

From: [VICTOR MANUEL COREAS](#)
To: [NY Banksup Applications Comments](#)
Cc: [WE.Licensing@occ.treas.gov](#)
Subject: RE: TO: OCWEN LOAN SERVICING, LLC (OCWEN); INDYMAC MORTGAGE SERVICES, a division of ONEWEST BANK, N.A., FEDERAL NATIONAL MORTGAGE ASSOCIATION (FANNIE MAE) *** El: 02/07/2015, recibí el siguiente DOCUMENTO: OMB No. 1545-0877, 2014 Substitute, Form 1099-...
Date: Wednesday, April 29, 2015 7:28:55 AM
Attachments: [02-09-2015 OCWEN - PDF 007.pdf](#)
[02-07-2015 Form 1099-A.pdf](#)

Page 1 of 7

CONSTANCIA – STATEMENT...

FROM: VICTOR COREAS

18012 ROSCOE BLVD., NORTHRIDGE, CA 91325

Mailing Address: **P O BOX 372023, RESEDA, CA 91337**

TO: OCWEN LOAN SERVICING, LLC

02/09/2015

**OCWEN FINANCIAL CORPORATION
OCWEN LOAN SERVICING, LLC**

1661 Worthington Road, Suite 100
West Palm Beach, FL 33409

2002 Summit Boulevard, 6th Floor
Atlanta, GA 30346

3451 Hammond Avenue
Waterloo, IA 50702

**DENUNCIA / COMPLAINT
A QUIEN CORRESPONDA
TO WHOM IT MAY CONCERN**

RE: Account Number 7195665927

VICTOR M COREAS

PROPIEDAD: 18012 ROSCOE BLVD., NORTHRIDGE, CA 91325

Respetables Srs.

El: 02/07/2015, recibí el siguiente DOCUMENTO: OMB No. 1545-0877, 2014 Substitute, Form 1099-A, Acquisition or Abandonment of Secured Property.

La realidad estoy sorprendido por dicho documento y por tal razón: Por este medio les SOLICITO me hagan favor de brindarme una ACLARACION y/o EXPLICACION al respecto, LO MAS PRONTO POSIBLE; porque sinceramente NO entiendo el motivo de este DOCUMENTO.

Sinceramente quisiera que esta situación fuera tratada únicamente entre nosotros, pero lamentablemente NO puede quedarme callado y cruzado de brazos ante estos hechos y/o sucesos, por tal motivo esta información (correspondencia) y el DOCUMENTO en mención voy a estarla enviando a otras instancias para su conocimiento.

Adjunto a la presente COPIA FIEL de la forma: OMB No. 1545-0877, 2014 Substitute Form 1099-A, Acquisition or Abandonment of Secured Property.

RECUERDEN: Estoy esperando LA AUTORIZACION, para tomar POSESION DE LA PROPIEDAD, pero para mientras esto sucede mucho les agradecería le informen a sus AGENTES o PERSONAS ENCARGADAS y RESPONSABLES DE CUIDAR LA PROPIEDAD, para que me hagan favor de ir a abrir las puertas para sacar mis pertenencias y poder evaluar cuales fueron las cosas (artículos de valor) de mi legítima propiedad que desaparecieron el: 11/20/14 y el: 11/21/2014 y de esta manera poder cuantificar estas pérdidas. OTRO: Por favor atiendan las facturas de servicios que se están generando en la propiedad, como ya les informe estas FACTURAS están llegando a mi nombre y en lo personal NO tengo ningún inconveniente en pagarlas, el problema es que YO NO estoy ocupando y viviendo en la propiedad... Porque ustedes NO me han dado la AUTORIZACION para ingresar a la misma... Por lo tanto me parece muy JUSTO que ustedes paguen dichas facturas.

Observacion Importante: De estos hechos y sucesos, como de todos los pormenores que se susciten con relación a la propiedad voy a informar a las autoridades o instancias correspondientes para que estén debidamente notificados al respecto... Y por favor atiendan y resuelvan lo más pronto posible mi SOLICITUD DE MODIFICACION DE PRESTAMO.

Sin otro particular me despido, agradeciéndoles por anticipado la atención, comprensión y colaboración que se sirvan brindar a mi persona.

Sinceramente y respetuosamente,

Atte.

VICTOR COREAS

18012 ROSCOE BLVD.

NORTHRIDGE, CA 91325

Mailing Address: **P O BOX 372023, RESEDA, CA 91337**

E-mail: victormanuelcoreas@yahoo.com

C. C.

Ocwen Loan Servicing, LLC

Attention: **Office of the Consumer Ombudsman**

P. O. BOX 785061

Orlando, FL 32878-5061

E- mail: Ombudsman@ocwen

IndyMac Mortgage Services

P.O. Box 4045,

Kalamazoo, MI 49003-4045

OneWest Bank, FSB

888 East Walnut Street,

Pasadena, CA 91101

P.O. Box 7056,

Pasadena, CA 91109-9699

Federal National Mortgage Association

Fannie Mae

3900 Wisconsin Avenue, N.W.

Washington, D.C. 20016

Fannie Mae

13150 Worldgate Drive

Herndon, VA 20170-4376

WRIGHT, FINLAY & ZAK, LLP

ATTORNEYS AT LAW

4665 MacArthur Court, Suite 280

Newport Beach, CA 92660

The documents are listed in the Attachment to Proof of Service by First-Class Mail. –

PROOF OF SERVICE:

I served the documents by enclosing them in an envelope and

Placing the envelope for collection and mailing following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing it is deposited in the ordinary

course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.

The envelope was addressed and mailed as follows:

a.- Name of person served:

**OCWEN FINANCIAL CORPORATION and OCWEN LOAN SERVICING,
LLC
IndyMac Mortgage Services and OneWest Bank, FSB
Federal National Mortgage Association (Fannie Mae)**

b.- Address of person served:

**1661 Worthington Road, Suite 100, West Palm Beach, FL 33409
P.O. Box 4045, Kalamazoo, MI 49003-4045 and
888 East Walnut Street, Pasadena, CA 91101
3900 Wisconsin Avenue, N.W., Washington, D.C. 20016**

The name and address of each person to whom I mailed the documents is listed in the Attachment to Proof of Service by First- Class Mail.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: _____

Name

Signature

PROOF OF SERVICE

I, the undersigned, being at least 18 years of age, declare under penalty of perjury that I served the above notice, of which this is a true copy, on the following tenant(s) in possession in the manner(s) indicated below:

On _____, after attempting personal service, I handed the notice to a person of suitable age and discretion at the residence/business of the tenant(s), AND I deposited a true copy in the U.S. Mail, in a sealed envelope with postage fully prepaid, addressed to the tenant(s) at his/her/their place of residence (date mailed, if different _____).-

Executed on: _____ Served by: _____

C. C.

Richard Cordray, Director

Consumer Financial Protection Bureau
Oficina de Protección Financiera al Consumidor
1700 G Street, NW
Washington, DC 20552

Wendy Kamenshine

CFPB Ombudsman's Office

Consumer Financial Protection Bureau
Oficina de Protección Financiera al Consumidor
1700 G Street, NW

Washington, DC 20552

Consumer Financial Protection Bureau

Oficina de Protección Financiera al Consumidor

P. O. Box 4503

Iowa City, Iowa 52244

HUD

Departamento de Vivienda y Desarrollo Urbano de EE. UU.

Edificio Federal de John E. Moss

Suite 4-200

650 Capitol Mall

Sacramento, CA 95814-3702

Oficina de Equidad de Vivienda e Igualdad de Oportunidades de HUD

Departamento de Vivienda y Desarrollo Urbano de EE.UU.

Room 5204

451 7 th Street S.W.,

Washington, DC 20410

Federal Housing Finance Agency

ATTENTION: Mel Watt, Director

400 7TH STREET SW

WASHINGTON, DC 20024-2576

Federal Housing Finance Agency

ATTENTION: Russell A. Rau,

Deputy Inspector General

400 7TH STREET SW

WASHINGTON, DC 20024-2576

Federal Housing Finance Agency

ATTENTION: **Office of Internal Audit**

400 7TH STREET SW

WASHINGTON, DC 20024-2576

The State Bar of California

San Francisco (Main Office)

180 Howard St.

San Francisco, CA 94105

E- mail: feedback@calbar.ca.gov

Los Angeles - The State Bar of California

845 S. Figueroa St.

Los Angeles, CA 90017-2515

FAX: (213) 765-1168

Department of Consumer Affairs

Consumer Information Division

1625 North Market Blvd., Suite N 112

Sacramento, CA 95834

County of Los Angeles

Department of Consumer Affairs

500 W. Temple St., Room B-96

Los Angeles, CA90012-2722

Federal Reserve System

20th and C Streets, NW
Mail Stop 801
Washington, DC20551

Office of the Comptroller of the Currency

Customer Assistance Group
1301 McKinney Street
Suite 3430
Houston, TX77010

Office of the Comptroller of the Currency

Comptroller of the Currency Administrator of National Banks
400 7th Street SW, Suite 3E-218
Washington, D.C. 20219

Federal Reserve Consumer Help

PO Box 1200
Minneapolis, MN 55480

Gobernador Edmund G. Brown Jr

State Capitol Building
Sacramento, CA 95814
Fax: 916-445-4633 / Fax: **(916) 558-3160**

Kamala D. Harris

Office of the Attorney General
1300 "I" Street
Sacramento, CA 95814-2919

Attorney General's Office
California Department of Justice
Attn: Public Inquiry Unit
P.O. Box 944255
Sacramento, CA 94244-2550
Fax: (916) 323-5341

Attorney General

U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC20530-0001

The Federal Reserve Board

Janet Louise Yellen

Presidente del Banco de La Reserva Federal de los Estados Unidos
20th Street and Constitution Avenue, NW
Washington, DC20551

Departamento del Tesoro de los Estados Unidos

Jacob J. Lew

Secretary of the Treasury
1500 Pennsylvania Ave NW
Washington, DC20502

... Y todas las instancias que sean necesarias. -

NOTA: Adjunto carta de fecha: **11/22/2014.-**

Date / Fecha: 02/09/2015

RE: * Loan #: 7195665927 * APN #: 2101-019-001

A QUIEN CORRESPONDA / TO WHOM IT MAY CONCERN

"This Correspondence and Email is subject to Evidence Code 1152"

REF. 70140150000139532973, 70140150000139532881, 70140150000139532898, 70140150000139532904, 70140150000139532911,
70140150000139532928, 70140150000139532935, 70140150000139532942,, 70140150000139532959, 70140150000139532966.-

CONSTANCIA – STATEMENT...

FROM: VICTOR COREAS

18012 ROSCOE BLVD., NORTHRIDGE, CA 91325

Mailing Address: P O BOX 372023, RESEDA, CA 91337

TO: OCWEN LOAN SERVICING, LLC

02/09/2015

OCWEN FINANCIAL CORPORATION

OCWEN LOAN SERVICING, LLC

1661 Worthington Road, Suite 100

West Palm Beach, FL 33409

2002 Summit Boulevard, 6th Floor

Atlanta, GA 30346

3451 Hammond Avenue

Waterloo, IA 50702

DENUNCIA / COMPLAINT
A QUIEN CORRESPONDA
TO WHOM IT MAY CONCERN

RE: Account Number **7195665927**

VICTOR M COREAS

PROPIEDAD: 18012 ROSCOE BLVD., NORTHRIDGE, CA 91325

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Date / Fecha: 02/09/2015

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TO: OCWEN LOAN SERVICING, LLC

Sinceramente y respetuosamente,

Atte.



VICTOR COREAS

18012 ROSCOE BLVD.

NORTHRIDGE, CA 91325

Mailing Address: **P O BOX 372023, RESEDA, CA 91337**

E-mail: **victormanuelcoreas@yahoo.com**

C. C.

Ocwen Loan Servicing, LLC

Attention: **Office of the Consumer Ombudsman**

P. O. BOX 785061

Orlando, FL 32878-5061

E- mail: **Ombudsman@ocwen**

IndyMac Mortgage Services

P.O. Box 4045,

Kalamazoo, MI 49003-4045

OneWest Bank, FSB

888 East Walnut Street,

Pasadena, CA 91101

P.O. Box 7056,

Pasadena, CA 91109-9699

WRIGHT, FINLAY & ZAK, LLP

ATTORNEYS AT LAW

4665 MacArthur Court, Suite 280

Newport Beach, CA 92660

Federal National Mortgage Association

Fannie Mae

3900 Wisconsin Avenue, N.W.

Washington, D.C. 20016

Fannie Mae

13150 Worldgate Drive

Herndon, VA 20170-4376

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CONSTANCIA – STATEMENT...

FROM: VICTOR COREAS

18012 ROSCOE BLVD., NORTHRIDGE, CA 91325

Mailing Address: P O BOX 372023, RESEDA, CA 91337

TO: OCWEN LOAN SERVICING, LLC

LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code and telephone no. OCWEN P.O. Box 24646 West Palm Beach, FL 33416-4646 If you have any questions, call toll-free: 1-800-746-2936		<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0877	2014 Substitute Form 1099-A	Acquisition or Abandonment of Secured Property
1/30/15 11:09 AM 3 0036676 20150130 KAK1D110 OCW99A 1 oz DOM KAK1D10000* 156133 BA  VICTOR COREAS POST OFFICE BOX 372023 RESEDA CA 91337-2023 		1. Date of lender's acquisition or knowledge of abandonment. 06/23/14	2. Balance of principal outstanding \$ 262,796.38	3. 		
LENDER'S federal identification number 01-0681100		BORROWER'S identification number XXX-XX-6008			5. If checked, the debtor was personally liable for repayment of the debt. <input type="checkbox"/>	
Account number(see instructions) 1706502519-7195665927						

Substitute Form 1099-A

(keep for your records)

Department of the Treasury - Internal Revenue Service

Instructions for Borrower

Certain lenders who acquire an interest in property that was security for a loan or who have reason to know that such property has been abandoned must provide you with this statement. You may have reportable income or loss because of such acquisition or abandonment. Gain or loss from an acquisition generally is measured by the difference between your adjusted basis in the property and the amount of your debt canceled in exchange for the property, or, if greater, the sale proceeds. If you abandoned the property, you may have income from the discharge of indebtedness in the amount of the unpaid balance of your canceled debt. The tax consequences of abandoning property depend on whether or not you were personally liable for the debt. Losses on acquisitions or abandonments of property held for personal use are not deductible. See Pub. 4681 for information about your tax consequences.

Property means any real property (such as a personal residence); any intangible property; and tangible personal property that is held for investment or used in a trade or business.

If you borrowed money on this property with someone else, each of you should receive this statement.

Borrower's identification number. For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (TIN), or adoption taxpayer identification number (ATIN). However, the issuer has reported your complete identification number to the IRS and, where applicable, to state and/or local governments.

Account number. May show an account or other unique number the lender assigned to distinguish your account.

Box 1. For a lender's acquisition of property that was security for a loan, the date shown is generally the earlier of the date title was transferred to the lender or the date possession and the burdens and benefits of

ownership were transferred to the lender. This may be the date of a foreclosure or execution sale or the date your right of redemption or objection expired. For an abandonment, the date shown is the date on which the lender first knew or had reason to know that the property was abandoned or the date of a foreclosure, execution, or similar sale.

Box 2. Shows the debt (principal only) owed to the lender on the loan when the interest in the property was acquired by the lender or on the date the lender first knew or had reason to know that the property was abandoned.

Box 4. Shows the fair market value of the property. If the amount in box 4 is less than the amount in box 2, and your debt is canceled, you may have cancellation of debt income. If the property was your main home, see Pub. 523 to figure any taxable gain or ordinary income.

Box 5. Shows whether you were personally liable for repayment of the debt when the debt was created or, if modified, when it was last modified.

Box 6. Shows the description of the property acquired by the lender or abandoned by you. If "CCC" is shown, the form indicates the amount of any Commodity Credit Corporation loan outstanding when you forfeited your commodity.

Future developments. For the latest information about developments related to Form 1099-A and its instructions, such as legislation enacted after they were published, go to www.irs.gov/form1099a.



This Correspondence and Email is subject to Evidence Code 1152

CONSTANCIA – STATEMENT...

FROM: VICTOR COREAS

18012 ROSCOE BLVD., NORTHRIDGE, CA 91325

Mailing Address: P O BOX 372023, RESEDA, CA 91337

TO: OCWEN LOAN SERVICING, LLC

The documents are listed in the Attachment to Proof of Service by First-Class Mail. –

PROOF OF SERVICE:

I served the documents by enclosing them in an envelope and

Placing the envelope for collection and mailing following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.

The envelope was addressed and mailed as follows:

a.- Name of person served:

**OCWEN FINANCIAL CORPORATION and OCWEN LOAN SERVICING, LLC
IndyMac Mortgage Services and OneWest Bank, FSB
Federal National Mortgage Association (Fannie Mae)**

b.- Address of person served:

**1661 Worthington Road, Suite 100, West Palm Beach, FL 33409
P.O. Box 4045, Kalamazoo, MI 49003-4045 and
888 East Walnut Street, Pasadena, CA 91101
3900 Wisconsin Avenue, N.W., Washington, D.C. 20016**

The name and address of each person to whom I mailed the documents is listed in the Attachment to Proof of Service by First-Class Mail.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: 02/09/15

Victor Coreas

V. Coreas

Name

Signature

PROOF OF SERVICE

I, the undersigned, being at least 18 years of age, declare under penalty of perjury that I served the above notice, of which this is a true copy, on the following tenant(s) in possession in the manner(s) indicated below:

On 02/09/15 after attempting personal service, I handed the notice to a person of suitable age and discretion at the residence/business of the tenant(s), AND I deposited a true copy in the U.S. Mail, in a sealed envelope with postage fully prepaid, addressed to the tenant(s) at his/her/their place of residence (date mailed, if different _____).

Executed on: Los Angeles

Served by: Rene Barrios

NOTA: Adjunto carta de fecha: **11/22/2014.-**

Date / Fecha: 02/09/2015

RE: * Loan #: 7195665927 * APN #: 2101-019-001

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TO: OCWEN LOAN SERVICING, LLC

C. C.

Richard Cordray, Director
Consumer Financial Protection Bureau
Oficina de Protección Financiera al Consumidor
1700 G Street, NW
Washington, DC 20552

Wendy Kamenshine
CFPB Ombudsman's Office
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Oficina de Protección Financiera al Consumidor
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Washington, DC 20552

Consumer Financial Protection Bureau
Oficina de Protección Financiera al Consumidor
P. O. Box 4503
Iowa City, Iowa 52244

HUD
Departamento de Vivienda y Desarrollo Urbano de
EE. UU.
Edificio Federal de John E. Moss
Suite 4-200
650 Capitol Mall
Sacramento, CA 95814-3702

Oficina de Equidad de Vivienda e Igualdad de
Oportunidades de HUD
Departamento de Vivienda y Desarrollo Urbano de
EE.UU.
Room 5204
451 7 th Street S.W.,
Washington, DC 20410

Federal Housing Finance Agency
ATTENTION: Mel Watt, Director
400 7TH STREET SW
WASHINGTON, DC 20024-2576

Federal Housing Finance Agency
ATTENTION: Russell A. Rau,
Deputy Inspector General
400 7TH STREET SW
WASHINGTON, DC 20024-2576

Federal Housing Finance Agency

ATTENTION: Office of Internal Audit
400 7TH STREET SW
WASHINGTON, DC 20024-2576

The State Bar of California
San Francisco (Main Office)
180 Howard St.
San Francisco, CA 94105
E- mail: feedback@calbar.ca.gov

Los Angeles - The State Bar of California
845 S. Figueroa St.
Los Angeles, CA 90017-2515
FAX: (213) 765-1168

Department of Consumer Affairs
Consumer Information Division
1625 North Market Blvd., Suite N 112
Sacramento, CA 95834

County of Los Angeles
Department of Consumer Affairs
500 W. Temple St., Room B-96
Los Angeles, CA 90012-2722

Federal Reserve System
20th and C Streets, NW
Mail Stop 801
Washington, DC 20551

Office of the Comptroller of the Currency
Customer Assistance Group
1301 McKinney Street
Suite 3430
Houston, TX 77010

Office of the Comptroller of the Currency
Comptroller of the Currency Administrator of National
Banks
400 7th Street SW, Suite 3E-218
Washington, D.C. 20219

Federal Reserve Consumer Help
PO Box 1200
Minneapolis, MN 55480

Gobernador Edmund G. Brown Jr
State Capitol Building

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Sacramento, CA 95814

Fax: 916-445-4633 / Fax: (916) 558-3160

Kamala D. Harris

Office of the Attorney General

1300 "I" Street

Sacramento, CA 95814-2919

Attorney General's Office

California Department of Justice

Attn: Public Inquiry Unit

P.O. Box 944255

Sacramento, CA 94244-2550

Fax: (916) 323-5341

Attorney General

U.S. Department of Justice

950 Pennsylvania Avenue, NW

Washington, DC20530-0001

The Federal Reserve Board

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"This Correspondence and Email is subject to Evidence Code 1152"

REF. 70140150000139532973, 70140150000139532881, 70140150000139532898, 70140150000139532904, 70140150000139532911,
70140150000139532928, 70140150000139532935, 70140150000139532942,, 70140150000139532959, 70140150000139532966.-

LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code and telephone no.

OCWEN
P.O. Box 24646
West Palm Beach, FL 33416-4646

If you have any questions, call toll-free: 1-800-746-2936

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VICTOR COREAS
POST OFFICE BOX 372023
RESEDA CA 91337-2023



LENDER'S federal identification number

01-0681100

BORROWER'S identification number

XXX-XX-~~0000~~

Account number(see instructions)

1706502519-7195665927

CORRECTED (if checked)

OMB No. 1545-0877

2014

Substitute
Form 1099-A

**Acquisition or
Abandonment of
Secured Property**

1. Date of lender's acquisition or knowledge of abandonment.

06/23/14

2. Balance of principal outstanding

\$ 262,796.38

3.

4. Fair market value of property

\$ 381,943.00

5. If checked, the debtor was personally liable for repayment of the debt

6. Description of property

18012 Roscoe Blvd
Northridge, CA 91325

**Copy B
For Borrower**

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.

Substitute Form 1099-A

(keep for your records)

Department of the Treasury - Internal Revenue Service

Instructions for Borrower

Certain lenders who acquire an interest in property that was security for a loan or who have reason to know that such property has been abandoned must provide you with this statement. You may have reportable income or loss because of such acquisition or abandonment. Gain or loss from an acquisition generally is measured by the difference between your adjusted basis in the property and the amount of your debt canceled in exchange for the property, or, if greater, the sale proceeds. If you abandoned the property, you may have income from the discharge of indebtedness in the amount of the unpaid balance of your canceled debt. The tax consequences of abandoning property depend on whether or not you were personally liable for the debt. Losses on acquisitions or abandonments of property held for personal use are not deductible. See Pub. 4681 for information about your tax consequences.

Property means any real property (such as a personal residence); any intangible property; and tangible personal property that is held for investment or used in a trade or business.

If you borrowed money on this property with someone else, each of you should receive this statement.

Borrower's identification number. For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (TIN), or adoption taxpayer identification number (ATIN). However, the issuer has reported your complete identification number to the IRS and, where applicable, to state and/or local governments.

Account number. May show an account or other unique number the lender assigned to distinguish your account.

Box 1. For a lender's acquisition of property that was security for a loan, the date shown is generally the earlier of the date title was transferred to the lender or the date possession and the burdens and benefits of

ownership were transferred to the lender. This may be the date of a foreclosure or execution sale or the date your right of redemption or objection expired. For an abandonment, the date shown is the date on which the lender first knew or had reason to know that the property was abandoned or the date of a foreclosure, execution, or similar sale.

Box 2. Shows the debt (principal only) owed to the lender on the loan when the interest in the property was acquired by the lender or on the date the lender first knew or had reason to know that the property was abandoned.

Box 4. Shows the fair market value of the property. If the amount in box 4 is less than the amount in box 2, and your debt is canceled, you may have cancellation of debt income. If the property was your main home, see Pub. 523 to figure any taxable gain or ordinary income.

Box 5. Shows whether you were personally liable for repayment of the debt when the debt was created or, if modified, when it was last modified.

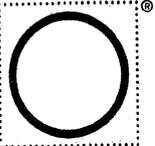
Box 6. Shows the description of the property acquired by the lender or abandoned by you. If "CCC" is shown, the form indicates the amount of any Commodity Credit Corporation loan outstanding when you forfeited your commodity.

Future developments. For the latest information about developments related to Form 1099-A and its instructions, such as legislation enacted after they were published, go to www.irs.gov/form1099a.



02/07/2014

02-6x97-0480T11(1/11)



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West Palm Beach, FL 33416-4646

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POST OFFICE BOX 372023
RESEDA CA 91337-2023



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5. If c
of

6. De

From: [Bae, Philip](#)
To: [McCune, Crystal](#)
Subject: FW: CIT Group Inc. Proposed Acquisition of IMB Holdco LLC -FRSONLY-
Date: Monday, May 04, 2015 9:53:53 AM
Attachments: [letter to frb re-owb sale.pdf](#)

From: Robert Yale [mailto:bobyale@gmail.com]
Sent: Sunday, May 03, 2015 5:14 PM
To: Hurwitz, Ivan; David.finnegan@occ.treas.gov; Steffey, Brian; Bae, Philip
Subject: CIT Group Inc. Proposed Acquisition of IMB Holdco LLC

Robert A. Yale
81 Peachtree Drive
East Norwich, New York 11732
(516) 690-6005
bobyale@gmail.com

Robert A. Yale
81 Peachtree Drive
East Norwich, New York 11732
bobyale@gmail.com

Comptroller of Currency
OCC Licensing Office
Western District Office
Director for District Licensing
1225 17th Street, Suite 300
Denver, CO 80202

Ladies and Gentlemen:

I would like to request a copy of the public file for the CIT Group Inc.'s Proposed Acquisition of IMB Holdco LLC.

This past week, you have been submitted hard proof to the OCC/Licensing/ Finnegan and to the Federal Reserve of New York [Mr. Hurwitz] on the inaccuracy of the statements presented to the two agencies by Mr. Salley, Attorney for CIT Group. By a responsive email, Mr. Finnegan has led us to believe that these facts of **current violations of Federal laws** by One West Bank will be disregarded.

No one in your agency has contacted the victims of One West Bank for their current proof of "ongoing" legal violations by One West Bank. None of your panelists at the February 26, 2015 Federal Reserve Bank's public hearing in Los Angeles asked our victims' representatives any questions. No one has contacted the attendees subsequently for proof of the ongoing illegal acts of One West Bank, about which the victims of One West Bank testified. In fact, none of us who testified there [on behalf of 450 victims in our small group, and thousands of One West Bank victims more across the country] were sent the Salley response [to the Federal Reserve and the OCC who had requested information of CIT Group in March, 2015]. We victims would have sounded the alarms that the Salley response was filled with ***totally fictitious representations*** that should

be immediately and independently investigated, for the benefit of the American public.

We victims and Citizens have no choice but to insist on the revocation of the Bank Charter of One West Bank for defiantly ignoring the laws of the USA and refusing to comply with the required performance standards for a Bank under the American Banking laws.

Sincerely,

Robert A. Yale
81 Peachtree Drive
East Norwich, New York 11732
(516) 690-6005
bobyale@gmail.com

Via Email on 5-3-15 ivan.hurwitz@ny.frb.org brian.steffey@ny.frb.org Philip.Bae@ny.frb.org
David.finnegan@occ.treas.gov

Via USPS, Delivery Confirmation 5-1-15

cc: Federal Reserve Bank Chair Yellen
33 Liberty Street
New York, NY 10045

From: [Bae, Philip](#)
To: [McCune, Crystal](#)
Subject: FW: FW: Community Commitment -FRSONLY-
Date: Thursday, May 07, 2015 9:55:22 AM
Attachments: [FINAL CRC"s seventh comment letter re OWB CIT 5.5.15-5 \(1\).pdf](#)

From: Kevin Stein [mailto:kstein@calreinvest.org]
Sent: Wednesday, May 06, 2015 8:37 PM
To: Finnegan, David; Bae, Philip
Subject: Fwd: FW: Community Commitment

Dear David and Philip,

Please find attached, CRC's 7th comment letter in opposition to the CIT/OWB merger application. This letter is mainly in response to the Applicant's recent submission, but also includes new information. Please let me know if you have any questions about this. Thank you

Kevin

--

Kevin Stein
California Reinvestment Coalition
415-864-3980
www.calreinvest.org
Follow us on Twitter: CalReinvest
Join Our FaceBook Page: California Reinvestment Coalition



CALIFORNIA REINVESTMENT COALITION

May 6, 2015

Janet Yellen
Chair
Federal Reserve Board of Governors

Thomas Curry
Comptroller
Office of the Comptroller of the Currency

Martin Gruenberg
Chair
Federal Deposit Insurance Corporation

Mel Watt
Director
Federal Housing Finance Agency

Richard Cordray
Director
Consumer Financial Protection Bureau

Julian Castro
Secretary
Dept. of Housing and Urban Development

Re: *CRC's 7th comment letter: Continuing opposition to CIT Group application to acquire IMB and OneWest Bank and to merge OneWest Bank and CIT Bank*

Dear Chairs Yellen and Gruenberg, Directors Watt and Cordray, Comptroller Curry, and Secretary Castro,

The California Reinvestment Coalition writes this seventh comment letter expressing our continuing opposition to the proposed acquisition of IMB and OneWest Bank (OWB) by CIT Group. OneWest has not met, and will not meet, community credit needs, and the Applicants have not established that this merger as currently structured, will provide a public benefit.

We are writing to provide additional information for the public record, to inform the deliberations of the Federal Reserve Board ("FRB") and Office of the Comptroller of the Currency ("OCC"), and to raise continuing concerns about the negative impacts of OneWest Bank on California communities.

Specifically, we address: 1) a new CRA commitment from City National Bank, a peer of OneWest, which is roughly twice the size of what OneWest has committed to do for its communities; 2) flaws and obfuscations in OneWest's recent response to the FRB's Additional Information requests flowing from the February public hearing; 3) new HECM developments that further argue for a foreclosure moratorium; and 4) new maps and analysis depicting OneWest's minimal presence in LMI communities and communities of color, and low lending to Asian American and African American home loan borrowers.



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The California Reinvestment Coalition (CRC), based in San Francisco, is a non-profit membership organization of community based non-profit organizations and public agencies across the state of California. We work with community-based organizations to promote the economic revitalization of California's low-income communities and communities of color through access to equitable and low cost financial services. CRC promotes increased access to credit for affordable housing and community economic development, and to financial services for these communities.

1. City National Bank commitment dwarfs that of OneWest

On April 24, 2015, City National Bank and CRC announced an \$11 billion commitment to communities that City National entered into as part of its merger with Royal Bank of Canada. This commitment is roughly two times what OneWest has agreed to thus far. The City National Plan establishes clear goals for small business lending, community development lending and investments, support for affordable housing, the development and marketing of an affordable and accessible bank account product, and other positive activities.

Additionally, City National sets a goal of devoting 15% of normalized deposits for annual CRA reinvestment. By contrast, we believe OneWest's goal is 1/3 of that, or 5% of deposits for annual CRA reinvestment. Finally, the City National plan is transparent, and the Bank has indicated that it will include the Plan in its application to the regulators. A copy of the City National Plan is attached to this letter as Appendix A, and a CRC Chart Comparing CRA Plans of City National Bank and OneWest Bank is attached as Appendix B.

City National's substantial CRA commitment is critically important in meeting the needs of LMI communities. While City National does not have a large retail branch presence in LMI communities, it has developed a strong plan to ensure that it will serve those communities through a focus on small business lending, community development investment, low cost bank account access and other important goals. In contrast, OneWest Bank, despite having only 15% of its branches in LMI communities, *also* fails to make a significant CRA commitment and fails to establish it will meet the needs of these communities. Without a strong branch presence in LMI communities, and without a strong Plan to serve LMI communities, we can expect OneWest to continue to fail in serving LMI communities.

Further, OneWest's refusal to develop a meaningful CRA plan takes on broader significance when placed in the context of OneWest's past behavior. CRC and its members have pointed to the significant harm imposed by OneWest on its communities. Based on CRC analysis, CRC and its members estimate that OWB has foreclosed on over 35,000 California households, and that Financial Freedom has foreclosed on over 2000 seniors, widows and other successors in interest



CALIFORNIA REINVESTMENT COALITION

of reverse mortgage borrowers since early 2009. Rather than addressing these concerns, the regulators have not yet made this information part of the public record and OWB does not acknowledge the extent of its responsibility in foreclosing on households within California and throughout the nation. By contrast, City National reported its total foreclosures—only 12 since 2009.

Additionally, OneWest and CIT Group have abused the public trust in sopping up substantial public subsidy. CIT Group took \$2.3 billion in TARP funds, and then, after unsuccessfully arguing for more federal assistance, declared bankruptcy and wiped out its TARP repayment obligation. In contrast, City National took \$400 million in TARP funds, which it repaid in 2010.

As confirmed by a CRC FOIA request, OneWest has received over \$1 billion in loss share payments, with an estimated \$1.4 Billion more to come. In contrast, we believe City National's loss share payments have been negligible by comparison.

