

Global Consumer Group Community Relations Update



April 2008

As the first quarter of 2008 comes to a close, I am pleased with the momentum of our partnerships. Oftentimes, crisis situations bring people together and these past few months have been no exception. We have seen local government, nonprofits and financial services companies working together to address the current housing crisis, and within Citi we have focused on addressing business needs to better meet stakeholder expectations.

Citi's Organizational Announcement

On March 31, Citi's CEO, Vikram Pandit, announced a comprehensive reorganization of our business structure. As a result, the consumer group has been divided into two global businesses – Consumer Banking, North America, and Global Cards. [Teresa A. "Terri" Dial](#), formerly with Lloyds TSB UK Retail Banking Group, has been appointed CEO of Consumer Banking, North America and Global Head of Consumer Strategy. She will oversee Citi's Consumer Banking businesses in North America, including Citi's retail branch network, Citi Financial, CitiMortgage and all other consumer businesses with the exception of Citi Cards. Steve Freiberg, whom many of you know, will now head the Global Cards business.

In addition, Citi recently announced the integration of our residential real estate lending business to create a single, end-to-end, product-focused group. [Bill Beckmann](#) has been named President of CitiMortgage, which now includes CitiMortgage, Citi Home Equity and Citi Residential Lending.

Homeownership Preservation and Credit Education

Citi continues to implement loss-mitigation strategies that emphasize homeownership preservation and make foreclosure a last resort. Since the beginning of this year, our Office of Homeownership Preservation (OHP) has reached hundreds of families and numerous housing-counseling agencies across the country. We didn't do this alone. Working with local and national nonprofit partners, housing-counseling agencies and local government officials, we were able to start the process of helping individuals and families work toward keeping their homes.

We partnered with the NeighborWorks Center for Homeownership Education and Counseling (NCHEC) to provide capacity-building training for Citi's nonprofit partners located in markets deemed at risk of increased foreclosure or with high delinquency or foreclosure rates. NCHEC is a signature program of NeighborWorks America. The goal of this partnership is to increase the capacity of Citi's nonprofit partners engaged in foreclosure-prevention outreach, education and counseling.

Since the program's inception in 2007, Citi's support has facilitated the training and certification of 493 homeownership counselors. Based on estimates supplied by NeighborWorks America, each certified counselor helps 180 new clients per year. To date, Citi's support has indirectly resulted in providing homeownership education and counseling to 88,740 individuals.

On March 25, in partnership with the Ad Council of America, Citi launched a major educational initiative. The [Credit Score](#) campaign complements our existing financial education resources around credit and foreclosure – the [Use Credit Wisely](#) website, our [financial education module](#), the ABCs of Credit, and the newly released [Commonsense Money Guide for Real People](#). Later this year, we are planning to release additional educational tools to complement our existing curriculum focused on foreclosure prevention.

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AWARDS

February

Unity Award for Outstanding
Corporate Citizenship, West Angeles
Community Development
Corporation, California

2008 Distinguished Corporate
Stewardship Award, Boise Metro
Chamber of Commerce, Idaho

Covenant Partner of the Year Award,
Collective Banking Group of Miami
Dade, Florida

Patriotic Employer Award, National
Guard and Reserves, Idaho

March

Partners in Caring Award, American
Red Cross, Missouri

Community Development Achievers
Award, Puerto Rican Chamber of
Commerce of South Florida

Community Briefings

In February, we organized a community briefing focused on the Administration's Economic Stimulus package. Many community partners provided valuable insights and passed the information on to colleagues. We welcome future opportunities to leverage our subject-matter experts, so let us know if you have specific topics on which we can provide meaningful briefings.

In March, we released a report focused on our mortgage-lending data and foreclosure-prevention initiatives. The *Citi U.S. Mortgage Lending Data and Foreclosure Prevention Efforts* report suggests that we have done better than expected despite the turmoil in the mortgage industry – our loss mitigation successes outnumber foreclosures by almost 5 to 1. This can be attributed to three key factors, which are detailed in the report:

- Most of Citi's mortgages, whether held or serviced, consist of fixed-rate mortgages with FICO scores greater than 660;
- Citi's exposure to ARM resets in 2008 is relatively small in comparison to the industry;
- Our loss mitigation strategies make foreclosure a last resort.

To read the full report, please [click here](#).

Making a Difference

On February 4, Citi announced the creation of the [Carbon Principles](#), a new framework that establishes the groundwork for environmental impact analyses with our North American power-industry clients. Citi will direct \$50 billion over ten years to investments and related activities to support the growth of alternative energy and clean technology among the clients and markets we serve. Our leadership in crafting and implementing the Carbon Principles is consistent with our record of addressing environmental issues in our business practices. The Carbon Principles are an important and tangible step toward our climate-change commitment.

In March, we released proceedings from a conference, hosted by Citi and the Office of Thrift Supervision, that addressed affordable-housing issues in high-cost urban areas. This report encapsulates themes and recommendations offered by government agencies, nonprofits, housing-counseling agencies, as well as financial services companies. To read the full report, please [click here](#).

As we all continue to work through the difficult months ahead, please know that we remain steadfast in our commitment to being proactive, transparent and accessible. Recently, we concluded our national Citi Dialogue and will be hosting local dialogues in your communities in the near future. We look to you, as we have done in the past, for guidance and leadership.

Thank you for your partnership in making communities better because we are there.

Sincerely,



Eric Eve
Head of Community Relations
Global Consumer Group, Citi