



**WHAT CITI IS DOING TO INCREASE LENDING, HELP KEEP  
PEOPLE IN THEIR HOMES AND HELP CREATE JOBS**

**TARP PROGRESS REPORT FOR SECOND QUARTER 2009**

**August 11, 2009**



## **A MESSAGE FROM VIKRAM PANDIT CHIEF EXECUTIVE OFFICER, CITI**

This report, the third of its kind, details the many steps Citi is taking to help support the U.S. economy and expand the flow of credit in keeping with the spirit of the U.S. Government's Troubled Asset Relief Program (TARP).

As of June 30, 2009, Citi has approved initiatives from our various businesses to put \$50.8 billion to work to make more loans to U.S. consumers, businesses and communities. These initiatives are supported by the \$45 billion capital investment we received under the TARP program in 2008.

Beyond the intended focus of TARP, we are providing significant help to struggling homeowners and credit card borrowers. Since the start of the housing crisis in 2007, Citi has worked successfully with approximately 625,000 homeowners to avoid potential foreclosure on combined mortgages totaling more than \$67 billion. We are also helping more than 1.4 million Americans to manage their credit card debt through a variety of forbearance programs.

Despite the difficult economic environment, Citi has made available \$330 billion in new credit to U.S. consumers and businesses since October 2008, including more than \$129 billion in the second quarter. These efforts have helped businesses keep their doors open, spur job creation in communities and provide families with access to capital at times when they've needed it the most.

At Citi, we also recognize that we have a tremendous responsibility to contribute to America's economic future. Though economic challenges still lay ahead of us, encouraging signs of stability are emerging as the bold steps taken by policymakers in Washington, D.C. and around the world begin to rebuild confidence.

In June, I was privileged to address the National Summit of the Detroit Economic Club about the foundations for long-term economic growth. I said that in the history of America, every time there is a crisis, there is a breakthrough of new technologies, new innovations and new growth which improves the world for everyone.

This creativity and entrepreneurship has been the hallmark of the U.S. economy for more than 230 years. I am confident that it will again be ignited as we work to put our economy on track and ensure that all Americans will have an opportunity to share in its growth.

Vikram Pandit  
*Chief Executive Officer*  
Citi

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## I. SUMMARY

### TARP Initiatives

- As of June 30, 2009 – the end of the second quarter – Citi has authorized **\$50.8 billion** in initiatives supported by TARP capital to help expand the flow of credit to individuals, families, communities and businesses.
  - The total includes **\$6.0 billion** in new initiatives approved by Citi's Special TARP Committee during the second quarter.
  - Through the end of the second quarter, Citi has put to work **\$15.1 billion** through these approved initiatives.

### New U.S. Lending

- Citi has made **\$330 billion** in new credit available to U.S. borrowers since October 2008.
  - Overall new U.S. credit in the second quarter was **\$129.7 billion**, up 8 percent from the first quarter.
  - New lending to U.S. consumers in the second quarter was **\$56.2 billion**, up 22 percent from the first quarter.

### Help for U.S. Homeowners and Other Borrowers

- Since the start of the U.S. housing crisis in 2007, Citi has worked with approximately **625,000 homeowners** to avoid potential foreclosure on mortgages with a total original value of more than **\$67 billion**.
  - In the second quarter alone, Citi worked with approximately **108,000 borrowers** to avoid potential foreclosure on mortgages with a total original value of more than **\$16 billion**.
- Citi is currently helping more than **1.4 million credit card members** to manage their card debt through a variety of forbearance programs.
  - Approximately **460,000 card members** entered these programs in the second quarter.

## II. TARP PROGRAM ACTIVITIES

### a. Putting TARP Capital to Work

The U.S. Government's \$45 billion investment in Citi has helped to strengthen our capital base so we are better able to fund new lending initiatives in support of the U.S. economy, homeowners and businesses.

Citi is putting this capital to work prudently and transparently. Since Citi received its first TARP capital investment in 2008, we have used TARP capital to support \$50.8 billion in initiatives to help expand the flow of credit to individuals, families, communities and businesses.

The total includes \$6.0 billion in new initiatives which Citi's TARP Special Committee authorized in the second quarter of 2009.

The new initiatives are as follows:

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In the second quarter of 2009, Citi's Special TARP Committee approved two new initiatives totaling \$6.0 billion, bringing the aggregate total of approved initiatives to \$50.8 billion.

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#### **1. *Municipal Letters of Credit - \$4.0 billion***

This program allocates up to \$4.0 billion for Citi's Municipal Securities Division to provide letters of credit to state and local governments, municipal agencies, health care organizations and other public finance clients for up to three years.

- The initiative builds on the successful program approved in the first quarter that provides up to \$5.0 billion in direct lending to municipal clients.
- To date, Citi has proposed the extension of \$2.3 billion in letters of credit under the program, including \$400 million to non-profit health care systems in the Midwest and Western United States.

#### **2. *Lending Facilities for Mortgage Originators - \$2.0 billion***

This program allocates up to \$2.0 billion for Citi's Global Securitized Markets group to provide financing to mortgage loan originators via "warehouse" lending facilities.

- Citi will provide originators with collateralized lines of credit that are backed primarily by residential mortgages which are eligible for sale to

government-sponsored mortgage lenders like Fannie Mae and Freddie Mac.