Finally, after receiving all of this government subsidy, CIT Group plans for the proposed combined entity to avoid federal tax liability. CIT Group CEO Thain has indicated to investors that CIT will be able to take advantage of prior losses to reduce or eliminate CIT's federal tax liability going forward, perhaps for a period of years. We do not believe City National has plans to so avoid paying taxes.

Applicants have taken more public subsidy, caused substantially more harm to communities, and reinvested significantly less in neighborhoods than their peers. With an anemic LMI branch presence, OneWest and CIT must develop a strong and transparent CRA Plan, yet they refuse to do so. The FRB and OCC cannot fail to hold Applicants accountable for underperforming their peers, failing to meet community credit needs, and proving unable to establish that this merger will provide a public benefit. Attached as Appendix C is an op ed that appeared in the American Banker highlighting the importance of CRA benchmarks and Plans.

2. Bank responses to FRB questions obfuscate and confuse the issues

Foreclosure Remorse? In a submission dated April 14, CIT and OneWest responded to requests for Additional Information from the FRB dated March 17 ("Response"). We find the Response to be unclear and misleading.

The Response begins with CIT and OneWest expressing sympathy for borrowers facing foreclosure, asserting that they take allegations relating to faulty servicing and foreclosure practices seriously, and acknowledging "a relatively small number of human errors."



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These comments fly in the face of OneWest's long history of poor servicing, foreclosures, numerous and scathing counselor and consumer complaints, litigation, and concerns about retaliation by OneWest against those who testified at the FRB and OCC public hearing on February 26, 2015 in Los Angeles.

Further, we note that OneWest CEO Joseph Otting is currently the Chair of the California Chamber of Commerce. The Chamber has recently taken the extreme position of putting on its "jobs killer" list AB244 (Eggman), a bill co-sponsored by CRC and allies, which is designed to protect widows, orphans and other successors in interest from unnecessary foreclosures as a result of dual track and Single Point of Contact ("SPOC") abuses. The Joseph Otting-led Chamber's determination that the widow's bill is a "jobs killer" is outrageous.

CIT has no expertise in mortgages and loss mitigation. The Response notes "CIT has a robust compliance program designed to ensure that CIT, and each of its subsidiaries, complies with all applicable laws and regulations." This statement sounds eerily like that of Bank of America executives in 2008 trying to assure the FRB and OCC that if there were questions and problems with Countrywide Home Loans, they would be addressed by Bank of America's compliance culture. Unfortunately, Bank of America had little experience servicing a large number of option ARM and subprime mortgage loans, left Countrywide executives in place, foreclosed on tens of thousands of homeowners, and suffered significant legal and other challenges to its mortgage servicing practices. CIT promises of compliance are not persuasive where it has no experience servicing the problematic Alt A and reverse mortgages OneWest has been servicing.

Perhaps foreshadowing what we can expect, CIT explains that "OneWest has advised CIT that it reviewed the individual cases of each participant at the meeting who alleged errors or violations of law by OneWest to see if there is a basis for his or her claims and found the allegations are without merit." In other words, when asked to respond to concerns raised at the hearing that OneWest acted improperly, CIT merely asked OneWest and accepted OneWest's assurances that it had not made any mistakes. This is not an impressive display of due diligence.

Similarly, the Applicants were asked to respond to concerns about dual tracking and failure to provide a SPOC. The Response does not appear to assert that there was no dual tracking or that SPOCs were provided to those testifying at the hearing. Rather, the Response merely asserted that OneWest has policies in place, maybe training, and some oversight. This Response is also inconsistent with complaint data that OneWest provided later, showing complaints related to dual track, SPOC and similar issues.



CALIFORNIA REINVESTMENT COALITION

OneWest has inadequate controls. Beyond evidence of violations presented during this merger process via oral and written testimony and comments, CRC raises further concerns about

OneWest's compliance and controls. CRC recently was forwarded an unsolicited email from Paul Greenwood, Deputy District Attorney and Head of Elder Abuse Prosecutions for the San Diego District Attorney's office, lamenting a "preventable crime" involving an 84-year-old OneWest Bank customer. Deputy D.A. Greenwood recounted the plight of an articulate but embarrassed senior who fell for the "grandfather scam." The 84 year old victim was fleeced of \$300,000 in a mere 5 days as OneWest allowed him to repeatedly wire transfer thousands of dollars at a time from his account to a foreign bank. In the words of Deputy D.A. Greenwood, "Why would a branch of a bank allow an 84 year old gentleman [who has been a customer for over 20 years] to wire transfer to foreign banks an amount of \$50,000, then \$42,500, then \$40,000, then \$65,000, and finally \$98,000 on separate days and in separate transactions? And that same customer has NEVER before wire transferred like that in his entire banking experience." As Deputy D.A. Greenwood noted, "California implemented a law in 2007 establishing that every bank teller in the state was a mandatory reporter of suspected financial elder abuse. But is it effective; is it enough?"

We also note that OneWest was one of the institutions that extended a line of credit to the now infamous Corinthian College, which has been shut down for taking money from students but failing to provide an education of any value. If OneWest controls are unable to prevent such enabling of financial elder and student abuses, what is the state of OneWest's compliance controls over Bank Secrecy, Anti Money Laundering and other critical bank obligations?

Foreclosing on loans not in default. Bizarrely, the Response seems to cite approvingly the very low rate of foreclosures (1/100th of 1%) on 178,886 loans reviewed where the loan was not in default. In other words, the Response touts OneWest's record of very rarely foreclosing when the loans are in current payment status. But OneWest, and all servicers, should NEVER be foreclosing on borrowers who are not in default.

Further, OneWest fails to note that according to the April 2014 Independent Foreclosure Review ("IFR") report it cites, "the consultant had confirmed 10,781 (OneWest) borrowers (5.6 percent of the in-scope population of 192,199) were due remediation..."

Of far greater and practical concern are those instances where borrowers were in default but were wrongly denied a loan modification or other home preservation alternative to foreclosure. Importantly, the IFR process focused on a very narrow set of "in scope" borrowers, those in the foreclosure process in 2009 and 2010. The regulators should ensure that OneWest and Financial



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Freedom provide review and relief to all borrowers put into the foreclosure process from 2009 through the present.

We do not believe that the IFR process, or the FDIC loss share audits for that matter, can effectively determine whether OneWest acted appropriately in denying and delaying loan modifications. Accordingly, as a condition of any approval of this merger, the FRB and the OCC must ensure that OneWest appropriately offered loan modifications to all qualified homeowners before foreclosing on them and collecting loss share payments from the FDIC.

Evading HBOR. The Response provides a convoluted discussion of its practices relating to our state's Homeowner Bill of Rights ("HBOR"). OneWest claims that it complies with HBOR, but also that it is not subject to HBOR. These claims run counter to the experience of California homeowners, and the legal opinions of California advocates, the California Attorney General's office, and a growing number of courts.

When accused of violating HBOR provisions, OneWest makes dubious preemption arguments to assert it is not subject to HBOR. Specifically, it argues it is not subject to HBOR because certain loans were originated by an OTS regulated institution. This argument is highly problematic in that it is OneWest's conduct as a loan servicer that is in question. Loan servicer conduct is clearly subject to regulation by the state of California and HBOR. OneWest should immediately cease arguing preemption in the context of HBOR, and the OCC should issue guidance to this effect.

Disparate REO property maintenance and marketing. At the hearing, advocates gave testimony that OneWest does not equally maintain and market REO properties in certain minority neighborhoods as compared to white neighborhoods in northern California. The Response does not contradict this testimony. In fact, at least 18 complaints and 7 legal claims raising similar issues are noted in the Response. The regulators should investigate these allegations and determine if OneWest violated these property maintenance obligations and fair housing laws.

Branch consolidation equals branch closure to majority minority communities. The Response goes to great lengths to indicate that no branch closures are planned and that any allegations to the contrary are inaccurate. Further, it claims that OneWest "has not made any branch closures in majority minority census tracts." This statement confuses the issues and ignores the strong negative impact that OneWest's branch presence and practices have on LMI communities and communities of color.

OneWest employs branch "consolidations" to reduce the number of bank branches in LMI communities. According to a footnote in OneWest's own Response, "OneWest defines a branch



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consolidation as the shutting down of a branch in which the deposits from such branch are moved to another OneWest branch.”

Yet of the 12 branches that have been “consolidated” since OneWest took over, 5 of the 12 (or 41.6% of the total consolidations) were in majority minority tracts. For local communities, the impact of a branch consolidation is one less branch in the community, just as with a branch “closure.”

It is hard to understand how a branch closure policy that considers fair lending and CRA concerns nonetheless allowed for 40% of branch consolidations/closures to occur in majority minority communities. This is especially confounding given OneWest’s anemic retail presence in low and moderate-income communities and communities of color. Further, it is curious that OneWest chooses to highlight in a separate chart one lone branch consolidation, but provides no depiction of the 40% of consolidations that were in majority minority tracts. CRC provides mapping of OneWest’s disparate branch presence and lending in LMI communities and communities of color, below. Accordingly, CRC requests that OneWest make public its Branch Policy, currently found in Confidential Exhibit A.

The larger issue however, is that OneWest has an extremely low presence in low income and LMI communities. Only 2 OneWest branches are in low-income tracts, and only 15% of branches are in LMI neighborhoods. This is half of the industry average of 30% in California. This reinforces the point that OneWest’s interaction with LMI communities and borrowers has mainly been by foreclosing on them. CRC requests that OneWest make public its expected branch relocations, currently found in Confidential Exhibit B, so that the public can see if the branch relocations will be to higher income areas, amongst other things.

No good response to concerns about failure to support multifamily affordable housing.

Applicants were asked to respond to the concern that convenience and needs will not be enhanced given that OneWest does not offer affordable multi-family housing loan products. The Applicants responded by saying, “multi-family lending historically has not been a key part of OneWest’s loan origination strategy, and OneWest does not have a formalized multi-family loan program.” In fact, the Response devotes nearly twice as much space charting one branch consolidation (out of twelve) as it does answering the question about how its failure to meet affordable housing needs advances the convenience and needs of the community. In OneWest’s secret CRA Strategic Plan – which OneWest sought confidential treatment for, and which was only made available publicly as a result of a Freedom of Information Act request by Inner City Press - affordable housing was identified as the greatest need in the Bank’s assessment area, and yet the Bank has failed to address that need, and makes no clear and formal commitments to do so going forward.



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Cherry picking timeframe for complaints. The FRB asked for the number of complaints that OneWest received related to various allegations of improper servicing and foreclosure. Besides not responding to this question directly, OneWest decided to provide information on complaints only for the period after which it sold MOST of its servicing rights. This is nonresponsive to the FRB's request, and is further evidence of the Bank's penchant for misleading and obfuscation.

Further, despite having sold a "substantial part of its mortgage servicing rights," OneWest still managed to rack up 812 complaints, including over 200 relating to its reverse mortgage servicing practices. But again, this does not even cover the period when OneWest most impacted its communities, especially LMI communities. The FRB must request again, and OneWest must provide, complaint data from the time it purchased IndyMac Bank.

Incomplete litigation docket confirms concerns. The FRB requested litigation information relating to concerns raised at the public hearing. It is unclear why the FRB allows OneWest to focus narrowly on those able to testify at the hearing, as opposed to all of those submitting written testimony, to say nothing of any questions the FRB and the OCC would have based on their own due diligence.

As but one example, the Response fails to note *Gorsuch v. Financial Freedom, et. al.*, the case of a woman in Toledo, OH, facing eviction by Financial Freedom because of the fees associated with force-placed insurance. Though force-placed insurance is permitted, it is often vastly more expensive than standard insurance coverage. Ms. Gorsuch alleges that Financial Freedom misrepresented that the cost of force-placed insurance was necessary in order to protect the value of and the lender's interest in the secured property. Further, she alleges that Financial Freedom did not disclose the nature of the kickbacks—that Financial Freedom would receive a payment based on a percentage of the cost of the premium. Because of the fees associated with her force-placed policy, Financial Freedom is threatening Ms. Gorsuch with foreclosure. Ms. Gorsuch recently filed an amended complaint and she is currently waiting on the court's decision on OneWest's Motion to Dismiss.¹

Relatedly, the Washington Post reported on a recent, \$140 million class action settlement over allegations that Ocwen, a large mortgage servicer, and Assurant, a large insurance company, engaged in an unlawful kickback scheme in imposing forced placed insurance on unsuspecting borrowers. The article refers to a couple of cases that were complicated by a loan transfer to

¹ Amended Complaint, *Gorsuch v. Financial Freedom et. al.*, 3:14-cv-00152-JZ, filed 02/24/2015



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Ocwen.² Given that OneWest sold a substantial portion of its servicing rights to Ocwen (and that Ocwen has been suffering significant legal and regulatory setbacks, including with the

California Department of Business Oversight), and that, as we believe, OneWest may have a business relationship with Assurant, the FRB, the OCC and the CFPB should investigate further whether OneWest has met all of its legal and contractual obligations with respect to forced placed insurance and mortgage servicing transfers. The FRB should further require OneWest to report on ALL of its mortgage, servicing, and foreclosure related litigation.

Nevertheless, the Response to this narrow question reveals that in fact a number of cases have been filed alleging violations of law relating to issues raised at the one day public hearing. Strangely, there is no "TOTAL" in the chart provided, but it appears that there are nearly 200 claims that have been made against OneWest relating to foreclosure and servicing issues that were raised during the public hearing. That is substantial.

The Response goes on to note that "OneWest has informed CIT that it is not aware of any government investigations related to the allegations identified by the Board." Apparently, OneWest does not believe that United States ex rel Fisher v OneWest Bank, FSB, a False Claims Act suit, qualifies, perhaps because the Department of Justice declined to intervene. The FRB should request OneWest to identify any and all government investigations against it, regardless of whether the issue was raised at the public hearing.

Hardly "excellent" CRA performance. In addressing concerns about its CRA performance, the Response asserts that "both CIT and OneWest are in compliance with, and have excellent records under, CRA." We note again for the record that both institutions have received only "Satisfactory" CRA Ratings, a far cry from "excellent," especially in the context of inflated CRA grades where 96% of institutions get "Satisfactory" or better. Additionally, the Response notes that OneWest overstated its community development loan activity by a whopping \$75 million in an October 30, 2014 letter and had to revise and reduce its projections based on feedback from its regulator. The record should be clear as to what kinds of lending OneWest improperly sought to classify as community development lending, and more information should be provided on what kinds of loans, and to which partners, OneWest still counts as "community development lending."

Hidden depositor communities. The FRB Additional Information letter appears to confirm that CIT is able to identify the communities from which its internet-sourced deposits derive. This

² Ken Harney, "Allegedly abusive mortgage insurance deals lead to class action settlement," Washington Post, May 6, 2015 at http://www.washingtonpost.com/realestate/allegedly-abusive-mortgage-insurance-deals-lead-to-class-action-settlement/2015/05/05/8c0eb764-f284-11e4-bcc4-e8141e5eb0c9_story.html



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information should be made public. CRC urges the FRB to force CIT to make public what is currently Confidential Exhibit C, and to revise the CRA assessment areas of CITB (and any future CITBNA) to include the top communities sending in the largest amount of internet-sourced deposits.

Timing. We reiterate our strong request that the regulators refrain from deciding on this application until the FDIC completes its upcoming audit of OneWest loss share payments. We are concerned that OneWest has submitted loss share claims for foreclosure related losses where foreclosure was not necessary, or that it did not properly seek reimbursement first from the FHA on HECM loans or from private insurers, such as Assurant, on proprietary reverse mortgage products. The FDIC should ensure that the audit investigates these issues for all loans submitted by OneWest for loss share payment.

3. HUD rescinds policy; will OneWest finally stop foreclosing on surviving spouses?

On May 1, HUD rescinded its Mortgagee Letter 2015-03, which recently framed HUD's guidance regarding the process servicers should follow for Non Borrower Spouses. HUD's policy has been subject to litigation and opposition from consumer groups for its failure to protect Non Borrower Spouses as the statute, broker sales pitches, and human decency would dictate. It is clear that HUD policy on this issue is unclear and in flux.

We reiterate our call that OneWest commit to honor a moratorium on foreclosing on Non Borrower Spouses until such time as HUD develops a clear and consumer friendly policy. We expect that other servicers will continue to take stronger pro-consumer approaches to this issue in the short term. OneWest should cease all such foreclosures. In no event, should OneWest foreclose on Non Borrower Spouses without granting the 60-day extensions permitted by HUD.

