



The Office of Homeownership Preservation

Recently, President Bush and Treasury Secretary Paulson announced a mortgage program to help distressed borrowers facing foreclosure. We believe this is an important step towards providing much-needed clarity for the industry and other involved parties as we collectively try to establish workable solutions for borrowers.

Citi will take advantage of this accord because we are committed to helping borrowers stay in their homes. We recognize the impact that this difficult situation is having on so many people, and we are dedicated to working with leaders in industry, government and communities to find the best ways to help borrowers.

This initiative adds an important new tool to our toolkit of solutions, allowing us to offer more options to help borrowers. It also builds on the progress that Citi has made in addressing these challenges on its own.

In July, we launched the Office of Homeownership Preservation (OHP) headed by Natalie Abatamarco. The Office works closely with Citi businesses and a loss mitigation team to meet the needs of our distressed borrowers, offering broad based financial education, delivering free, on-demand nonprofit counseling as well as offering access to nonprofit counseling organizations.

In addition, Citi is engaged in community-based outreach, education and counseling in 25 cities nationwide. In those communities, we:

- Work through a specific community-based housing counseling organization for outreach to our financially distressed borrowers, encouraging them to meet with a Citi loss mitigation expert who can discuss their personal circumstances and work toward finding a resolution that keeps them in their homes.
- Train and develop personal relationships with a number of additional community-based housing counselors in each area, supplying them with appropriate Citi contacts, so they can better help our borrowers find the assistance they need.
- Offer a \$50,000 funding opportunity in each city to one nonprofit organization with an innovative foreclosure prevention outreach, counseling and education program. Adding capacity to neighborhood-based mortgage counseling will play an important role bringing together home owners and servicers. This funding program will involve a competitive application process.

The Office is hopeful that through these efforts Citi will be able to reach and assist borrowers who may be reluctant to contact us directly and provide better service to all of our borrowers by offering another avenue of contact, information and assistance.

The early returns on these efforts are encouraging. By employing a variety of strategies, such as reducing interest rates or modifying other loan terms, we have been able to assist financially distressed borrowers in avoiding foreclosure. Citi has also developed a program for borrowers who are not in contact with us until late in the foreclosure process, to slow things down to allow more time for loss mitigation activities. And, for borrowers who are no longer able to maintain homeownership, Citi has developed and will implement other foreclosure avoidance strategies, such as accepting a deed in lieu of payment.

In addition, we continue to offer our Adjustable Rate Mortgage (ARM) borrowers the opportunity to refinance into a fixed rate mortgage beginning well in advance of the first scheduled reset and prior to every reset thereafter. For ARM customers in danger of default, we offer specially trained loss mitigators specifically trained to help borrowers work out arrangements that will, hopefully, enable them to avoid foreclosure.

Current cities on the 25 city tour include: Los Angeles, Riverside, San Bernardino and San Diego, CA; Denver, CO; Hartford, CT; Miami and Jacksonville, FL; Atlanta, GA; Chicago, IL; Indianapolis, IN; Baltimore, MD; Boston, MA; Detroit, MI; Las Vegas, NV; Brooklyn and Rochester, NY; Charlotte, NC; Cleveland and Columbus, OH; Philadelphia, PA; Memphis, TN; and Dallas, Houston and San Antonio, TX.

We will continue to work with community leaders, Congress, the Administration, investors, and other key stakeholders to help with this challenging situation, and we hope borrowers take advantage of the help that we and the industry are offering.

Citi's leading practices are an example of the seriousness with which we take our responsibility to make communities better because we are there.

For more information, please contact the Office of Homeownership Preservation at: ohp@citi.com

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