- By providing liquidity to third-party mortgage lenders, the initiative adds to the primary funding available for new homeowners to obtain mortgages or for current homeowners to refinance their existing loans.
- A “warehouse” loan typically covers the period between when a mortgage loan is originated and when the originator sells the mortgage into the secondary market, either directly or as part of a mortgage securitization.

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Through the end of the second quarter of 2009, Citi has put to work \$15.1 billion supported by TARP capital to help expand the flow of credit to U.S. consumers, communities and businesses.

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Through the end of the second quarter of 2009, Citi has put to work \$15.1 billion supported by TARP capital to help expand the flow of credit to U.S. consumers, communities and businesses.

As these funds are paid back over time, we can reallocate them towards new lending programs that help ensure sustained economic support. We will also review the initiatives we have authorized to assess whether they are having the greatest impact or whether the capital should be reassigned to other initiatives, depending on the state of the economy and business needs. Changing legislative or regulatory requirements may also mean that some initiatives take longer to execute than initially planned.

More than half of the money Citi has deployed so far has been used to purchase mortgage securities in the secondary market.

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“We have previously only had credit unions for our students to choose for a lender, but students had to be a member of a selected credit union or else they could not borrow student loans. Having Citibank back is terrific. And having a choice is the American way.”

– Lana Moon, Corporate Financial Aid Director, Stevens-Henager College, West Haven, UT

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This provides new liquidity to lenders who need to replenish their funds so that they can continue to originate mortgage loans.

Secondary markets play a fundamental role in this process, and more than one-third of the funds involved in Citi’s TARP initiatives are directed there.

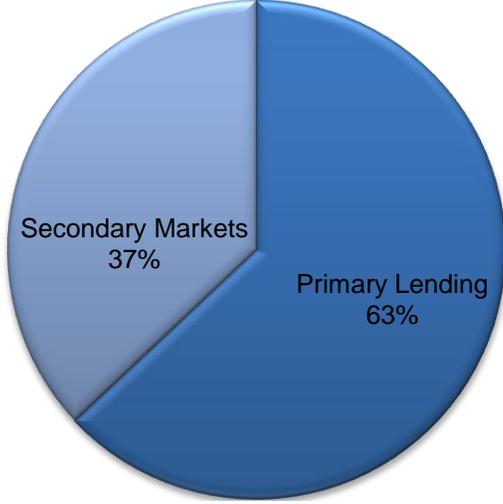
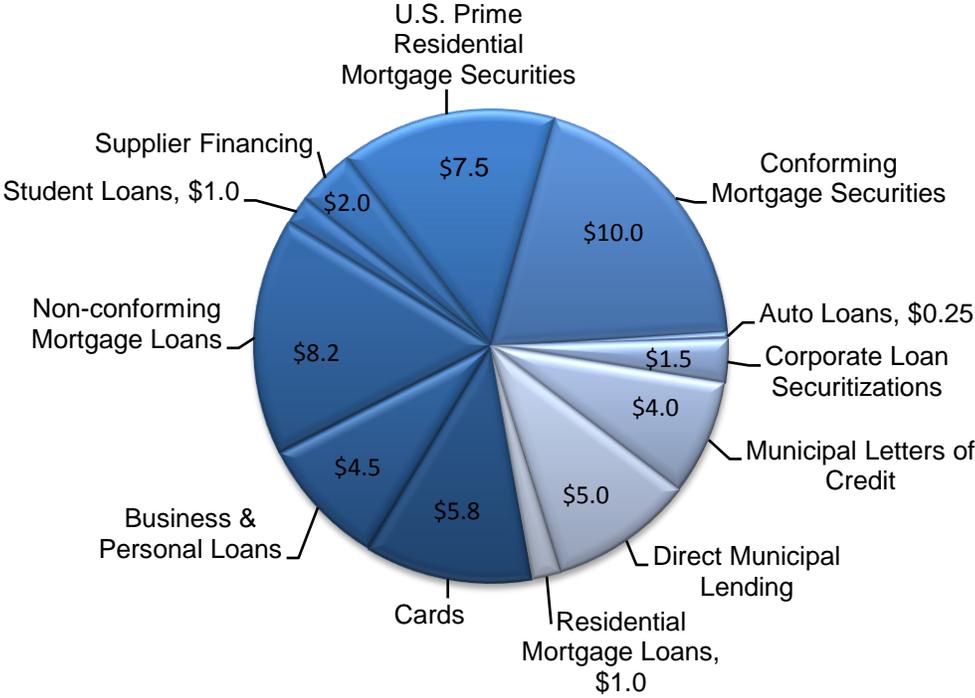
Our primary lending initiatives supported by TARP capital include residential mortgages, municipal loans, business and personal loans, credit card lines, student loans and auto loan programs.

Secondary market activity moves faster than new primary lending programs, which take

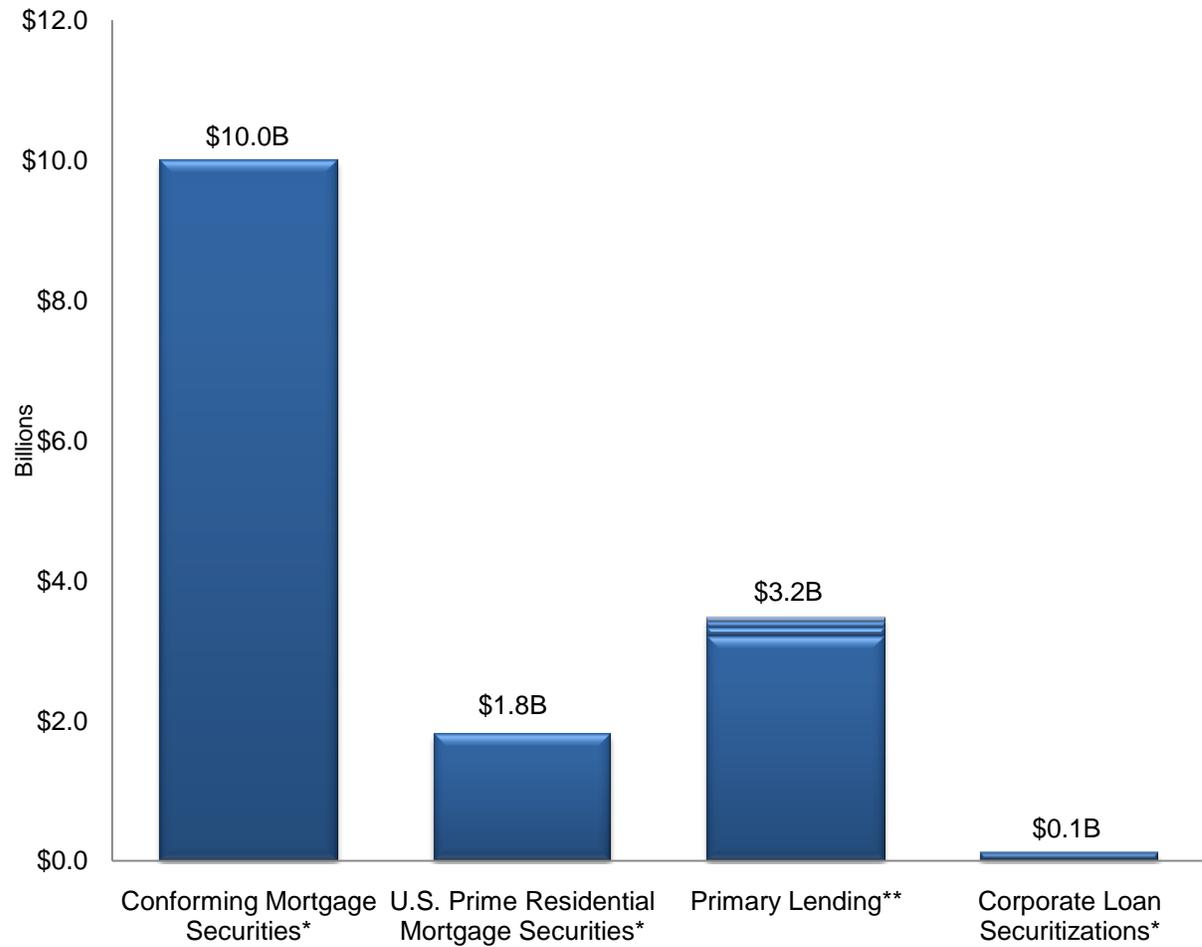
time to roll out. The speed at which primary loans are made depends on a variety of factors, including loan demand from consumers and businesses.

Other factors which influence the speed of primary lending include the time it takes to market new products and offers, submit and process loan applications and complete any legal or contractual obligations required for the release of funds.

**Aggregate TARP Capital Initiatives (in \$ Billions)**  
**\$50.8 Billion as of June 30, 2009**



## TARP Initiative Outlays as of June 30, 2009 = \$15.1 Billion



\*Secondary market activity. Figures reflect actual purchase costs.

\*\* Primary lending. Reflects Business and Personal Loans, Credit Cards, Auto Loans, Non-conforming and Residential Mortgage Loans, Student Loans, and Municipal Loans.

## **SPOTLIGHT – Municipal Lending**

Citigroup's Municipal Securities Division is pursuing two initiatives supported by TARP capital to allocate up to \$9 billion in direct loans and letters of credit to state and local governments, municipal agencies, universities and non-profit hospitals.

These programs give communities access to tax-exempt funding with lower borrowing costs and added flexibility at a time when the credit crisis has reduced bank liquidity and frozen parts of the municipal financing market.

The credit Citi is making available will help communities, non-profit hospitals and universities finance projects that create jobs, renew neighborhoods and spur economic growth. Here are some of the details.

- Through its direct municipal lending initiative, approved in the first quarter of 2009, Citi has already lent approximately \$907.4 million in total to the Puerto Rico Sales Tax Finance Corporation and the Massachusetts Housing Finance Agency to serve as bridge financings for public bond transactions.
- Citi has secured approximately \$1.1 billion in mandates to fund projects, including a municipal airport, a municipal electrical power authority, a U.S. city and a non-profit health care system in the Northeast.
- Citi has also proposed the extension of \$2.3 billion in letters of credit to assist public finance clients across the country, including a \$600 million letter of credit to a U.S. state and \$400 million to non-profit health care systems in the Midwest and Western United States.

## SPOTLIGHT – Auto Loans

One of Citi's TARP capital-supported initiatives is a \$250 million auto loan program available through dealerships from CitiFinancial Auto, a unit that focuses on helping owners of auto dealerships provide financing to qualified borrowers in their local communities.

Auto dealerships are among the businesses most heavily affected by the U.S. economic downturn. They have been hit by a sharp drop in vehicle sales, the loss of franchises from automakers and the contraction of the credit they need to be able to offer loans to their customers. Many of these dealers are family-owned and have had strong ties to their communities for decades.

CitiFinancial Auto provides financing for consumers through a network of both franchised and independent auto dealers. By adding \$250 million in lending as a result of this initiative, CitiFinancial Auto is able to maintain its commitment to this important market. Citi has extended loans totaling more than \$100 million through the initiative as of June 30, 2009.

- *“We have been around for 14 years as a family business, and the support we’ve received from partners like CitiFinancial Auto has helped us continue lending and maintain our commitment to our community and the auto industry.”*
  - Diane Gorman, Owner and Vice President, Gene Gorman Auto Sales North, Punta Gorda, FL
  
- *“We have worked with CitiFinancial Auto for many years, and the people we deal with have become trusted partners. Many finance companies have left our particular market niche, but CitiFinancial stayed.”*
  - West Beaver, Chief Financial Officer, Vaden Automotive Group, Savannah, GA

### III. HELP FOR HOMEOWNERS AND OTHER BORROWERS

#### a. Helping Homeowners

Citi continues to work with mortgage holders experiencing economic distress.

Since the start of the housing crisis in 2007, Citi has worked successfully with approximately 625,000 homeowners to avoid potential foreclosure on mortgages totaling more than \$67 billion.

We are working to help mitigate the hardships many American families face and, at the same time, contain the financial losses that Citi would absorb in the event of borrower default.

- In the second quarter of 2009, Citi successfully worked with approximately 108,000 borrowers whose mortgages we own or service to avoid potential foreclosure on loans totaling more than \$16 billion through modifications, extensions, forbearances, reinstatements and other loss mitigation activities.
- Also during the second quarter, Citi was able to keep nearly 9 out of 10 distressed borrowers with mortgages we own or service in their homes, a result that can be attributed in part to our participation in the Administration's "Making Home Affordable" program.
- Loss mitigation solutions outnumbered foreclosures completed by a ratio of more than 12 to 1.

During the second quarter of 2009, Citi:

- Processed more than 290,000 mortgage applications with an aggregate value of approximately \$50 billion, an increase of four percent from the prior quarter.
- Funded approximately \$31 billion in mortgage loans, helping approximately 139,000 Americans either purchase a home or lower their payments through refinancing.
- Refinanced more than 105,000 primary mortgages.

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"CitiMortgage was able to modify my payment so that I can keep my home with my children. I am now able to take a deep breath and breathe!"

— J.W., Basalt, CO

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## ***Foreclosure Moratorium Update***

We are continuing our foreclosure moratorium for eligible borrowers with Citi-owned mortgages who, in good faith, work with us to remain in their primary residence and have sufficient income to make affordable mortgage payments.

- To ensure that our efforts have the broadest possible impact, Citi has worked with investors and owners of more than 90 percent of the nearly 3.9 million mortgages we service – but do not own – so that many more qualified borrowers will also benefit from this moratorium.
- Citi was also the first financial services company to report publicly on the impact of its foreclosure prevention initiatives. The report, *Citi U.S. Mortgage Lending Data and Servicing Foreclosure Prevention Efforts*, can be found at [www.citigroup.com](http://www.citigroup.com).

## ***Citi Homeowner Assistance Program***

Launched in November 2008, Citi Homeowner Assistance is a multi-faceted program focused on engaging at-risk customers who may show signs of financial distress even before they enter delinquency. Citi recently expanded the program to help provide special relief for certain eligible homeowners who are currently unemployed.

### ***Support for the “Making Home Affordable” Program***

In February, President Obama announced a \$75 billion plan to help up to 9 million families restructure or refinance their mortgages to avoid foreclosure.

Citi fully supports and is participating in this program, which is designed to help ensure that the government-sponsored mortgage lenders Fannie Mae and Freddie Mac can continue to stabilize markets and hold down mortgage rates. Citi was among 25 mortgage servicing companies which met with U.S. government officials on July 28 to discuss how to make the program more effective.

Citi and other lenders who participate in the program are reducing monthly mortgage payments to no more than 38 percent of a borrower's income. A further reduction in interest rates stemming from the government program brings that ratio down to 31 percent of the borrower's income. A three-month Home

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“Keeping distressed American borrowers in their homes is CitiMortgage's number one priority; we have increased loss mitigation staff, added call center capabilities, expanded training and taken other important steps to fully implement the Making Home Affordable program in its current stage of development.”

– *Sanjiv Das, CEO, CitiMortgage*

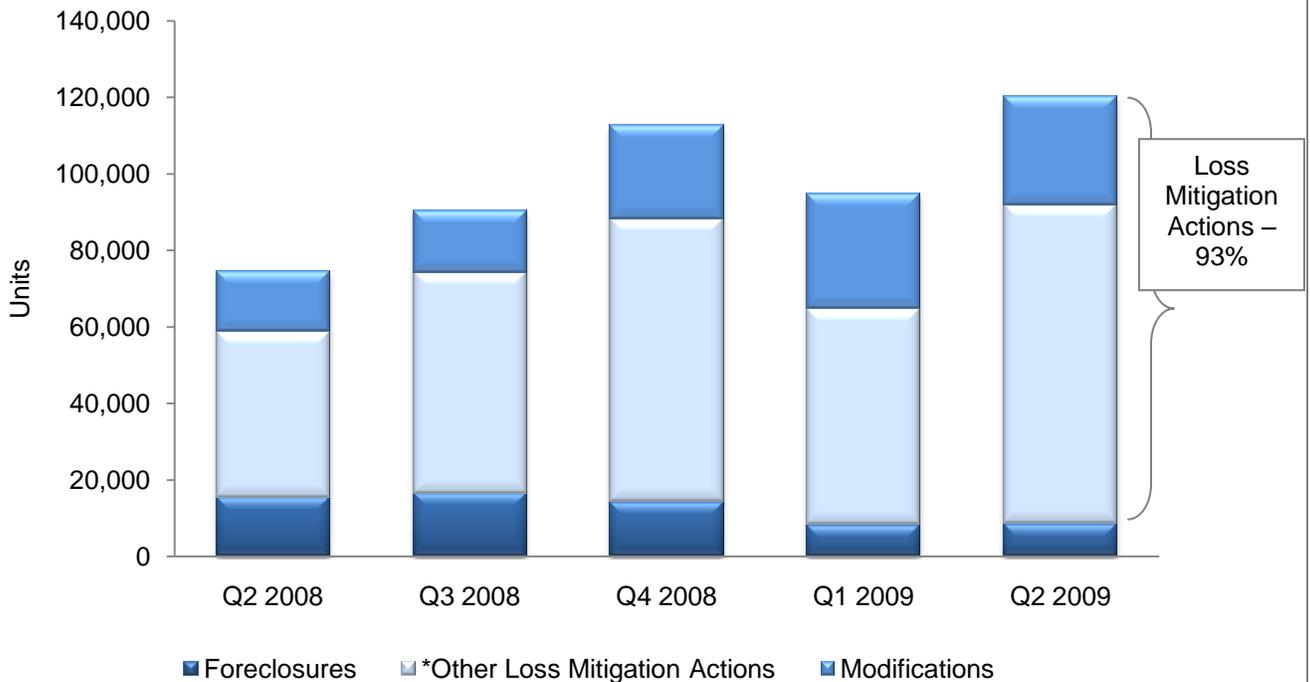
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Affordable Modification (HAM) trial modification is the first step in helping borrowers to take advantage of the program. Borrowers are required to complete the trial modification successfully before they can obtain a permanent HAM modification.

***New Mortgages and Refinancing***

Despite the housing market downturn, Citi continues to be active in new mortgage financing, as well as refinancing of existing mortgages. Refinancing to a lower interest rate is another way to make mortgages more affordable and to help keep homeowners who are facing financial difficulties in their homes.

**Loss Mitigation Actions – Serviced Loans  
(Total Citi)**



\*Includes: Extensions, HSAs, Repayment Plans, Reinstatements, Short Sales, Deeds in Lieu, and HAM Trial Modifications.

## b. Support for Credit Card Holders

Credit cards play an important role in the nation's economy by helping people buy goods and services and have now become the most common source of financing for small businesses in the United States.

- In 2008, more than \$2 trillion worth of transactions were completed in the U.S. on credit cards industry-wide.
- Based on available national economic figures, Citi estimates that about 20 percent of all personal consumption – the engine of the U.S. economy – involves credit card transactions, often for day-to-day essentials like groceries, clothing and gas.

Citi's primary objective, particularly in this environment, is to fund the expansion of credit to existing card members and attract new account holders, based on their ability to repay their loans.

- In the first six months of 2009, Citi Cards extended \$39.5 billion in new credit to U.S. consumers who meet Citi's customary sound lending standards, including more than \$22.1 billion in the second quarter alone.

### ***Card Forbearance Programs***

Delinquency rates on consumer credit card accounts have significantly increased in the United States as job losses have mounted and the economic downturn has deepened. According to industry data, the percentage of credit card accounts that were more than 90 days past due rose to 3.15 percent at the end of June from 2.96 percent at the end of March.<sup>1</sup>

In this difficult environment, Citi continues to provide card members facing financial challenges with expanded eligibility forbearance programs.

- Citi is currently providing help to more than 1.4 million card members to manage their credit card debt through a variety of forbearance programs.

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"It meant a lot to me that Citi Cards provided me with a solution, as well as an option just in case anything got worse for me ... Taking off some of the pressure that I feel due to my personal economic situation is greatly appreciated."

– G.H., Woodinville, WA

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<sup>1</sup> Based on Credit Card Trust filings of the six largest U.S. issuers.

- More than 460,000 card members entered these programs in the second quarter of 2009, compared with approximately 250,000 during the same period in 2008.
- Programs for eligible customers include temporary forbearance, work outs, settlements and rate reductions as well as payment incentives and balance-consolidation programs that accelerate the reduction of card loans without materially increasing the cost to consumers.

We are also proactively reaching out to customers who, although current on their accounts, may be showing signs of financial stress and may need additional help to repay their balances.