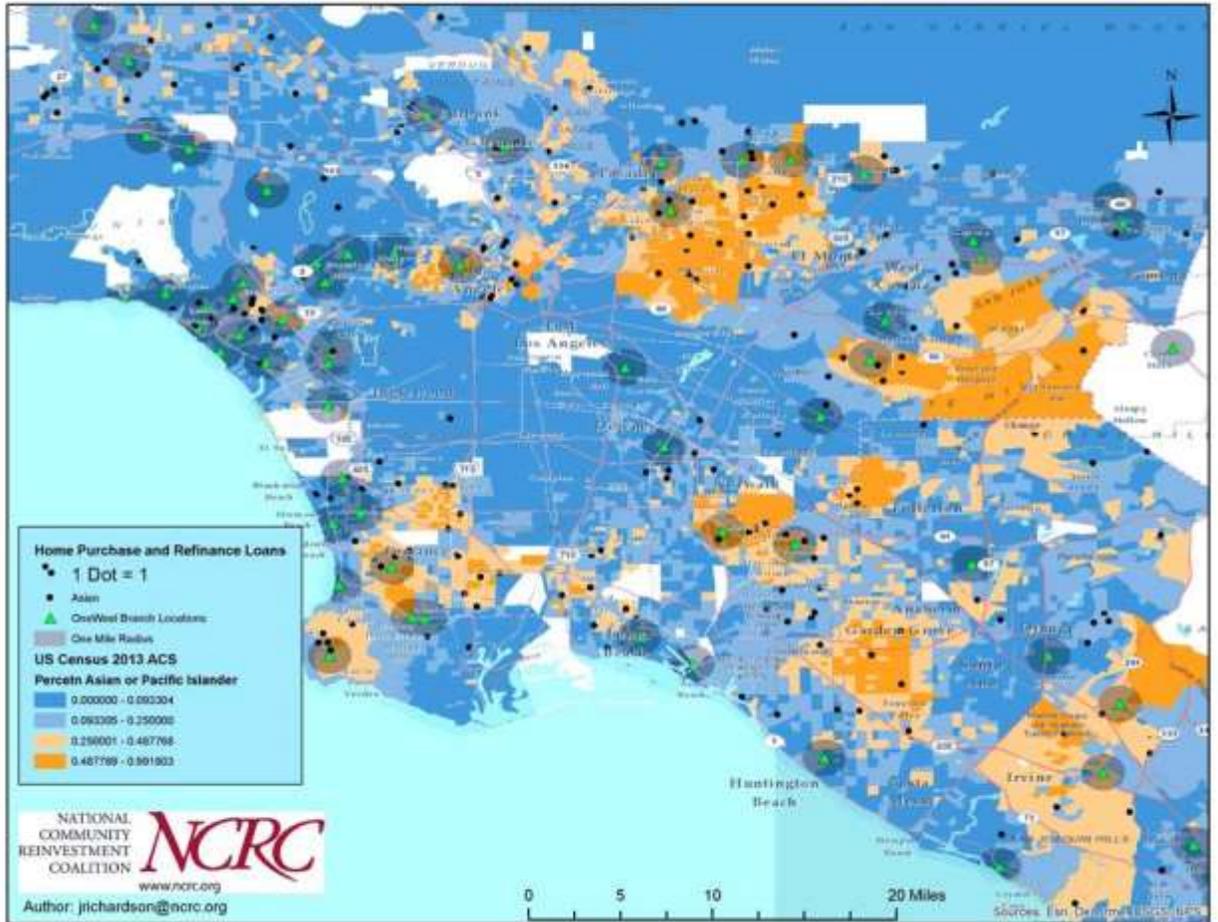
4. Maps and data show OneWest is not serving LMI or diverse communities

As we have raised in prior comment letters and at the public hearing, OneWest's presence and lending is disproportionately NOT in LMI communities or communities of color. This can be seen in the following maps (enlarged copies included in Appendix D) prepared by the National Community Reinvestment Coalition (NCRC).



CALIFORNIA REINVESTMENT COALITION

Low lending to Asian American borrowers, and low branch penetration in Asian-American neighborhoods:

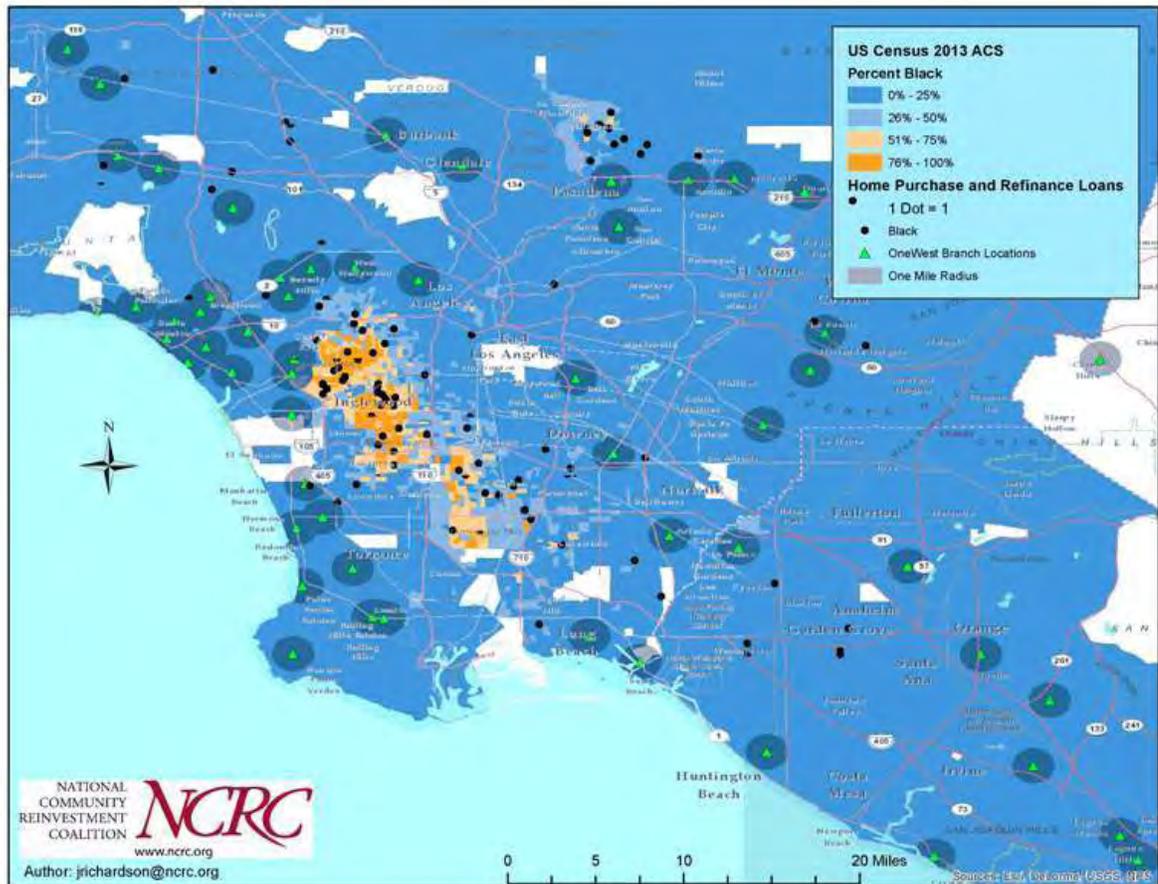


The first map shows home purchase and refinance lending by OneWest to Asian American owner occupants in the greater Los Angeles area. Each loan is depicted by one black dot. There are few home loans to Asian American borrowers. In prior comment letters, CRC analysis has shown that OneWest’s home lending to Asian American borrowers is roughly HALF that of the industry average. In fact, OneWest’s response to a prior FRB Additional Information request appeared to confirm this. Additionally, OneWest branches are depicted in the first map by green triangles. The majority of OneWest branches avoid neighborhoods that are comprised of 25% to 100% Asian American residents. Such neighborhoods are depicted on the map in differing shades of orange. OneWest is not adequately meeting the needs of the Asian American Pacific Islander community in Los Angeles or California.



CALIFORNIA REINVESTMENT COALITION

Low lending to African American borrowers, and extremely low branch penetration in African American neighborhoods:

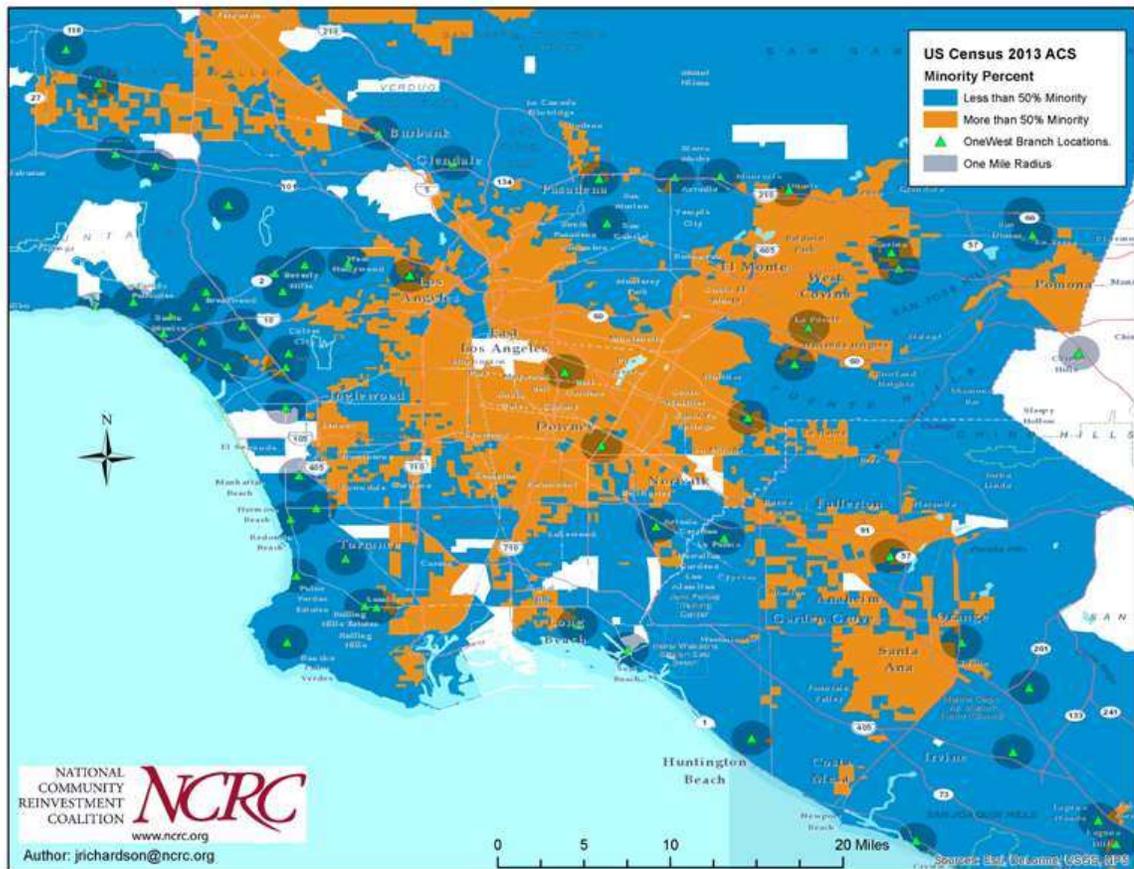


The second map shows a similar dynamic, that of OneWest failing to make significant numbers of home loans to African American borrowers, and failing to be present in African American neighborhoods. This second map presents a picture of minimal home purchase and refinance lending to African American owner occupants in the greater Los Angeles area. Each loan is depicted by one black dot. There are few home loans made to African American borrowers. In prior comment letters, CRC analysis has shown that OneWest's home lending to African American borrowers is very low. Additionally, OneWest branches are depicted in the second map by green triangles. One can see quite clearly that almost ALL of OneWest branches in the Greater Los Angeles area avoid neighborhoods that are comprised of 51% to 100% African American residents. Such neighborhoods are depicted on the map in differing shades of orange. OneWest is not adequately meeting the needs of the African American community in Los Angeles or California.



CALIFORNIA REINVESTMENT COALITION

Low branch presence in neighborhoods of color:

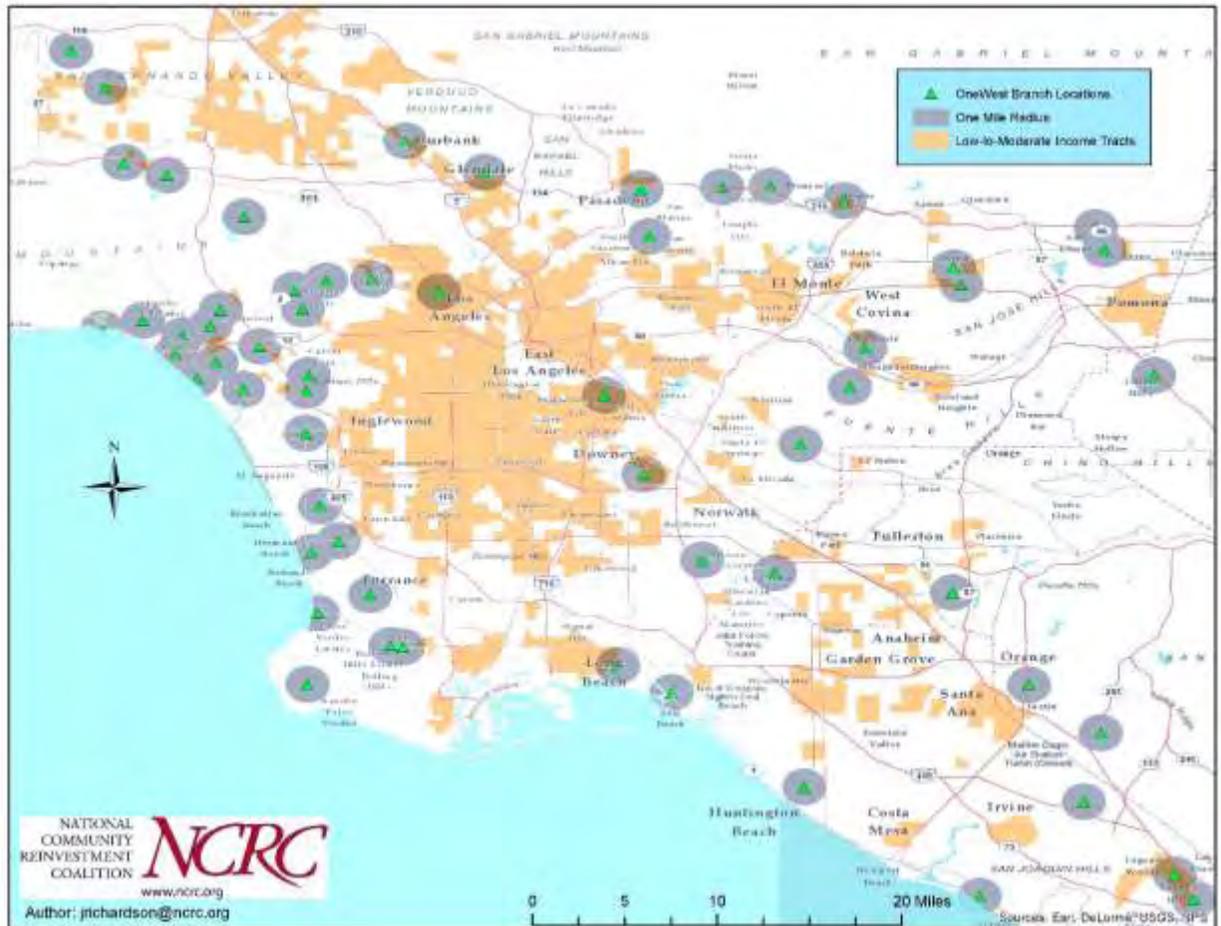


The third map, more broadly, shows OneWest’s failure to be present in neighborhoods of color. OneWest branches are depicted in the third map by green triangles. With very few exceptions, OneWest branches in the Greater Los Angeles area avoid the swaths of neighborhoods that are comprised of 51% to 100% residents of color. Such neighborhoods are depicted on the map in differing shades of orange. OneWest is not adequately meeting the needs of neighborhoods of color in Los Angeles or in California.



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Very low branch presence in LMI neighborhoods:



Perhaps most striking is the fourth and final map, which depicts OneWest branch presence in the low and moderate-income communities it is charged with serving under the Community Reinvestment Act. OneWest branches are once again depicted in the fourth map by green triangles. It is obvious from this map that nearly the entirety of OneWest branches are in the middle and upper income census tracts depicted on the map in white, and avoid the orange shaded areas which represent low and moderate income neighborhoods. CRC has commented previously that a mere 2 of OneWest’s 73 branches are in low income neighborhoods, and only 15% of its branches are in LMI neighborhoods, which is roughly half of the industry average. In fact, OneWest in its CRA Plan commits to maintain this low level of 15% of branches in LMI neighborhoods.



CALIFORNIA REINVESTMENT COALITION

We assert that if OneWest is not located in low and moderate-income neighborhoods, and not located in neighborhoods of color, we should not be surprised that the Bank is not serving these communities. Before approving these merger applications, the regulators should confirm that OneWest has not violated fair housing or fair lending laws. Further, OneWest cannot establish that it has met or will meet community credit needs, or that this merger will provide a public benefit, in the absence of a substantially stronger, more detailed and transparent CRA Plan, especially given its anemic presence in the communities it is charged with serving.

Conclusion

In summary, we urge the regulators to:

- Respond to our request to make public the submissions currently contained in Confidential Exhibits A, B, and C.
- Require OneWest to make public all complaint data from 2009 until the present.
- Refrain from making any decision on this merger until that information, as well as additional information on the extent of OneWest and Financial Freedom foreclosures in California and the nation, is made part of the public record.
- Determine that OneWest and its affiliates are subject to the California Homeowner Bill of Rights.
- Ensure that OneWest and Financial Freedom honor a moratorium on foreclosures of non-borrower surviving spouses until HUD develops a policy that will keep surviving spouses in their homes. Ensure that Financial Freedom's implementation of the HUD mortgagee letter on non-borrower surviving spouses and any subsequent policies is compliant with fair housing and fair lending laws.
- Review all files of consumers who testified at the public meeting on February 26, or submitted comments as part of this merger process, in order to ensure that there has been no retaliation by OneWest Bank or Financial Freedom against those who offered personal testimony as part of a public hearing facilitated by the regulators.
- Require Applicant to develop a strong and transparent CRA Plan that will commit it to meeting the credit needs of LMI communities, that meets or exceeds the goals set out in the City National Bank Plan, that will enable the determination that this merger provides a public benefit, and that the Plan and its implementation are made a condition of any final Order on these applications.
- The FDIC should ensure there is an exhaustive loss share audit of OneWest beginning in May, to confirm that OneWest has not received payments for improper foreclosures, and that OneWest has not improperly billed the FDIC for costs that should have been



CALIFORNIA REINVESTMENT COALITION

submitted to the FHA or private insurers. No decision on this merger should be made before the results of this audit are made public.

In determining whether this proposed merger would provide a public benefit, the regulators must consider all of the evidence, including that of the substantial harm caused by OneWest, the public subsidy received by OneWest and CIT, and the threat to financial stability posed by these institutions, if the regulators fail to impose meaningful conditions on any approval. The regulators must ensure that any CITBNA reinvests in all communities where it has depositors and at a level commensurate with its size. Further, the regulators must ensure that OneWest is doing all that it can to preserve homeownership for borrowers, surviving spouses and heirs, complying with existing laws and rules, and not further harming communities. In no event should a decision on this merger be made before the FDIC oversees and publicizes the findings of its next loss share audit of OneWest beginning in May.

City National Bank, a peer of OneWest that did not harm communities through tens of thousands of foreclosures or through obtaining immense amounts of public subsidy, has made a transparent and strong commitment to meeting the credit needs of the communities in its service area. OneWest should be required to do no less. OneWest and CIT should be required to provide fuller responses to issues raised by the FRB in its AI letter. OneWest and Financial Freedom must cease all foreclosures on Non Borrower Spouses until HUD develops a clear policy that will enable surviving family members to remain in their homes. OneWest should not continue these unnecessary foreclosures that are contrary to law and will soon prove inconsistent with HUD policy. Further, the regulators should scrutinize new data on branch and lending disparities to determine if fair lending and fair housing referrals are in order, and to determine if OneWest is truly meeting community credit needs.

Thank you for your consideration of these views. Please feel free to contact me at (415) 864-3980 if you wish to discuss this matter further.

Very Truly Yours,

Kevin Stein
Associate Director

Paulina Gonzalez
Executive Director

cc: Kamala Harris, California Attorney General
Jan Owen, Commissioner, California Department of Business Oversight
Ivan J. Hurwitz, Vice President, FRB NY, comments.applications@ny.frb.org
David Finnegan, Office of the Comptroller of the Currency, WE.Licensing@occ.treas.gov



CALIFORNIA REINVESTMENT COALITION

APPENDIX A:

City National Bank's 2015 California Community Commitment & Goals

City National Bank's 2015 California Community Commitment & Goals

(As of 5/04/2015)

In consultation with City National Bank's many community group partners in the California communities we serve, and in connection with the recently announced merger with the Royal Bank of Canada, we provide the following five year California community commitments and goals.

Beginning in 2015 and extending over the next five years, City National pledges to increase its overall qualified CRA lending, investment, charitable contribution, supplier diversity, and related activities as described below, to achieve a minimum of \$11 billion in cumulative qualified CRA activity as defined below during this five-year period.

To achieve this cumulative commitment, we have identified the following aspirational goals for each of the key components of our CRA qualified activity. Over the term of our commitment, our goal is to achieve the following:

- \$4.2 billion in small business loans of \$1 million or less;
- \$4.4 billion in qualified CRA community development loans;
- \$1.6 billion in qualified CRA investments;
- \$700 million in residential mortgage loans funded for minority borrowers;
- Over \$80 million in MWBE supplier diversity expenditures; and
- \$30 million in charitable contributions.

This \$11 billion commitment is expected to also correspond to our goal to consistently increase our annual qualified CRA related activity to strive to achieve a level of 15% of our normalized California deposits (which excludes only those deposits associated with our unique non-consumer and non-retail Specialty and Treasury Services Divisions) by year end 2021.

To achieve these extraordinary commitments and goals, City National will build on its significant past accomplishments and successes in developing and implementing even more effective CRA strategies in the years to come. Going forward, we will continue to actively work with our community group partners in becoming even more effective in our qualified CRA lending, investment, charitable contributions, supplier diversity and related activities, with special future emphasis on small business and community development loans and including CRA qualified investments, equity equivalent investments in California CDFIs, Community Development Corporations, non-profit community development funds, microloan funds, small business investment companies, and other related economic development focused small business initiatives. These commitments and goals are expected to be achieved with special attention to the following identified strategies --- which have been developed in collaboration with our community group partners in meetings over the last few years.

Economic Development: City National's past CRA success, and its future CRA success will remain highly focused on small business and community development lending. We are a recognized leader in CRA-reportable community development loans in California under the

“economic development” or LMI job creation OCC definition, with a greater percentage of reportable loans than our peer institutions. Combined with our overall small business lending, of which 50% plus are loans less than \$100,000 and over one-third are in LMI census tracts, City National exceeded \$1.5 billion in CRA-qualified loans in 2013 and 2014. To achieve our future commitments and goals, we will aspire to remain a leader in California small business lending and in particular we will maintain our focus on smaller-dollar loans by continuing to have 50% or more of our CRA-reportable small business loans (by number) in the amount of \$100,000 or less.

In pursuit of this commitment City National will:

- Establish an annual pool of \$14 million for Community Development Financial Institution, Community Development Corporation lending, transit oriented development (TOD) projects and other non-profit community development funds that benefit small business, housing and economic development in low income and/or underserved communities to include EQ2 financing, initiated through formal broad based “request for proposal” (RFP) processes. CNB commits to no more than \$2 million annually to any one organization.
- Invest \$10 million annually in CRA-qualified small business investment companies (SBIC’s), with 20% targeted for minority enterprises.
- In support of our efforts to increase access to credit for smaller businesses (for businesses with <\$1 million in revenue) and to increase lending to diverse businesses in our California communities, we commit to the following:
 - ◆ Our CRA-qualified charitable contributions will remain “unrestricted” as in the past.
 - ◆ We will continue to support small business technical assistance provided by nonprofit providers that help to improve and enhance access to capital. In addition, we commit to specifically allocate \$300,000 annually for small business pre and post loan technical assistance, supplier development and \$200,000 annually for loan loss reserve funding, with emphasis on SBA micro lenders doing loans less than or equal to \$50,000. This will be on top of the 1.5% of NIBT we allocate for philanthropy generally. The bank will develop a plan for a formalized selection and implementation process for its technical assistance and loan loss reserve program with community input.
 - ◆ We will take steps to formalize our current informal declined loan referral programs through the use of broader based RFPs with local CDFIs, technical assistance providers and other organizations that improve and enhance access to capital in minority and low-income communities.
 - ◆ We will refer a minimum of 20% of small business loan denials to local Technical Assistance providers, CDFI’s and other community development lenders in our assessment areas, subject as always to the willingness of declined clients to be referred.
 - ◆ We will continue to actively participate in the California state-guaranty program and commit to increasing participation in other related programs.
 - ◆ We are a Preferred SBA lender through SBA lending, which represents about 5% of all

our CRA-qualified loans at present. Beginning in 2016, we commit to increasing our overall SBA lending to \$140 million a year during the commitment period, and take appropriate steps to increase our SBA production throughout our assessment areas. Of the total commitment of \$140 million for SBA lending, 50% each year shall be to underserved communities and low-and-moderate-income census tracts and a goal of 40% each year shall be to minority business enterprises. Additionally, \$5 million of SBA lending annually shall be in loan amounts of \$150,000 or less.

- ◆ We will actively review the impact and results of our existing “advisory board” structure to explore, refine and improve our strategy for enhancing successful market penetration, and notably within African-American and Latino segments. We aspire to increase our market penetration to equal the availability of businesses in LMI census tracts as tracked by Census business data and the PCI Wiz program.

Housing: City National expects to continue to be an “accommodation” lender relative to residential mortgage loans, and we do not compete in the open market for residential loans to non-clients. We will aspire to consistently collect racial and ethnic data for the majority of our borrower loan applications. However, we actively target affordable housing residential mortgage loans for our LMI communities via CRA-qualified investments and sponsorships for AHP grants on behalf of nonprofits to the Federal Home Loan Bank of San Francisco. We commit to enhance our annual support of affordable housing by purchasing between \$50 to \$100 million per year of LMI residential loans, emphasizing LMI borrowers, using well-established for-profit and not-for-profit residential mortgage lending CDFI’s and reputable mission driven mortgage companies on a servicing retained basis. We would plan to hold these acquired loans in our loan portfolio and not treat them as available for resale.

We currently originate \$30 million per year in Community Development loans for affordable housing in our LMI communities. Our goal is to increase this annual amount by considering the market opportunity for the development of a one-stop, construction to permanent loan product, for multi-family housing and a line of credit facility for non-profit housing developers. City National will explore the Transit Oriented Development (TOD) market opportunities for lending within our assessment areas and maintain a goal of \$5 million annually.

Consumer: We will develop, implement, actively market and service an account that serves the banking needs of the unbanked, underbanked, and low-to-moderate income communities within our assessment areas within one year from the date of this commitment. This will be done in accordance with the Model Safe Account guidelines developed by the FDIC and will include a savings, checking, and cash-secured credit card feature. We also commit to reconfigure our ATMs to waive out-of-network surcharges for California public assistance recipients who use Electronic Benefits Transfer Cards (EBT).

Charitable Donations: We have a strong and long-standing proud tradition of making charitable contributions to worthy causes in need of financial assistance. From 2008 through 2014, City National made charitable donations of \$23.7 million --- representing approximately 1% of City National Bank’s Net Income Before Taxes (NIBT) during that period --- to communities in need across City National’s footprint. Unlike most banks, we

have consistently maintained our charitable contribution levels despite the recent financial crisis.

We are committing to increasing our charitable contributions to a level representing 1.5% of NIBT per year, over the next five years, significantly increasing our commitment to our communities. In no event will our annual charitable contributions be less than \$4.6 million for California during the term of this commitment. In addition, we commit that 80% of this .5% increase in annual contributions will be dedicated exclusively to CRA-qualified affordable housing and economic development, with the remaining 20% targeting financial education and financial literacy initiatives for low-to-moderate income and underserved communities.

Supplier Diversity: Since 2010, our discretionary supplier spend has been \$70 to \$80 million per year. Of this amount, approximately 12% to 15% has been spent on minority and women-owned businesses. Historically, these MWBE supplier diversity expenditures have not been included in our CRA commitment calculation. With the elevated significance and positive impact of supplier diversity expenditures, we will include supplier diversity spend in our future commitment calculation, and we commit to increase our MWBE discretionary spend in California to 20% annually by 2019, and will evenly balance spend between MBE's and WBE's and report said data in accordance with best practices.

Conclusion: City National Bank is committed to continuing to meet the CRA needs of the diverse communities it serves. This present commitment replaces our ten-year \$17.5 billion CRA commitment made in 2007, and represents the culmination of extensive consultation, meetings and discussions with many interested community groups. Over the years, our community group partners have provided constructive advice and insight to us, which has contributed to the success against our prior commitments and which has contributed significantly to our accomplishments to date.

Similarly, this new 2015 commitment is the result of active consultation and dialogue with several California community advocacy organizations and many other interested community groups. Over the term of this new commitment, we will meet annually with each of our willing and interested community group partners, or more frequently as needed, to review and discuss our progress in fulfilling these new commitments and goals, and to gain the benefit of their unique insights on opportunities to enhance or improve our effectiveness in meeting these commitments and goals, and to fulfilling the spirit of our commitments.

This plan will be submitted to the Federal Reserve Board and Office of the Comptroller of the Currency as part of the applications by Royal Bank of Canada to acquire City National Bank.



CALIFORNIA REINVESTMENT COALITION

APPENDIX B:

Comparing Community Reinvestment Plans
of City National and Royal Bank of Canada
vs. OneWest Bank and CIT Group



California Reinvestment Coalition Fact Sheet

Comparing Community Reinvestment Plans of City National and Royal Bank of Canada vs. OneWest Bank and CIT Group

	OneWest/CIT Group	City National/RBC	Difference
CRA Plan total commitment	\$5 billion over 4 years	\$11 billion over 5 years	City National commits to \$6 billion MORE.
CRA Annual Commitment (Averaged)	\$1.25 billion	\$2.2 billion	City National commits to \$950 million MORE a year.
TARP Recipient	Received \$2.3 billion, tried unsuccessfully to pressure FDIC for 2 nd bailout ¹	\$400 million	CIT Group declared bankruptcy and <i>never repaid taxpayers</i> , and plans to use its 2009 bankruptcy to further reduce its tax bill if merger is approved. City National repaid TARP in 2010.
CRA eligible lending	\$3.8 billion over 4 years (\$950 million a year), but no specific amounts attached to specific areas like small business lending, community development loans, or affordable housing lending.	\$9.3 billion over 5 years (\$1.86 billion a year) - \$4.2 billion in small business loans of \$1 million or less - \$4.4 billion in CRA-qualified community development loans - \$700 million in residential mortgage loans funded for minority borrowers	City National commits to \$5.5 billion MORE, or almost twice as much a year as compared to OneWest.
Addressing California's affordable housing crisis	No specific goals in CRA plan. Instead: "grow lending volume through introducing innovative and flexible products to the market and will explore products such as multifamily lending, lines of credit to non-profits for the purpose of acquiring properties for LMI homebuyers and affordable mortgage loans"	1. Commits to purchasing \$50 to \$100 million annually in LMI residential loans 2. Increase existing \$30 million commitment for community development loans by considering development of one-stop, construction to permanent loan product for multi-family housing, and line of credit facility for nonprofits	While City National has specific goals, OneWest has none, despite listing affordable housing as a top need in its "CRA Strategic Plan" which the bank attempted to keep confidential as part of merger with CIT Group. ² OneWest's "secret" Strategic CRA plan also identified specific goals for multi-family lending, whereas OneWest's new CRA plan (dated Feb 2015) does not have any specific numeric goals, only suggestions.

CRC FACT SHEET: CRA plans of City National/RBC vs. OneWest/CIT Group

	OneWest/CIT Group	City National/RBC	Difference
Small Business Lending	<p>No specific dollar figures dedicated to small business lending, but includes goals:</p> <ul style="list-style-type: none"> -achieve SBA preferred lender designation -develop TA referral program -bank will “expand its efforts” in small business lending (including SBA 504 and 7(a) loans. 	<p>\$4.2 billion in small business loans</p> <ul style="list-style-type: none"> -Continue to have 50% or more of CRA-reportable loans to be for \$100,000 or less -Establish annual pool of \$14 million for CDFI, CDC lending, and other community development funds -\$5 million annual investment in CRA-qualified SBICs, with 20% targeted for minority enterprises -\$300,000 annual commitment for TA -\$200,000 for loan loss reserve funding with focus on SBA micro lenders doing loans of \$50,000 or less -Refer a minimum of 20% of small business loan denials to local TA, CDFI, community development lenders -Continue participating in state-guaranty program -Beginning in 2016, increase overall SBA lending to \$140 million a year, with 50% to underserved communities and LMI census tracts. \$5 million of SBA lending will be for loans of \$150,000 or less 	<p>Difficult to compare commitments because OneWest does not set specific targets.</p> <p>Similar to affordable housing, OneWest’s secret Strategic CRA plan called on the bank to do more than it is committing in its February 2015 proposed plan.</p>
Supplier Diversity Programs	<p>No specific goals, but will “Set a target for a percentage of vendor spend with women-, minority- and service disabled veteran-owned businesses within 120 days of the consummation of the Bank Merger.”</p>	<p>Commits to increasing MWBE discretionary spend in California to 20% annually by 2019 (historically 12-15% annually)</p>	<p>Difficult to compare commitments because OneWest does not set specific targets.</p>
Philanthropy	<p>\$5 million in annual donations</p>	<p>\$30 million commitment over 5 years, when averaged, amounts to \$6 million in annual donations</p>	<p>City National commits to \$1 million MORE than OneWest.</p>

Sources:

Additional Information Request, retrieved from Federal Reserve website, dated February 5, 2015:

http://federalreserve.gov/bankinfo/Supplemental_Submission_02052015.pdf

For additional information on the CIT Group/OneWest merger, and why 100 organizations in California and across the US, and 21,000 people oppose this merger, visit [CRC's Merger Resource Page](#).

¹ *Reuters*: CIT lost in gamble to pressure FDIC <http://www.reuters.com/article/2009/07/18/us-cit-fdic-analysis-sb-idUSTRE56G6CC20090718>

² Section B of Comment Response, retrieved from Federal Reserve website, dated Sept 19, 2015: http://www.federalreserve.gov/bankinfo/2014-09-19_Comment_Response.pdf



CALIFORNIA REINVESTMENT COALITION

APPENDIX C:

“Public CRA Benchmarks Would Boost
Transparency in Bank Mergers”

Roberto Barragan and Earl "Skip" Cooper II

American Banker

March 20, 2015

Public CRA Benchmarks Would Boost Transparency in Bank Mergers

ROBERTO BARRAGAN AND EARL "SKIP" COOPER II
MAR 20, 2015 1:06pm ET

Earlier this week, the authors of an *American Banker* [blog post](#) suggested that the Greenlining Institute and the California Reinvestment Coalition should not have asked the Federal Reserve and the Office of the Comptroller of the Currency to investigate the timing of grants, lending, and investments made to nonprofits in relation to the proposed merger of CIT Group and OneWest Bank.

As members of these state-wide coalitions, we've been involved in [opposing](#) this proposed merger. We stand by the position that regulators should investigate the timing of OneWest's grants, lending, and investments. If in fact these banks are attempting to influence support with the promise of payoffs, regulators should not allow it.

Despite disagreeing with the overall tone of the post, we did find some common ground with the authors' suggestions. We had earlier called on OneWest and CIT to commit at least .03% of deposits to charitable purposes. We now join in their suggestion that the two banks strengthen their commitment by dedicating .05% of their deposits to charitable purposes, which would more than double what the bank has proposed under its current CRA plan.

However, philanthropy is only one aspect of the activities that banks engage in under the CRA, which is why our coalition members advocate for public benchmarks on all CRA activities.

In working with banks, our coalitions advocate for the banks to develop clear CRA plans that include benchmarks on activities like community development investments, small business lending, home loans to low- and moderate-income borrowers and branch presence. In our experience, clearly defined goals are the foundation of a strong CRA plan and commitment. They allow for objective analysis of a bank's CRA record, comparison to peer banks, and a better way to measure the public benefit (or lack thereof) from a proposed merger.

While our coalitions already use these benchmarks in our work with banks, we believe that broader adoption by all of the banks and their regulators would enable everyone to see which banks are performing well and which ones are not.

This change would make it less convenient for banks to make vague promises to do better in the future-if their merger is approved now.

Public CRA benchmarks also create an increased level of transparency that puts to rest any questions about whether banks might improperly use grants to secure support for proposed mergers (or even if those grants might give the appearance of impropriety).

With 96% of banks receiving a "satisfactory" rating or better since the [inception of the CRA](#), using

transparent benchmarks would also address both [advocate concerns about CRA grade inflation](#) and banks' concerns about CRA exams being too subjective.

For these reasons, we call on OneWest and CIT Group to commit to a strong and transparent CRA plan for reinvesting in California communities.

Unfortunately, OneWest and CIT Group's proposed plan currently falls short on all of our benchmarks. Based on the CRC's analysis of the limited data provided by the banks, their proposed plan calls for a level of activities that are a fraction of what their peer banks and even [smaller banks are already doing](#).

Moreover, the proposed CRA plan also contradicts stronger goals established in OneWest's strategic plan for the years 2012-2015. For example, OneWest's CRA [strategic plan](#) calls for annual lending and investment goals, as well as multifamily lending goals. But in the latest version of the [proposed CRA plan](#), there are no actual goals set for multifamily lending or community development loans.

The banks' current CRA plan is especially disappointing given that both CIT Group and OneWest Bank received subsidies provided by [taxpayers](#) and the [Federal Deposit Insurance Corp.](#), to say nothing of the harm caused by tens of thousands of [OneWest foreclosures](#) across the country. Based on our analysis, we believe the merger should not move forward until the banks create a more robust CRA plan.

Until there is agreement among banks, regulators, and advocacy coalitions about adopting clear CRA benchmarks, advocacy coalitions like CRC and Greenlining will continue to call for public hearings on troubled bank mergers, to remind people about earlier public subsidies to banks, and to ask difficult questions. Our clients, communities—and our [fellow taxpayers](#), in the case of this merger—depend on this vigilance.

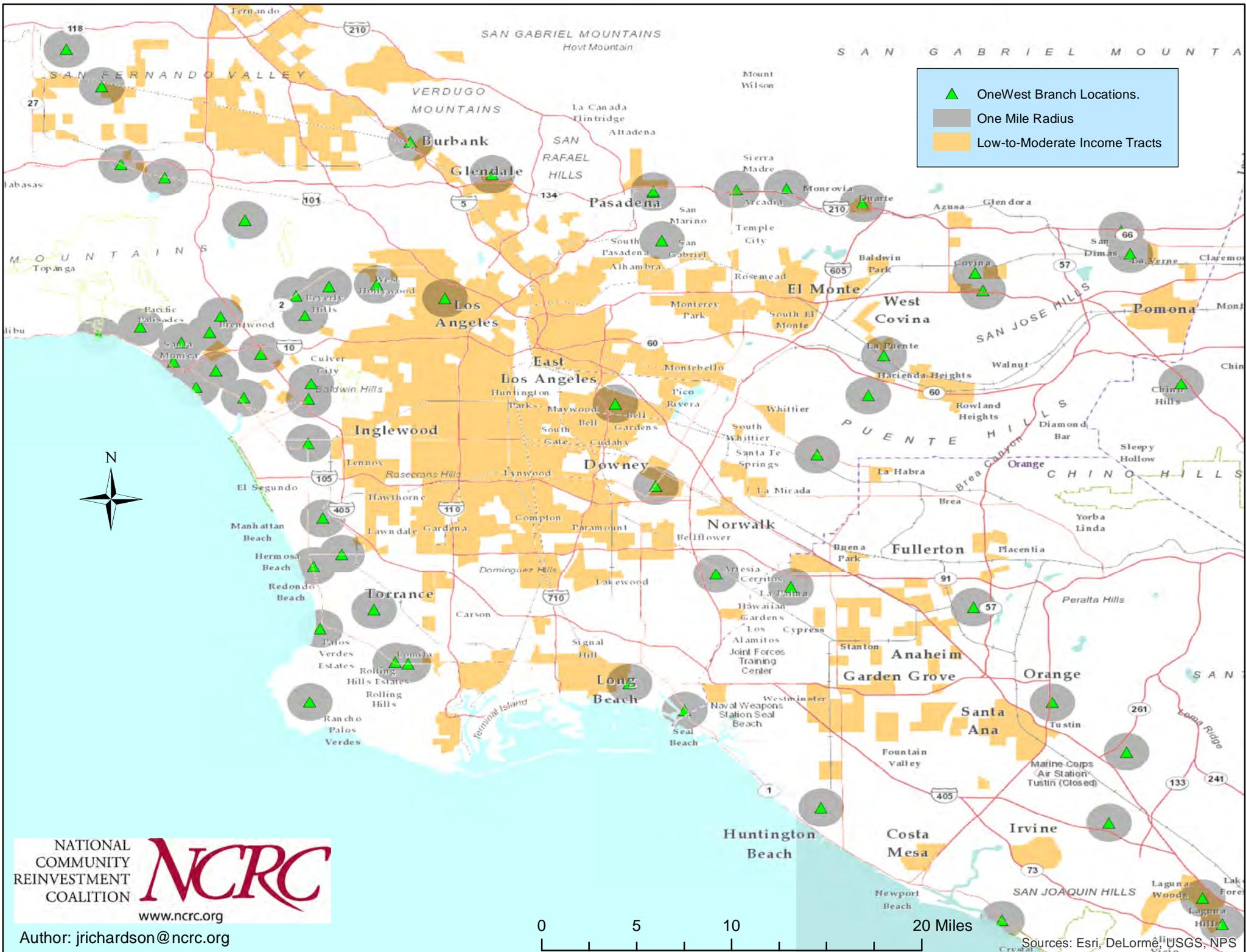
Roberto Barragan is president and chief executive of [VEDC](#) and a board member of the California Reinvestment Coalition. Earl 'Skip' Cooper II is president and CEO of the [Black Business Association](#) and a coalition member of the [Greenlining Institute](#).



CALIFORNIA REINVESTMENT COALITION

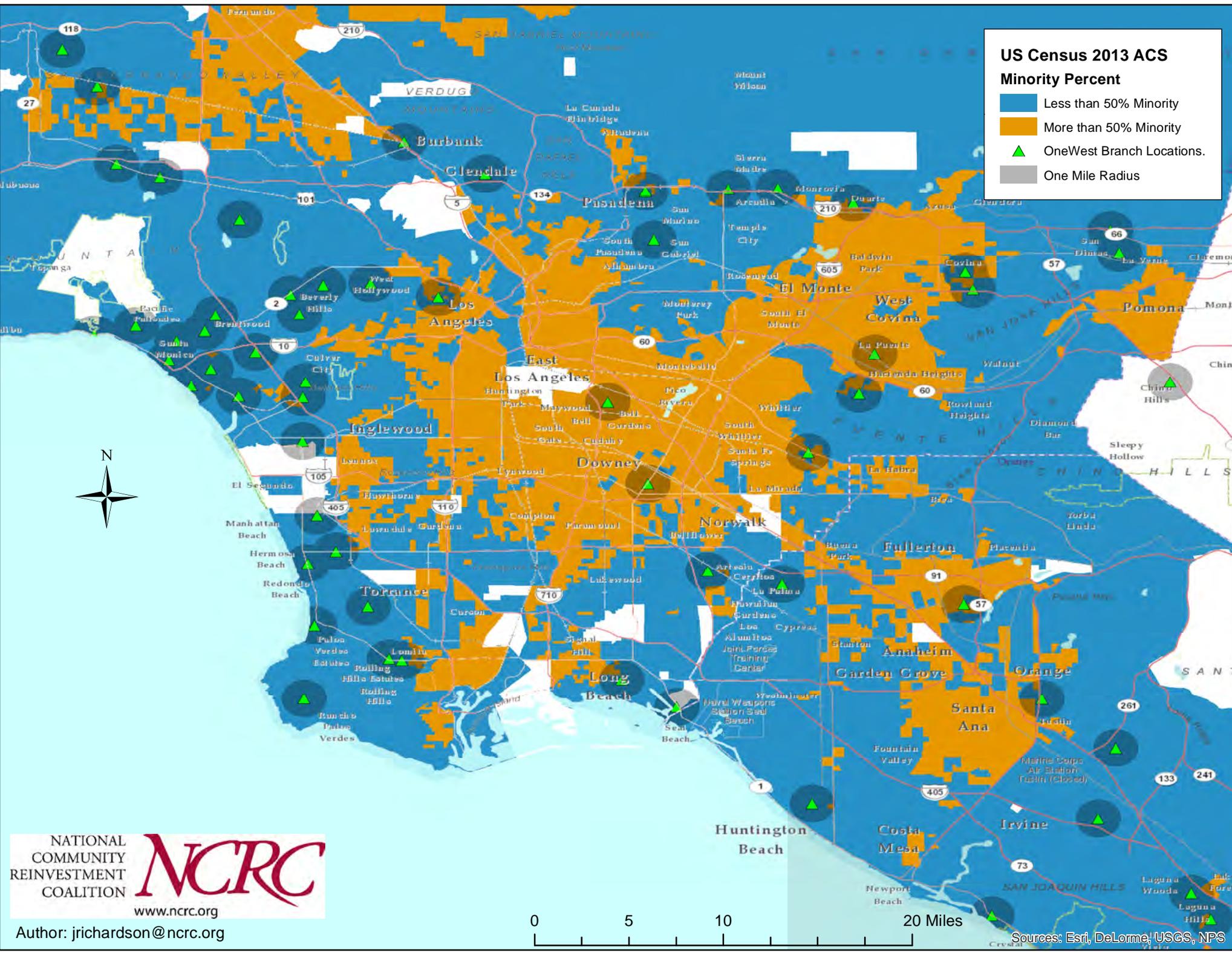
APPENDIX D:

Maps and data show OneWest is not serving LMI or diverse communities



**US Census 2013 ACS
Minority Percent**

- Less than 50% Minority
- More than 50% Minority
- OneWest Branch Locations.
- One Mile Radius



