



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

SANDRA F. BRAUNSTEIN
DIRECTOR
DIVISION OF CONSUMER
AND COMMUNITY AFFAIRS

December 16, 2011

Andres L. Navarrete, Esq.
Senior Vice President & Chief Counsel- Regulatory
Capital One Financial Corporation
1680 Capital One Drive
McLean, Virginia 22102

Dear Mr. Navarrete:

This letter refers to the notice filed by Capital One Financial Corporation, McLean, Virginia ("Capital One"), to acquire 100 percent of the voting shares of ING Bank, fsb, Wilmington, Delaware, and indirectly acquire Sharebuilder Advisors, LLC, and ING Direct Investing, Inc., both of Seattle, Washington (collectively, "ING"), and thereby engage in certain nonbanking activities pursuant to section 4 of the Bank Holding Company Act ("BHC Act"). Based on staff's review of the submissions, additional information is requested.

At the public meetings convened by the Federal Reserve regarding the convenience and needs and other factors related to the application by Capital One to acquire ING Bank, Capital One announced a \$180 billion Community Investment Commitment ("CIC"). We understand from these meetings that, in general, Capital One proposes to make a new 10-year community investment commitment with an emphasis in the following areas:

- \$104 billion would be in the form of consumer lending for auto loans, credit cards, other consumer loans and lines of credit that serve low-and moderate-income ("LMI") borrowers and neighborhoods;
- \$28.5 billion for home mortgage and home equity lending, focused on LMI borrowers and homes located in LMI areas;
- \$25 billion for affordable development and commercial revitalization in the form of loans and investments that support development in LMI areas or benefit LMI individuals and families;
- \$22.5 billion in credit to small businesses and small farms;
- \$450 million in grants to support community services;

- Annual reports of Capital One's performance would be available on the Capital One website.

With respect to this proposal and other matters, please provide the following additional information:

1. With respect to the CIC and to the extent available:
 - a. Discuss how Capital One determined to allocate resources by product, and describe the data or information on which Capital One relied in making this determination;
 - b. Provide a breakdown of projected credit products separately by product type (i.e., mortgage loans, small business loans, automobile loans, etc.) versus credit card loans;
 - c. Provide a breakdown of projected investments by year for the length of the commitment;
 - d. Provide details on the projected allocation of the categories of funds geographically, across the United States;
 - e. Provide a more detailed discussion of Capital One's small farm lending program;
 - f. Explain how the proposed distribution of funds under the CIC compares with Capital One's current community investment plan.
2. Discuss whether and how Capital One's Community Reinvestment Act ("CRA") assessment areas would expand in light of the nationwide deposits and loans acquired by Capital One from ING and the U.S. credit card receivables acquired from HSBC Holdings plc, London, United Kingdom.
3. Discuss whether and how Capital One proposes to serve the current communities served by ING, including the "Supplemental Evaluation Areas," as listed in ING's August 2008 CRA Performance evaluation by the Office of Thrift Supervision.

Please address your response to the undersigned and submit the response electronically by January 3, 2012. Any information for which Capital One desires confidential treatment should be so labeled and separately bound in accordance with 12 CFR 261.15.

A copy of the response should also be submitted to the Northeastern District Office of the Office of the Comptroller of the Currency. Please send a copy of the public portion of the response to the commenters.

If you have any questions regarding this letter, please call Beverly Smith at (202) 452-5291 or Alison Thro of the Board's Legal Division at (202) 452-3236.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sandra P. Braunstein".

cc: Adam Drimer, Assistant Vice President
Federal Reserve Bank of Richmond

Richard K. Kim, Esq.
Wachtell, Lipton, Rosen & Katz