- We are assisting these customers through a variety of programs such as matching payments which reduce the customer's outstanding balance. The specific programs are dependent on individual circumstances and the customer's willingness and ability to repay.
- Given the current economic challenges, we are continuously developing and refining these programs to help customers resolve credit problems and restore their credit health.

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“This is a complicated financial time for many of us, and your representative treated me like I mattered. I own a small business so I understand what kindness and a listening ear mean to folks.”

– *B.T., Easley, SC*

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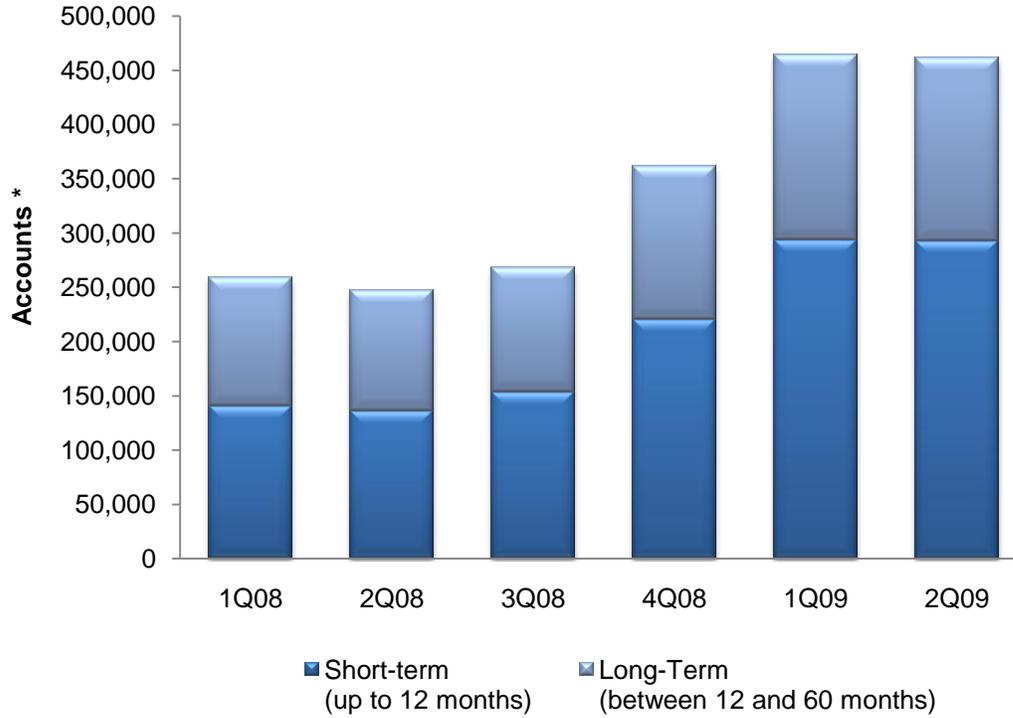
### ***Additional Debt Relief Options***

Citi is among the credit card issuers which have agreed to provide additional relief to consumers struggling to repay their debt through debt management plans offered by the National Foundation for Credit Counseling.

Citi has also joined other credit card issuers in agreeing to changes that would provide both a more affordable “standard” debt management plan and a “hardship” debt management plan for consumers who are seeking to avoid bankruptcy, but who do not have sufficient income to qualify for a traditional debt management plan.

The key elements of these two new plans will allow consumers to maintain a reasonable monthly budget, establish a savings account for economic emergencies, make more affordable fixed monthly payments, and pay off their debt completely within 60 months.

### Citi Cards - New Entrants to Forbearance Programs



## IV. LENDING ACTIVITY

### a. The Lending Environment

Efforts undertaken by banks and the U.S. Government since October 2008 to help revive the credit markets continued to provide underlying support for the U.S. economy in the second quarter of 2009. These efforts have helped to support the flow of credit to consumers and businesses, despite sustained weakness in the economy during the first half of the year.

Although surveys of consumer confidence in June showed increased optimism at the end of the second quarter, the U.S. economy contracted further during the period, underscored by weak employment data from the U.S. Department of Labor:

- Unemployment reached 9.5 percent at the end of quarter, the highest level in 26 years.
- Monthly new jobless claims declined to an average of 450,000 per month, down sharply from the first quarter; however, total unemployment reached 14.7 million in June.
- 7.2 million Americans have lost jobs since the start of the economic downturn in December 2007.

On a combined basis, overall demand for loans from consumers and businesses remained weak during the second quarter, as a result of high job losses, falling incomes and significantly lower home and commercial real estate values.

Despite constrained demand, Citi made available \$129.7 billion in new credit to U.S. consumers and businesses during the second quarter of 2009, while adhering to our basic sound lending principles across all our business activities – not just in our TARP-supported lending initiatives.

These principles are designed to ensure that we properly balance our commitment to support the recovery of the U.S. economy with our responsibility to manage our risk prudently and deliver sustained value to our investors, including the U.S. taxpayer.

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“Even during this economic downturn, as banks are limiting the amount of credit available to businesses, Citi was able to offer us an increase in funding. It’s greatly appreciated and will give us the purchasing power we need to capture a bigger share of the market.”

– *Edmond Guindi, President, Liberty Distributors Inc.*

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## b. Overall New Lending in the Second Quarter of 2009

Citi has made \$330 billion in new credit available to U.S. borrowers since October 2008, despite sustained underlying weakness in the economy.

New credit to U.S. individuals and families, small and mid-sized businesses and large corporations, along with underwriting activity, totaled \$129.7 billion in the second quarter of 2009, up 8 percent from \$120.1 billion in the first quarter.

In the second quarter, loans to consumers increased to \$56.2 billion, up 22 percent from \$45.9 billion in the prior quarter. New consumer lending activity included approximately \$31 billion in mortgage loans that helped approximately 139,000 Americans purchase new homes or lower their payments through refinancing, and more than \$22.1 billion in credit to new card members. Despite these positive trends, and some signs of stabilization at the end of the quarter, consumer confidence remains near 30-year lows.

Overall commercial lending activity contracted moderately during the second quarter to \$73.4 billion, compared with \$74.2 billion in the first quarter. Demand reflected stabilizing trends across many industries in which Citi's customers operate. At the same time, debt and equity underwriting activity declined moderately to \$65.5 billion, reflecting slightly lower average principal per deal compared with the first quarter, when underwriting totaled \$67.7 billion.

Despite further constraints on demand during the second quarter, Citi also continued to work with its large corporate and institutional clients to provide funding for expansion, strategic acquisitions and secondary market activities.

Citi was the lead underwriter for U.S. syndicated loans totaling \$26.8 billion in the second quarter, compared with \$21 billion in the first quarter.<sup>2</sup>

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"Citi's line of credit helped us consolidate our debt, spend aggressively on new hires and thus add value to our clients. What took a few years to dream has been rendered possible in a few months through Citi. Our heartfelt thanks to the team at Citi."

– Sanjay Bodduluri, Vice President,  
Nanda Infotech Services, Inc.

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<sup>2</sup> Source = Thomson Financial

Examples include:

- Joint lead arranger and syndication agent for a \$5.3 billion 364-day revolving credit facility for Verizon Communications.
- Joint lead arranger for a \$3.0 billion 364-day revolving credit facility for United Parcel Service.
- Joint lead arranger and syndication agent for a \$2.75 billion 364-day revolving credit facility for Novartis.
- Joint lead arranger for a new \$1.5 billion term loan facility for Capmark Financial Group and amendments extending the maturity date on \$4.6 billion of existing credit facilities.

While Citi continues to make new loans available to our customers and clients, we continue to evaluate the creditworthiness of both consumer and commercial borrowers carefully in a manner consistent with our prudent lending principles. The factors we evaluate include:

- Ability to repay the loan;
- The size of the loan relative to its underlying collateral;
- Verifiable income in the case of retail customers;
- Credit history; and
- Regional conditions in the areas in which the individuals reside or where companies are headquartered or do business.

## Spotlight: Loans to Small Businesses

America's 27 million small businesses provide jobs for approximately half of all private sector employees and represent 99 percent of all U.S. employers, according to the Small Business Administration.

During the second quarter, Citi continued to provide loans and lines of credit to small business owners that helped them operate and grow their businesses in a tough economy. Here are some examples.

- A distributor of health and beauty products in New York State turned to Citi in June when its previous bank declined to increase its credit line. Citi stepped in with a \$3.5 million line of credit to support its working capital needs and enable it to purchase new inventory – and to help it continue to grow. The family-owned firm started in the 1980s with one retail store. It now has four retail outlets and a wholesale business that is growing by 20 to 25 percent a year.
- A growing IT consulting business based in Pennsylvania obtained a \$90,000 line of credit from Citi in May after it merged with another firm. The credit line has helped the company consolidate its debts. With a growing client base, the company plans to double its staff in the next six months.
- In May, Citi extended a successful virtual calling company a \$7 million term loan and a \$3 million line of credit to refinance an existing loan from another lender at lower interest rates and to help preserve its cash flow. Based in the Southeast United States, the company runs a nationwide network of 8,000 home-based contractors who provide sales, customer service and technical support to some of America's premier brands.
- With a \$100,000 line of credit from Citi in May, a successful eye care practice in California is buying new computers and specialist equipment as it expands its practice to a new location. The practice, with a staff of 30, has been running for 15 years – 12 of them as a Citi banking client.



## V. CITI IN THE COMMUNITY

Citi remains committed to helping our neighbors and our non-profit partners refocus and rebuild for the future. We continue to support local community organizations around the country, not only with financial contributions but also by leveraging technical assistance and the tremendous efforts of our employee volunteers. Below are some highlights of our work in the second quarter of 2009.

### a. Foreclosure Prevention and Neighborhood Preservation

Citi understands how critical affordable housing and credit are for all Americans. During the second quarter, we continued to work with industry leaders, elected officials and regulators, community groups and housing advocates to develop innovative programs and solutions that help homeowners in distress keep their homes.

Citi's Office of Home Ownership Preservation (OHP) provides a range of support services that go beyond modification of a mortgage loan, including our extensive partnership network with non-profit organizations that offers legal assistance, counseling, and translation services to borrowers.

- Citi donated three residential properties to a local community development partner in Detroit in June. Citi CEO Vikram Pandit told the Detroit Economic Club's National Summit that the donation "goes one step further to help the organization ... preserve and revitalize neighborhoods that are threatened by the foreclosure crisis."
- Through the first half of 2009, Citi participated in 42 borrower outreach events in select cities nationwide, including Chicago, Detroit and St. Louis, in partnership with established non-profit organizations.
- Also in June, senior Citi executives, including Mike Corbat, CEO of Citi Holdings, and Sanjiv Das, president and CEO of CitiMortgage, joined leaders from the community and our non-profit partners at these events to talk about homeownership preservation and foreclosure prevention.