NATIONAL
COMMUNITY
REINVESTMENT
COALITION

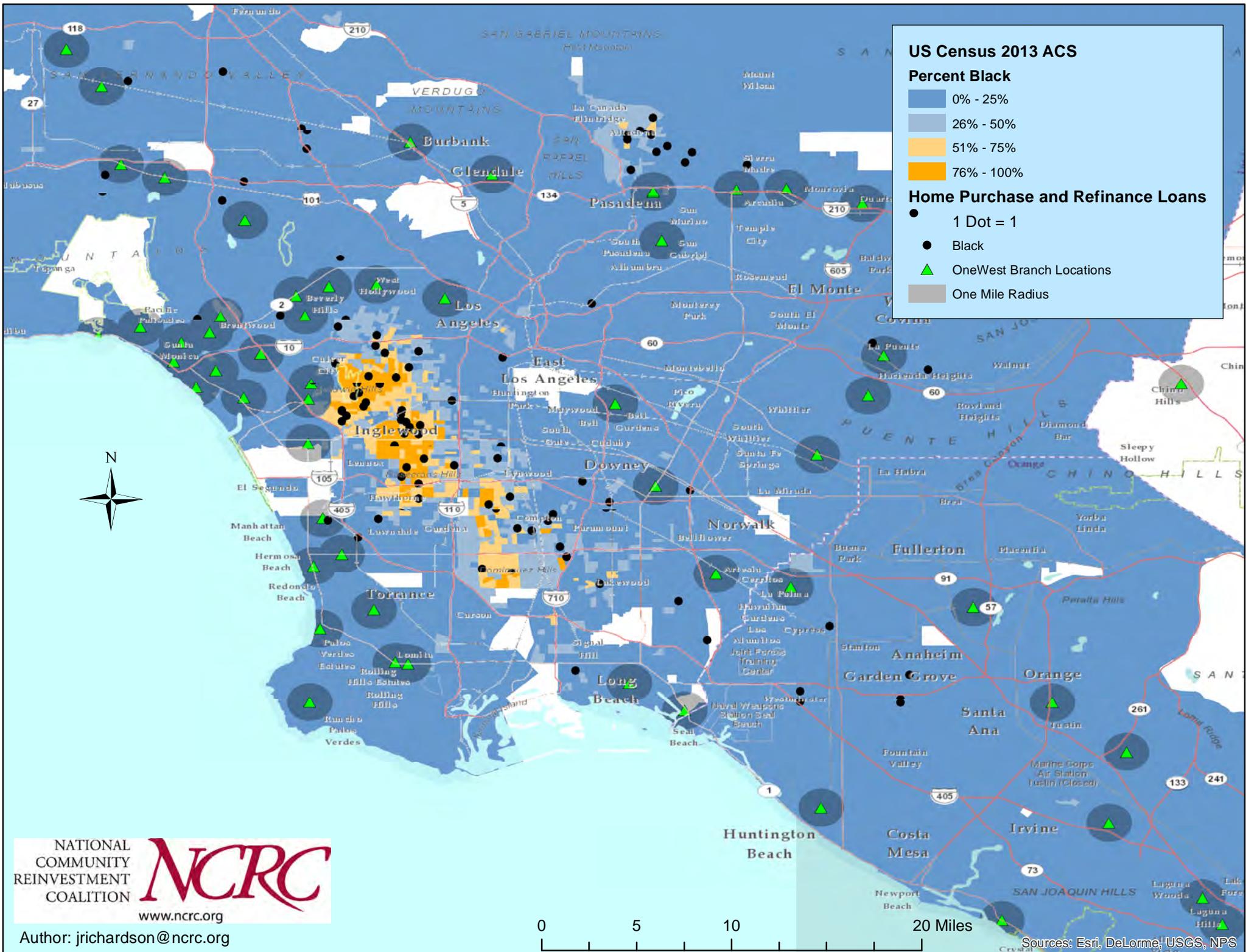
NCRRC

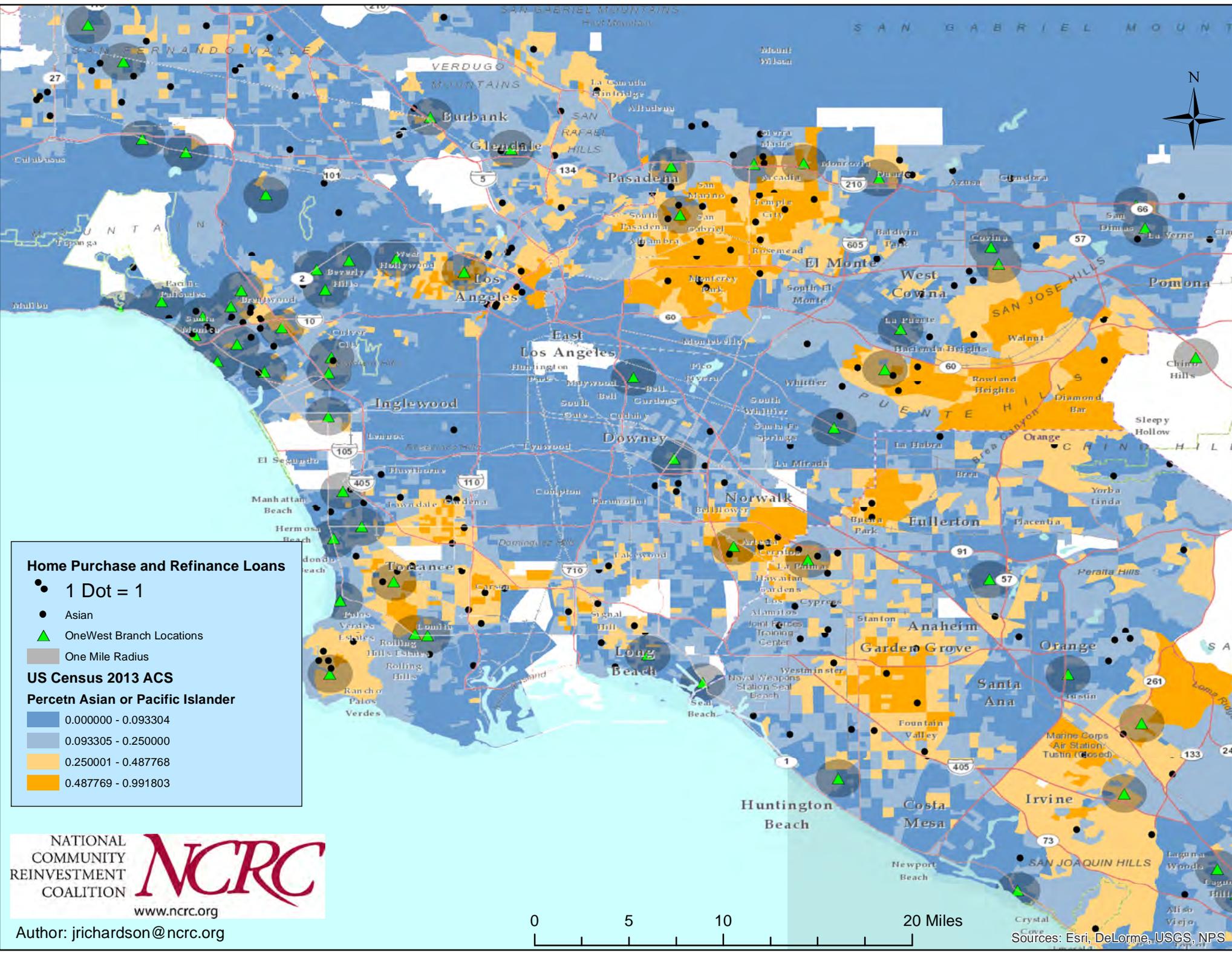
www.ncrc.org

Author: jrRichardson@ncrc.org



Sources: Esri, DeLorme, USGS, NPS





Home Purchase and Refinance Loans

- 1 Dot = 1
- Asian
- ▲ OneWest Branch Locations
- One Mile Radius

US Census 2013 ACS

Percetn Asian or Pacific Islander

- 0.000000 - 0.093304
- 0.093305 - 0.250000
- 0.250001 - 0.487768
- 0.487769 - 0.991803



Author: jrichardson@ncrc.org



Sources: Esri, DeLorme, USGS, NPS

From: [Hurwitz, Ivan](#)
To: [Cohen, Adam J \(Board\)](#); [Tsai, Gerald](#)
Cc: [Steffey, Brian](#); [Bae, Philip](#); [McCune, Crystal](#)
Subject: FW: Federal Reserve Bank Letter
Date: Friday, May 08, 2015 10:17:24 AM
Attachments: [5.6.15 Federal Reserve Bank Letter.pdf](#)

From: Neal Dudovitz [mailto:NDudovitz@nsls.org]
Sent: Thursday, May 07, 2015 9:56 PM
To: salleys@sullcrom.com; Hurwitz, Ivan; gerald.tsai@sf.frb.org; Cohen, Adam J (Board)
Subject: Federal Reserve Bank Letter

Please see attached.

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@nsls.org



Neighborhood Legal Services
of Los Angeles County

50 years of changing lives and transforming communities

Neal S. Dudovitz, Executive Director
Direct Line 818.834.7590
ndudovitz@nlsla.org

Via Overnight Mail

May 6, 2015

Janet Yellen, Chair
Board of Governors of the Federal Reserve
Federal Reserve Bank
20th Street and Constitution Avenue N.W.
Washington, D.C. 20551

Re: Proposed Merger of CIT Group and OneWest Bank
(Acquisition of IMB Holdco LLC by CIT Group, Inc)

Dear Ms. Yellen,

We write as one of the registered Objectors to the merger of CIT Group and OneWest Bank. This letter follows on the April 14, 2015 answers provided by the applicant banks to questions posed by the Board following the February 2015 public hearing in Los Angeles. Allowing these two institutions to merge would represent an undue public reward for, and regulatory endorsement of, their multiyear track record of transmuted billions in public subsidies into private gain. Without game changing commitments to real and sustained public interest priorities, this merger serves only the needs of an elite group of private individuals, not those of the public at large, and certainly not of the low-income clients and communities we represent in Southern California.

Here in Los Angeles, the need for safe and affordable housing is dire, and since the actions of the applicant banks helped contribute to our current housing crisis, the merger should not be approved until major, binding commitments to addressing these needs have been made. We are additionally concerned that approval of this merger, without such commitments, would represent a disturbing confirmation of the priorities of the Federal Reserve, at a time when the public is already skeptical that the agencies charged with safeguarding their interests has effectively been captured by the very institutions they purport to regulate.

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

A pattern of transforming public subsidy into private gain

This is a merger that has no equal. The two institutions behind the proposed transaction have developed a history of relations with the public fisc that could charitably be described as troubled. As you are aware, CIT disavowed \$2.3 billion in TARP bailout debt it owed the public as a consequence of its bankruptcy following the financial crisis. In a similar conversion of public goods to private gain, OneWest's investors negotiated public subsidies on its losses that could amount to \$2.4 billion all told. As part of the FDIC deal, OneWest promised it would extend home loan modifications to former IndyMac borrowers, but instead foreclosed on thousands of Californians and earned itself near-universal scorn from homeowner advocates for its modification practices.

These banks have public dollars to thank for the fact that they remained in business and went on to flourish, but have not repaid even a cent of the billions they received. Instead, they took in public investment and effectively handed it over to a select cadre of private individuals. In this context, CIT and OneWest's application to the government that sponsored their actions in recent years, seeking as it does the tacit endorsement of continued subversion of public subsidy that approval would represent, is galling indeed.

The affordable housing crisis and a proposal to address it

Absent a binding and sustained commitment to providing serious public benefit, the applicant banks' meager gestures in the direction of public benefit cannot overcome their legacy of public detriment. The 35,000 California families who lost their homes to OneWest foreclosures must now contend for shelter in the midst of an acute affordable housing crisis. The magnitude of Los Angeles' affordability crisis has been widely reported; suffice it to say that the housing market here is among the most expensive in the country. By housing cost as a share of income, it is perhaps the least affordable market in the nation. Even dual income working families are increasingly priced out of the urban core, and the high price of traditional housing has seen a dramatic proliferation in illegal units, garage conversions, and the like. Effectively, many hard-working Angelenos now find themselves consigned to cramped living quarters, often in deplorable conditions existing outside the eyes of the law. This is the bleak reality of the housing market confronting the thousands of Southern Californians who lost their homes, and with them their tenuous grasp on middle class lifestyles, during the foreclosure crisis.

Considering OneWest's impact on the housing market here in Los Angeles, the most appropriate way for the bank to atone for its history of public harm is to make serious and lasting contributions to resolving the problem it helped create. The Federal Reserve must consider the needs of the community in evaluating the

proposal, and may reject a merger where those needs are unmet. Because the un-repaid public subsidies referenced above amount to billions of dollars, this merger cannot provide a net public benefit unless it involves commitments of the same magnitude.

We urge the Federal Reserve to withhold approval for the merger until the applicants make binding commitments to \$3 billion of investments for the creation and preservation of affordable housing in Los Angeles County, home base of OneWest. These investments should not continue the pattern of marginal public benefit and overwhelming private gain. Instead, the \$3 billion should be made payable over three years to third party community-based organizations or government housing agencies that will use the funds for the creation of affordable housing and transit in those Los Angeles communities most impacted by OneWest foreclosures.

Regulatory capture

The public counts on the Federal Reserve to serve as a gatekeeper of the public interest in discharging its regulatory function, maintaining a strong and independent voice. In recent times, however, increasing concern has developed that the agencies charged with regulating the financial sector have come to neglect that function. Serious regulation has withered, enabling the worst excesses of the industry. Many believe that the government's watchdogs have been captured by the very institutions they are tasked with regulating. Our government invests the Fed with the power to deny a merger where it is against the public interest. If ever there was a proposed merger urging the exercise of that power, surely it is this one. Approving the application would signal that no amount of public harm is a barrier to merger, even when the merger would create a new systemically important, too big to fail financial institution.

Deny the merger

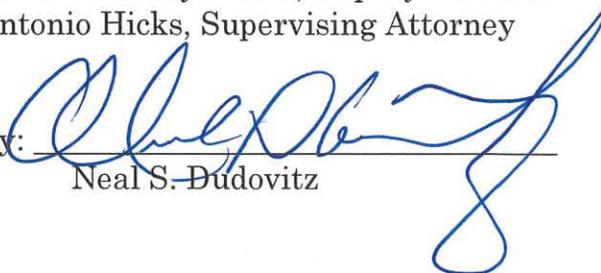
Until the day comes when these banks make good on years of community harm, their merger is an unwanted, unnecessary gift to already wealthy investors who have plundered the public fisc for private gain. In its current form, the merger should be rejected.

Thank you for your attention and consideration of our views and position. . If you need additional information, please contact us at (818) 834-7590 or via e-mail at NDudovitz@nsls.org.

Very Truly Yours,

NEIGHBORHOOD LEGAL SERVICES
OF LOS ANGELES COUNTY

Neal Dudovitz, Executive Director
Hunter Landerholm, Staff Attorney
Yvonne Mariajimenez, Deputy Director
Antonio Hicks, Supervising Attorney

By: 

Neal S. Dudovitz

cc: Vice Chair Board of Governors, Stanley Fischer
Governor Lael Brainard
Governor Jerome Powell
Governor Daniel K. Tarullo

Stephen M. Salley, Sullivan & Cromwell LLP

Ivan Hurwitz, Federal Reserve Bank of New York

Gerald Tsai, Federal Reserve Bank of San Francisco

Office of the Comptroller of the Currency
James Bundy
Grovetta Gardineer
Donna Murphy
David Reilly
Barry Wides

Federal Reserve Board
Adam Cohen
Suzanne Killian,
Mike Sexton
Alison Thro

From: [Bae, Philip](#)
To: [McCune, Crystal](#)
Subject: FW: Jolley comment letter 5-12-15 re: opposition to OWB merger and Response to FRB RFI -FRSONLY-
Date: Wednesday, May 13, 2015 9:38:36 AM
Attachments: [JOLLEY COMMENT LETTER RE OWB RESPONSE TO FRB RFI 5-12-15.pdf](#)

From: Sandy Jolley [mailto:sjolley2@compuserve.com]
Sent: Tuesday, May 12, 2015 6:44 PM
To: Bae, Philip; David.Finnegan@occ.treas.gov
Subject: Jolley comment letter 5-12-15 re: opposition to OWB merger and Response to FRB RFI

Dear David and Philip,

Please find attached, my comment letter regarding the recent Response of CIT and OneWest Bank to the FRB “Request for Additional Information” . My letter is on behalf of consumer and myself in continued opposition to the CIT/OWB merger.

Please let me know if you have any questions about this. Thank you

Regards,

Sandy Jolley
Reverse Mortgage Suitability and Abuse Consultant
Phone: 805 402-3066
Fax: 805 984-3806

May 12, 2014

Janet Yellen
Chair
Federal Reserve Board of Governors

Thomas Curry
Comptroller
Office of the Comptroller of the Currency

Martin Gruenberg
Chair
Federal Deposit Insurance Corporation

Mel Watt
Director
Federal Housing Finance Agency

Richard Cordray
Director
Consumer Financial Protection Bureau

Julian Castro
Secretary
Dept. of Housing and Urban Development

Re: Sandy Jolley letter: *Continuing opposition to CIT Group application to acquire IMBand OneWest Bank and to merge OneWest Bank and CIT Bank*

Subject: *CIT/OneWest Bank Response to Federal Reserve Bank "Request for Additional Information."*

Dear Chairs Yellen and Gruenberg, Directors Watt and Cordray, Comptroller Curry, and Secretary Castro,

I am writing this comment letter on behalf of consumers and myself to express our continuing opposition to the proposed acquisition of IMB and OneWest Bank (OneWest) by CIT Group.

This letter provides additional factual information for the public record, to inform the deliberations of the Federal Reserve Board ("FRB") and to raise continuing concerns about the negative impact of OneWest Bank on Consumers, Seniors, and the FHA Insurance Fund.

We thank The Federal Reserve Board for the time and concern invested in the "Request for Additional Information" from issues raised in consumer comment letters and testimony.

The Applicants have not established that this merger will provide any public benefit or that it will not continue to further harm Consumers, Communities, the FHA Insurance Fund, and Taxpayers.

Equally important, OneWest has made their intention crystal clear - they have not and will not comply with Federal Regulations, State Laws, and Consumer Protections in the Servicing and Maturity practices of Reverse Mortgage Loans.

We find it highly inappropriate that CIT is responding on behalf of OneWest Bank to the issues and experiences raised in the multitude of consumer and advocate comment letters and testimony. CIT has no knowledge of reverse mortgages or the regulatory requirements, and in particular no firsthand experience of the servicing and foreclosure practices of OneWest Bank.

The responses of "CIT as advised by OneWest Bank" are essentially the same unsubstantiated statements made by Mr. Joseph Otting, President and CEO of OneWest Bank in his first response letter to the Federal Reserve and OCC dated January 23, 2015. Nothing has changed.

Now, CIT rehashes OneWest's previous unsubstantiated statements that OneWest is in compliance with the "Consent Orders", Federal Regulations, State Laws, and Consumer Protections in their reverse mortgage servicing and foreclosure practices.

What is noteworthy - is the complete absence of any material facts or direct evidence to dispute the testimony and comments made by consumers and advocates.

The Response (or lack of response) of OneWest and CIT are glaring red flags. The unprecedented outcry of consumers and advocates alike has not had any impact on OneWest (or CIT) to take responsibility or corrective action.

SPECIFIC ISSUES

In order to keep this comment letter as brief as possible and in order not to be repetitive on every point in the Response – *All Responses relating to Reverse Mortgages are inaccurate and/or just plain false.* The Responses are vague and ambiguous, do not directly answer the questions or provide any evidence supporting OneWest's statements. Instead, the Responses divert attention and place blame on HUD, the consumer, or advocates. Everyone else but OneWest has it all wrong.

Briefly, I will address the most egregiously harmful practices, specifically Consumer Comment Letters & Testimony, Consumer Complaints, Single Point of Contact, Legal Authority, Repayment of loans, and Consent Orders. All Statements in this comment letter are supported by physical evidence.

