
Date: Wednesday, October 15, 2014 4:47:49 PM
Attachments: [10 15 2014 OneWest Letter.pdf](#)

From: Renee M. G. Chavez
Sent: Wednesday, October 15, 2014 4:47:37 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments; WE.Licensing@occ.treas.gov
Cc: kstein@calreinvest.org; 'Vera Morales'
Subject: : Opposition to CIT Group application to acquire IMB and OneWest Bank and to merge OneWest and CIT Bank, request for extension of the comment period, request for public hearings

Dear Sirs,

At the request of our Board President, Mr. Robert Monzon, I am sending our letter opposing the CIT Group application to acquire IMB and OneWest Bank and to merge OneWest and CIT Bank, request for extension of the comment period and request for public hearings.

Thank you for your time and attention to this important matter for Californians.

Renee

Renee M. G. Chavez





1619 Paramount Boulevard • Montebello, California 90640
Tel: (323) 722-3955 • Fax: (323) 722-3837
www.MHDCCA.org

October 15, 2014

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

David Finnegan
Office of the Comptroller of the Currency
Western District Office
1225 17th St., Suite 300
Denver, CO 80202
WE.Licensing@occ.treas.gov

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

Dear Mr. Hurwitz and Mr. Finnegan,

Montebello Housing Development Corporation (MHDC) 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.

Montebello Housing Development Corporation (MHDC) was established in 1992 to meet the affordable housing needs of Los Angeles County residents. MHDC is a 501 (c)(3) non-profit community based housing agency with offices in Montebello, CA that serves low to moderate income families in Los Angeles and San Bernardino Counties via education and counseling. MHDC is a member of the National Council of La Raza (NCLR) and is a Housing and Urban Development (HUD) approved housing counseling agency through that affiliation. MHDC's mission to educate and assist in the delivery of safe, sanitary, quality and affordable housing to individuals and families of modest financial means has been the driving force of the organization.

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 are responsible for foreclosing on over 35,000 seniors and residents of California.
- 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 (323) 722-3955.

Sincerely,



Robert Monzon
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: Letter from A3PCON opposing CIT Group acquisitions
Date: Wednesday, October 15, 2014 5:00:51 PM
Attachments: [A3PCON letter opposing CIT Group acquisitions.docx](#)

From: Mark Masaoka
Sent: Wednesday, October 15, 2014 5:00:40 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments; WE.Licensing@occ.treas.gov
Cc: Kevin Stein
Subject: Letter from A3PCON opposing CIT Group acquisitions

Mr. Hurwitz and Mr. Finnegan,

Please see the attached letter expressing our opposition to the CIT Group's acquisitions.

Thank you.

Mark Masaoka

Policy Director

Asian Pacific Policy & Planning Council (A3PCON)

905 E 8th St, Los Angeles, CA 90021

Office: (213) 239-0300 Cell: (323) 356-6352

[A3PCON.org](#) [Twitter](#) [Facebook](#) [Google+](#)

[Click here](#) to subscribe to our newsletter



ASIAN PACIFIC POLICY & PLANNING COUNCIL

October 15, 2014

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

David Finnegan
Office of the Comptroller of the Currency
Western District Office
1225 17th St., Suite 300
Denver, CO 80202
WE.Licensing@occ.treas.gov

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

Dear Mr. Hurwitz and Mr. Finnegan,

The Asian Pacific Policy & Planning Council (A3PCON) 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.

A3PCON is an association of forty Asian Pacific American community nonprofit organizations in Los Angeles County, with emphasis on serving lower income, immigrant and other vulnerable populations.

Our experiences with the banks has mainly been in our assistance to community members facing foreclosure and seeking solutions that follow the guidelines established by HUD.

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 are responsible for foreclosing on over 35,000 seniors and residents of California.
- 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) 239-0300.

Very Truly Yours,

Mark Masaoka, Policy Director
A3PCON
905 E. 8th Street, Los Angeles, CA 90021

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: Comments in Opposition to the Proposed Acquisitions by CIT Group
Date: Thursday, October 16, 2014 5:11:23 PM
Attachments: [OneWest comment letter Law Foundation of Silicon Valley 10 14 2014.pdf](#)

From: Michael Budahn
Sent: Thursday, October 16, 2014 5:11:08 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments
Cc: James Zahradka; 'kstein@calreinvest.org'
Subject: Comments in Opposition to the Proposed Acquisitions by CIT Group

Dear Mr. Hurwitz:

On behalf of James Zahradka, Supervising Attorney at the Law Foundation of Silicon Valley, I am sending you an attachment of comments in opposition to the proposed acquisition of IMB and OneWest Bank by CIT Group. The comments detail our involvement with OneWest Bank on behalf of our homeowner clients as well as our overall concerns with the merger. We also call for an extension of the comment period, and public hearings on the matter to be held in Los Angeles.