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"We are proud of our partnership with Citi, and honored to be the recipients of three residential properties in East Detroit. U-Snap-Bac and Citi have worked together to revitalize communities, and provided guidance and education to help keep individuals and families in their homes. We know that it is this public-private partnership that allows us to be effective and transformational in the communities we serve."

– Linda Smith, Executive Director, U-Snap-Bac, Detroit, MI

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- These events featured borrower counseling sessions led by our OHP team and housing counselors certified by the U.S. Department of Housing and Urban Development from our non-profit partner organizations, including Neighborhood Housing Services, The Urban League, and The Rainbow PUSH Coalition.

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“Of all the servicers, Citi has done the most modifications from our May 2 and June 6 events. So, as I always say, you guys are the best.”

– *Michael W. van Zalingen, Director of Homeownership Services, Neighborhood Housings Services of Chicago, Inc, Chicago, IL*

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In addition to our efforts through OHP, Citi is a national sponsoring partner of the NeighborWorks Center for Foreclosure Solutions and the Ad Council Campaign with NeighborWorks America and Housing Preservation Foundation (HPF). We are also a founding sponsor of the NeighborWorks Center for Homeownership Education and Counseling (NCHEC).

Citi provides both financial and technical assistance to other local and national partners who are working to prevent foreclosure through counseling, education and outreach. These partners include:

- Association of Community Organizations for Reform Now (ACORN)
- Neighborhood Assistance Corporation of America (NACA)
- National Community Reinvestment Coalition (NCRC)
- Consumer Credit Counseling Service (CCCS)
- Consumer Counseling Resource Center (CCRC)

## **b. Strengthening Partners and Local Communities**

Throughout our nearly 200-year history, Citi has been a trusted partner in the communities in which we operate. Today, we remain committed to helping people make a difference in their communities.

### ***Microfinance Initiatives***

Recognizing the demonstrated effectiveness of microfinance for combating poverty in developing countries, Citi has undertaken efforts to cultivate this industry here in the United States.

- Citi is in the midst of a five-year contract with ACCION Texas, signed late in 2008, to buy up to \$30 million in microfinance loans. The contract is part of a 15-year partnership with the microfinance organization – the first of its kind in the United States.
- In May, Citi sponsored its inaugural Microfinance California 2009, a day-long event intended to introduce microfinance as a powerful tool in the fight against poverty in California. The conference brought together California businesses, communities and investors to consider microfinance strategies and practices unique to the U.S. economy.

### ***Communications Capacity Project***

Citi's Communications Capacity Project takes a novel approach to helping non-profit organizations make the most of their abilities to serve the needs of low- and middle-income communities by helping them build sustainable communications, public relations and digital marketing functions.

These functions play a critical role in helping non-profits raise their profiles, engage a broad range of stakeholders and attract funding, especially in a difficult economic environment.

The organizations participating in the project this year are the Association for Enterprise Opportunity and the National Council of La Raza. They were selected based on their proven record of innovation and service to low- and middle-income communities, and their ability to scale their communications and technological capacity.

### ***Non-profit Days***

To help non-profits navigate through the economic downturn and emerge stronger, Citi is sponsoring educational programs for CEOs and senior staffers from community organizations in various U.S. cities.

The day-long seminars, entitled "Retool, Rebuild, Recover," feature workshops on non-profit management that cover various aspects of government relations, infrastructure and financial health. Events were held in New York City, New Jersey and Philadelphia in June and in Boston in July. Citi has conducted these events for 15 years, in partnership with Non-profit Connection and with funding from the Citi Foundation.

## ***United We Serve***

Citi is proud to be a founding sponsor and member of “United We Serve” ([www.serve.gov](http://www.serve.gov)), an Administration initiative to encourage Americans to participate in our nation’s recovery and renewal by volunteering in our communities. Citi was on hand at the White House to lend support when First Lady Michelle Obama launched the program on June 22.

The President, Cabinet officials and Members of Congress are joining forces with businesses, non-profit organizations and individuals to improve our country at a grassroots level. Citi has identified more than 250 activities to directly mobilize our employees across the country.

Our participation in this initiative gives our employees even more options to volunteer their time and talent each day to causes and organizations they care about. Service areas on which Citi is focused include community renewal, clean energy, education and health care reform.

## VIII. APPENDIX

### a. Useful Links

[citigroup.com](http://citigroup.com)

[Citi's Special TARP Committee Guidelines](#)

[Monthly U.S. Lending Activity Reports](#)

[Citi Office of Homeownership Preservation](#)

[Financial Education](#)

[Citi in Your Community](#)

[Citi U.S. Mortgage Lending Data and Servicing Foreclosure Prevention Efforts, First Quarter 2009](#)

[Financial Information, Second Quarter 2009](#)

[Corporate Governance Guidelines](#)

[Corporate Citizenship Report for 2008](#)

[Citi Foundation](#)

[Citi Press Room](#)

[Annual Report for 2008](#)

[2009 Proxy Statement](#)