CONSUMER COMMENT LETTERS AND TESTIMONY

The Response statement "*CIT and OneWest take seriously the allegations regarding OneWest's mortgage and reverse mortgage servicing operations made at the joint public meeting held by the Board and the OCC on February 26, 2015*" is followed by "*OneWest has advised CIT that it reviewed the individual cases of each participant*" "*and found the allegations without merit*". Seriously? The CIT response and Mr. Otting's response to it's servicing and foreclosure practices have not changed one iota throughout the merger process. The empty statements of OneWest and CIT are unsubstantiated and not remotely believable.

CONSUMER COMPLAINTS

OneWest's assertion they have a robust compliance program, quality assurance program, and complaint process is absurd. Their program consists of meaningless boilerplate letters telling the consumer they will investigate their concerns and respond within 15 days. Consumers either do not get a response or they receive a response stating Financial Freedom has investigated the claims and found them without merit, the actions are required by HUD, and/or Financial Freedom is in compliance with all regulations. Ironically, this is the same language OneWest uses in the Response.

EXHIBIT A – Sample complaint response letter from Financial Freedom

SINGLE POINT OF CONTACT

As previously reported, in direct contrast to Mr. Otting's claim regarding the Single Point of Contact, **There is no Single Point of Contact program and there is no customer service/support.** It does not exist.

Apparently OneWest's idea of the SPOC requirement is to affix the name Luisandra Miranda-Maisonet to written communications with the statement "Should you have any questions, please know you may contact Luisandra Miranda-Maisonet with our Customer Contact team".

Time after time, Consumers report they are not allowed to speak to Ms. Maisonet, forced to speak to a different person, each with a different story and different reason to deny the consumer their rights.

CONSUMER LEGAL AUTHORITY

Upon the borrower's death, *the only initial requirement is for the heir to show the relationship between the borrower and heir. This can be by un-probated or probated wills, birth, marriage or death certificates, POA, Affidavit of Heirship, or a Trust. It does not require authority to convey title.*

EXHIBIT B – HUD guidelines regarding Legal Authority from Financial Freedom Lending Guide

The Response to question 1g "the alleged practice of requiring borrowers to record trusts", OneWest has advised CIT that ***HUD guidelines governing its servicing practices do not require that trusts be recorded in the county records and that, accordingly, OneWest does not require trusts to be recorded.***

When there is a Trust: A Trust automatically gives a Successor Trustee or designated beneficiary legal authority to represent the Estate and to Convey Title. Nothing further is needed.

OneWest does require recording of Trusts even though it is a violation of Federal Regulations, State Laws, and Consumer Privacy Rights. ***OneWest consistently makes a legal determination of the validity of a consumer's legal documents including Trusts. OneWest refuses to speak to consumers they deem have no legal authority.*** OneWest has no legal authority to challenge any of the consumer's legal documents.

The only purpose to challenge a Consumers legal documents or demand a Trust be recorded are:

1. To obstruct the consumer rights to time and repayment of the loan
2. To cause time delays to accelerate foreclosure and auction
3. The ultimate result increases OneWest profit with unnecessary foreclosure costs, legal fees, increased interest, and MIP in the FHA claim and/or the consumer payoff.

EXHIBIT C – Financial Freedom sample letter regarding unrecorded Trust.

REPAYMENT OF LOANS

24 CFR 206.125 is one of the few consumer rights and protections offered by HUD as to time and repayment of the loan. OneWest is required to provide the consumer with their rights in written form and assist the consumer in exercising those rights. OneWest does not do any of this.

Repayment should be simple and transparent in 3 basic steps.

1. Initially, the consumer provides proof of heirship as *Exhibit B* above.
2. The servicer speaks to the “heir” or person providing proof of heirship and provides guidance on repayment of the loan, a required HUD appraisal and a payoff statement.
3. The heir chooses the lesser amount to satisfy the debt. Certified funds are sent per the servicer instructions, title is conveyed by the heir with legal authority to do so (can depend on State Laws) and the loan is satisfied.

WRONGFUL AND/OR ACCELERATED FORECLOSURE

One of the unvarying aggressive business practices of OWB is to (fast track) foreclosure and set auctions outside HUD guidance. Consumers who are in compliance with regulations and attempting to exercise their rights report initiation of foreclosure as soon as 30 to 90 days after the death of the borrower. Some consumer’s receive a pre-foreclosure letter at the same time as the as the repayment letter. OneWest ***always initiates foreclosure months prior to the expiration of time allowed by HUD regulations.***

The most common question I get from consumers is “Why won’t Financial Freedom let me pay off the loan? They would get their money.” The answer is simple - ***it is more profitable for OneWest to foreclose and add on thousands and thousands of dollars in foreclosure related legal fees and other costs to inflate their FHA claim and/or the consumer payoff.***

Below is a common example that highlights OneWest’s complete failure to follow regulations, provide a SPOC or customer support, refuse to allow the consumer to pay off the loan balance, charge unauthorized fees, and accelerate foreclosure and auction.

Example: Consumer A provided OWB proof of loan approval to satisfy the balance of the loan. OWB accelerated foreclosure and scheduled three (3) auctions in 6 weeks. Only with intervention from HUD were these auctions postponed with hours to spare. Escrow proceeded and certified funds were sent to OWB per their own loan payoff statement. OWB refused to accept the certified funds and demanded additional legal fees because OWB chose to list the property for auction a 4th time. OWB’s statement to escrow “If the additional fees for listing the property for auction are not paid immediately OWB will return the certified funds and auction the property.” In order to close the loan the consumer was forced to pay \$2,015.60 in foreclosure related costs and legal fees for the decision of OWB to accelerate foreclosure and auction 4 times and refusal to accept certified funds to payoff the loan balance.

CONSENT ORDERS

OneWest Bank is not in compliance with the consent orders as far as the consumer servicing and foreclosure issues raised by the consumers and advocates in the many comment letters and testimony. The Consent Order auditing process should be amended to verify auditing individual consumer loan files have met the regulatory requirements specific to consumer rights in the servicing and foreclosure practices brought forth from consumers and advocates.

RETALIATION

It is outrageous that OneWest Bank swiftly and viciously retaliated against three (3) consumers (still under the servicing of Financial Freedom) who testified at the public hearing in opposition to the OneWest Bank Merger. Not surprisingly, OneWest is completely silent regarding the swift and vicious retaliation against consumers who spoke out in comment letters or at the public hearing.

OWB SERVICING DEFICIENCIES & VIOLATIONS OF FEDERAL REGULATIONS

It is common for OneWest to commit multiple violations in a single loan during the servicing maturity process. The consumer has nowhere to turn for help. (The example above includes 15 violations (except 10, 14, 15, 17 & 18).

1. Mislead/deceive Consumers in written and verbal communications and fail to inform the consumer of their HUD rights and options ;
 2. No Single Point of Contact;
 3. No Customer Support;
 4. Refuse to grant "initial 6 month grace period" from death of the borrower. *OWB has granted "an initial 6 month grace period" in writing on a rare occasion;*
 5. Customer Support Reps obstruct consumer from exercising their rights and deny requests for payoff statements, appraisals, or any other rights;
 6. Customer Support claims they did not receive consumer documents such as letter of intent, extension request, trust, etc. Or, didn't receive documents in time, or not in the proper format;
 7. Refuse to grant HUD authorized time or extensions;
 8. Make a legal determination on the validity/and or legal authority of consumer documents such as trusts, wills, or affidavit of heirship;
 9. Refuse to speak to heirs without proof of legal authority to represent borrower's estate.. May require the consumer to retain legal counsel, or a court order at an unnecessary cost to the consumer;
 10. Refuse to wait for probate to be complete before initiating foreclosure.
 11. Charge consumer unauthorized legal fees and foreclosure related fees caused by OWB's acceleration of foreclosure;
 12. Appraisals;
 - a. Charges consumer appraisal fees for exterior only appraisals not in compliance with 24 CFR 206.125 & HUD Handbook
 - b. Refuses to perform the HUD required appraisal or provide the consumer with a copy of the appraisal to determine the 95% option.
 - c. Inflates appraisal to prohibit consumer from the 95% option
-

- d. Claims the consumer must pay for the appraisal (also in Repayment letter)
13. Accelerates foreclosure and auction;
 14. Claim Non-borrowing spouses have fewer rights than other heirs per HUD regulations
 15. Use of State laws to violate HUD regulations to accelerate foreclosure. *Example: CA HBOR to refuse to speak to heirs because they are not the borrower);*
 16. Refuse to allow the heir to repay the loan at the 95% option – short sale;
 17. Refuse to allow the heir a Deed in Lieu in the case of a will or intestate borrower unless the heir pays for probate. Can result in a cost to consumer of many thousands of dollars for no benefit;
 18. Falsifies loan status information to HUD in order to gain approval to foreclose
 19. Auction property even when consumer has provided proof of loan approval or contract for sale.

CONCLUSION

OneWest should not get an automatic pass by Federal Regulators without any evidence this merger will create any benefit whatsoever. As Servicing and Foreclosure issues are not normally a part of the merger application process OneWest and CIT have made it abundantly clear they will continue to wrongfully displace consumers from their homes, and submit inflated claims to the FHA without fear that regulators will deny their merger application.

OneWest has had ample opportunity to take all necessary and appropriate steps to remedy the deficiencies, unsafe or unsound practices identified by consumers, and as agreed to in the Consent Orders. OneWest and has done nothing except blame Consumers and Federal Regulations for their own actions.

It would be dangerous to give OneWest the power and responsibility of a Significantly Important Financial Institution on the assumption they will suddenly change a 6 year history and be responsible and trustworthy. Every action and response in the merger application process has shown beyond any question they have no intention of changing their culture or practices.

OneWest must be very confident no matter what their past and present behavior Regulators will approve this merger. Consumers on the other hand are placing a greater trust in Regulators to take a hard look at this very problematic merger application and make sure it has a beneficial purpose and will not cause irreparable harm.

OneWest Bank has a duty to show it is Trustworthy to become a "Systemically Important Financial Institution" in all business practices. OneWest has only displayed the risk is far greater than any benefit this merger might provide. It would be reckless of regulators approve this merger without investigating and assessing the risk of OneWest's servicing and foreclosure practices as part of the merger process.

REPECTFULLY SUBMITTED RECOMMENDATIONS:

1. Given the disturbing history of OneWest Bank's servicing and foreclosure practices, the Consent Order, and Consumer Testimony consumers ask regulators to consider the Servicing and Foreclosure practices as part of the Merger Application Process.
2. As part of this specific Merger Application Process conduct an investigation, and risk assessment of current and future harm to consumers, the FHA insurance fund, and the loss share agreement, and Taxpayers.
3. Due to the merger requirement to show a public benefit from the merger, consumers and the public in general are entitled to an investigation, audit, and review of all of ONEWEST BANK Loan Files, prior to a merger approval.
4. Deny the OneWest Bank merger application. Or, in the alternative, prior to approval of the merger a strict condition:
 - Minimum 1 year Remediation Program, with compliance triggers, to remedy the unsafe unsound servicing and foreclosure practices causing consumer displacement, risk to the FHA insurance fund and the loss share agreement.

Documented evidence of all statements and testimony contained in this letter is available upon request.

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

Very Truly Yours,

Sandy Jolley

Sandy Jolley
Reverse Mortgage Suitability and Abuse Consultant
Certified HUD Counselor

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

EXHIBIT LIST

- Exhibit A Financial Freedom Complaint Response Letter Sample
- Exhibit B HUD Redemption Guidelines defining Legal Authority
- Exhibit C Financial Freedom Letter re: Unrecorded Trust

Jolley response letter re:
CIT/One West Response to Federal Reserve Bank
"Request for Additional Information".
April 14, 2015

EXHIBIT A

Financial Freedom Complaint Response Letter Sample

Jolley response letter re:
CIT/OneWest Response to Federal Reserve Bank
"Request for Additional Information".
April 14, 2015

EXHIBIT A



July 22, 2014

[Redacted]

Re: [Redacted]
Property Address: [Redacted]
Financial Freedom Loan Number: [Redacted]

Dear [Redacted]

This letter is an acknowledgement of the letter dated June 3, 2014. Financial Freedom, a division of OneWest Bank N.A.® (FF), will investigate your concerns and respond within 15 business days.

Should you have any questions, please know you may contact Luisandra Miranda-Maisonet with our Customer Contact Team, toll-free at (866) 727-4303, or via email at luisandra.hart1@owb.com. It is the mission of Financial Freedom to enhance the lives of seniors by providing access to financial security and independence. We appreciate your patience and understanding while we review your inquiry.

Sincerely,


Stephanie Glenn
Customer Experience Specialist

This is a communication from a debt collector attempting to collect a debt. Any information obtained will be used for that purpose. However, if a bankruptcy petition has been filed and there is either an "automatic stay" in effect in the bankruptcy case, or the debt has been discharged pursuant to the bankruptcy laws of the United States, this communication is intended solely for informational purposes.

Federal law gives you the right to notify us of an error regarding the servicing of your loan or to request information or documents regarding your loan. If you wish to provide a notice of error or a request for information or documents, you must write to us at Financial Freedom, Mail Stop FF-01, P.O. Box 85400, Austin, Texas 78708. Your letter must provide your name, loan number and a description of the error or detailed list of the information or documents being requested.

EXHIBIT B

HUD Redemption Guidelines defining Legal Authority

Jolley response letter re:
CIT/OneWest Response to Federal Reserve Bank
"Request for Additional Information".
April 14, 2015

EXHIBIT B**HUD Redemption**

HUD offers heirs, including non-borrowing spouses, the opportunity to participate in a short sale. It may be referred to as a HUD Redemption. HUD requires that the loan have been called due and payable as a result of the mortgagor's death and that a post-death conveyance of title occurs. Until HUD has provided guidelines for these types of short sales we will only require:

A signed request from the heir or non-borrowing spouse. The letter must be signed and should specify their intent of retaining ownership at the lesser of the total mortgage debt or 95% of the current appraised value. An appraisal contact should also be provided.

Proof of heirship. This document does not have to allow the heir to convey title. It simply must show the relationship between the borrower and heir. Examples include unprobated or probated wills; birth, marriage or death certificates; POA; affidavit of heirship.

With both of these documents an interior appraisal is ordered if there is not a valid appraisal already on file. Upon receipt of the appraisal and request, an approval letter is sent to the heir providing the amount needed to satisfy the debt, a date by which funds must be received and all acceptable forms of payments. The approval letter also specifically requests the proof of the post-death conveyance of title be included with the funds. This is the only requirement Financial Freedom currently has to accept funds. Examples of acceptable documentation includes recorded or filed deeds or a court order. There may be other forms of acceptable documentation. The two items mentioned are the only known items so far.

EXHIBIT C

Financial Freedom Letter re: Unrecorded Trust

Jolley response letter re:
CIT/OneWest Response to Federal Reserve Bank
"Request for Additional Information".
April 14, 2015

EXHIBIT C



September 12, 2014

[REDACTED]
El Dorado County Senior Legal Services
937 Spring Street
Placerville, CA 95667

Re: Estate of Charles C. Hunziker
Property Address: [REDACTED]
Financial Freedom Loan Number: [REDACTED]

Dear Mr. Hamilton:

We are in receipt of a letter from Karen Joan Hunziker dated August 27, 2014 regarding the above-referenced loan, which you forwarded [REDACTED] the Department of Housing and Urban Development (HUD), who forwarded it on August 28, 2014 to Financial Freedom, a division of OneWest Bank N.A.® (FF), to provide a response. As stated in our previous response, Mrs. Hunziker has represented herself as being the surviving spouse of Charles C. Hunziker; thus, we are directing our response to you as Mrs. Hunziker's legal counsel. We also received the unrecorded copy of the Affidavit of Change of Trustee naming Mrs. Hunziker as Successor Trustee. Should there be another party, such as an executor, administrator or designated heir, who is responsible for matters related to the property or the decedent's Estate, please notify us as soon as possible.

The loan is a Home Equity Conversion Mortgage (HECM), a type of reverse mortgage insured by the Federal Housing Administration (FHA) and administered by the Department of Housing and Urban Development (HUD), obtained by Charles C. Hunziker February 2006. FF services the loan on behalf of the investor (the owner of the loan) in accordance with HUD guidelines.

As indicated in Mrs. Hunziker's letter, she intends to sell the property by proceeding with a short sale. As you are aware, HUD, FF and the investor (the owner of the loan) will consider allowing the property to be sold as a short sale, whereby less than the total debt may be accepted as settlement in full. In order to qualify for a short sale, the property must have a sales price equal to or greater than 95% of the current appraised value. Normal and customary seller's closing costs may be paid from the proceeds of the sale. A short sale request would need to be submitted and approved by FF and HUD. A short sale packet and a short sale HUD redemption packet, explaining the requirements and time frames, are enclosed, marked as Attachment A.