Thank you for your consideration.

Very Sincerely,

James F. Zahradka II
Supervising Attorney
Law Foundation of Silicon Valley

PUBLIC INTEREST LAW FIRM

Oficina Legal de Interés Público
Law Foundation of Silicon Valley
152 North Third Street, 3rd Floor
San Jose, California 95112
Telephone (408) 293-4790 • Fax (408) 293-0106
www.lawfoundation.org

October 16, 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 Law Foundation of 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.

The Law Foundation, a non-profit agency, provides free legal services to Silicon Valley individuals in need. We advance the rights of under-represented individuals and families in our diverse community through legal services, strategic advocacy, and educational outreach. Within the Law Foundation of Silicon Valley, the Fair Housing Law Project represents victims of housing discrimination, predatory mortgage lending, and servicing abuse at every stage of the process—including early advocacy, investigation, administrative complaints, mediation, and, when necessary, federal and state court litigation.

Our representation of homeowners whose loans are serviced by OneWest has revealed significant problems in its servicing practices. For example, we have worked with a homeowner who was “dual tracked” by OneWest. The client had submitted an application for a loan modification and submitted all of the required documents; nevertheless, OneWest continued to pursue foreclosure to the point of selling the home at a trustee sale. OneWest only rescinded the sale after we complained to OCC on the borrower’s behalf. One is left wondering how homeowners without legal representation—which represent the vast majority of people caught in servicing problems—fare in such situations. We are concerned that this bank and its shareholders are about to reap great rewards despite these practices, which to our knowledge have not been remedied in a systemic way.

More generally, the merger is of particular concern because it would create the newest “Too Big to Fail” bank, or Systemically Important Financial Institution (SIFI). And yet, both of these

banks are the progeny 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 the creation of yet another “Too Big to Fail” bank.

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 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 businesses with over \$1 million in revenue, leaving true small businesses out.
- OneWest and its reverse mortgage lender were responsible for foreclosing on over 40,000 seniors and other residents of California over the last seven 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 only 15 percent of its branches in LMI neighborhoods, including only two branches in low-income neighborhoods.
- The Bank will significantly underperform relative to 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 percent 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 that OneWest 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) 280-2423 or jamesz@lawfoundation.org.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'James F. Zahradka II', with a long horizontal stroke extending to the right.

James F. Zahradka II
Supervising Attorney
Law Foundation of Silicon Valley

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 - Opposition to Proposed Acquisition of IMB and OneWest Bank by CIT Group (CIT)
Date: Thursday, October 16, 2014 7:13:15 PM
Attachments: [VSEDC Letter - Opposition to Proposed Acquisition.pdf](#)

From: cmarangwanda
Sent: Thursday, October 16, 2014 7:13:06 PM (UTC-05:00) Eastern Time (US & Canada)
To: NY Banksup Applications Comments; WE.Licensing@occ.treas.gov
Cc: kstein@calreinvest.org; Marva Battle-Bey
Subject: Letter - Opposition to Proposed Acquisition of IMB and OneWest Bank by CIT Group (CIT)

To Whom It May Concern :

Please see the attached letter from Ms. Marva Smith Battle-Bey - President of the Vermont Slauson Economic Development Corporation.

Sincerely,

Chipo Marangwanda
Business Development Loan Officer / Access to Capital
Vermont Slauson Economic Development Corporation
Build~Empower~Thrive
ph 323-753-2335
fax 323-753-6710
1130 W. Slauson Ave, Los Angeles CA 90044

October 15, 2014

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

David Finnegan
Office of the Comptroller of the Currency
Western District Office
1225 17th St., Suite 300
Denver, CO 80202
WE.Licensing@occ.treas.gov

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

Dear Mr. Hurwitz and Mr. Finnegan,

The Vermont Slauson Economic Development 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.

Vermont Slauson Economic Development Corporation's (VSEDC) mission is to facilitate community development of the South Los Angeles area by providing programs structured to revitalize the physical, economic and social life of the community. In order to realize this objective, VSEDC has developed and implemented a comprehensive approach to community economic development that includes business development, technical assistance and training, residential housing, commercial and industrial development. Our experience with One West is they are advertised as the official Bank of the LA Lakers. Conversely I am not aware of their sponsorship 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.
- 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 are responsible for foreclosing on over 35,000 seniors and residents of California.
- 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 323-753-2335.

Very Truly Yours,



Marva Smith Battle-Bey
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