

COMPACT TO HELP OHIOANS PRESERVE HOMEOWNERSHIP
CITI

PRINCIPLE ONE – Willingness to engage in a substantial and large-scale loan modification effort for ARM resets and subprime mortgages

- Citi will identify staff and prepare resources to facilitate efforts to reduce the number of foreclosures on subprime loans.
- Citi will work to implement a modification effort that permits servicers to execute loan modifications on a streamlined basis and lock in the introductory rate on the ARM for 5 years for eligible borrowers.
- Citi will do loan modifications for borrowers, both ARM and fixed rate on an individual borrower basis, as permitted by pooling and servicing agreements.

PRINCIPLE TWO – Willingness to identify, evaluate and make good faith attempts to contact at-risk or defaulting borrowers as soon as possible

- Citi will proactively contact those borrowers with resetting non-fully indexed ARM loans. Citi borrowers will receive customized monthly communications and are eligible for no closing/no costs refinance processing.
 1. Communications start 6 to 12 months prior to reset.
 2. Communications consist of direct mail, statement messaging, telephone contacts, express mail and e-mail.
- Citi will attempt to contact the borrower promptly by phone and by letter when the first payment is missed for early and appropriate intervention.
- Citi will attempt to communicate with at risk homeowners to encourage them to contact Citi or credit counselors.
- Citi will engage in community-based outreach, education and counseling to our financially distressed Ohio borrowers, encouraging them to talk with a Citi loss mitigation expert who can discuss their personal circumstances and work toward finding a resolution that keeps them in their homes.
- Citi will provide its borrowers and the Department of Commerce with a toll-free point of contact for homeowners to reach a loss mitigation specialist.
- Citi's Office of Homeownership Preservation will highlight and expand upon existing business practices focused on working with nonprofit housing counselors who represent our borrowers, particularly those who are in default but prefer to work with an independent third party.
- Citi will offer delinquent borrowers free nonprofit counseling by qualified counselors which can be accessed from a borrower's own home, 24 hours, 7 days a week.

PRINCIPLE THREE – Willingness to modify loans to the extent permissible within existing fiduciary, contractual or other legal obligations and in accordance with prudent mortgage lending and servicing practices

- Citi's specially trained servicing unit will work with borrowers to find solutions short of foreclosures and try to ensure that no borrower loses his or her home.
- If a borrower has the desire, ability and intent to make their mortgage payments, Citi will work with them to keep them in their home.
- To the extent permissible within existing fiduciary, contractual or other legal obligations and in accordance with prudent mortgage lending and servicing practices

Citi will: waive fees and/or penalties; provide fixed rate loan modifications; modify loans based on the homeowner's ability to repay; forgive some loan principal; or assist homeowners to remove negative information on their credit reports.

- For subprime borrowers who appear headed for foreclosure, at ninety days past due, Citi will conduct an additional review of all prospective foreclosure actions to ensure that no borrower inappropriately loses his or her home through foreclosure. We have a similar process in place for prime borrowers.

PRINCIPLE FOUR – Willingness to create incentives for staff and foreclosure counsel to modify loans rather than foreclose

- Citi's collections and loss mitigation departments will attempt to decrease delinquencies.
- Citi will offer incentive programs to its collections and loss mitigation staff that center around delinquency reduction and foreclosure prevention.
- Citi does not and will not offer or provide any incentive for any counsel, employee or internal department to encourage foreclosure.
- As a part of our normal recordkeeping procedures, Citi will attempt to document all communications with borrowers regarding their accounts including and not limited to loan modifications.

PRINCIPLE FIVE – Willingness to report progress to the Department of Commerce

- Citi understands that creating progress reporting metrics is key to measuring the success of these principles and their associated efforts.
- Citi has provided information regarding its loss mitigation efforts through the Citi U.S. Mortgage Lending Data and Foreclosure Prevention Efforts report and will provide periodic updates of that report to the Ohio Department of Commerce.

PRINCIPLE SIX – Willingness to enter into a non-binding agreement with the State for some defined period of time

- Citi voluntarily signs below to indicate our acknowledgement and understanding of the above principles. This nonbinding agreement is effective as of this day, April 7 2008 and will expire on June 30, 2009.

ON BEHALF OF THE STATE OF OHIO:



Ted Strickland, Governor



Kimberly A. Zurz
Director of the Ohio Department of Commerce

ON BEHALF OF CITI:

