PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

1285 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019-6064

TELEPHONE (212) 373-3000
FACSIMILE (212) 757-3990

WRITER'S DIRECT DIAL NUMBER
212 373-3316

WRITER'S DIRECT FACSIMILE
212 492-0316

WRITER'S DIRECT E-MAIL ADDRESS
bkarp@paulweiss.com

UNIT 3601, FORTUNE PLAZA OFFICE TOWER A
NO. 7 DONG SANHUAN ZHONGLU
CHAO YANG DISTRICT
BEIJING 100020
PEOPLE'S REPUBLIC OF CHINA
TELEPHONE (86-10) 5828-6300
FACSIMILE (86-10) 6530-9070/9080

12TH FLOOR, HONG KONG CLUB BUILDING
3A CHATER ROAD, CENTRAL
HONG KONG
TELEPHONE (852) 2846-0300
FACSIMILE (852) 2840-4300

ALDER CASTLE
10 NOBLE STREET
LONDON EC2V 7JU, U.K.
TELEPHONE (44 20) 7367 1600
FACSIMILE (44 20) 7367 1650

FUKOKU SEIMEI BUILDING
2-2 UCHISAIWAICHO 2-CHOME
CHIYODA-KU, TOKYO 100-0011, JAPAN
TELEPHONE (81-3) 3597-8101
FACSIMILE (81-3) 3597-8120

2001 K STREET, NW
WASHINGTON, DC 20006-1047
TELEPHONE (202) 223-7300
FACSIMILE (202) 223-7420

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By____

March 31, 2010

By Hand and E-Mail

Bradley J. Bondi, Esq.
Financial Crisis Inquiry Commission
1717 Pennsylvania Avenue, NW
Suite 800
Washington, DC 20006-4614

Financial Crisis Inquiry Commission ("Commission")

Dear Mr. Bondi:

As you know, we represent Citigroup Inc. ("Citi" or the "Company") in connection with its response to the Commission's requests for information, including the Commission's February 12, 2010 supplemental request (the "Second Supplemental Request") and March 10, 2010 supplemental request (the "Third Supplemental Request"). Both the Second and Third Supplemental Requests seek, among other things, responses to interrogatories.

During recent discussions with my colleagues, you identified a number of the interrogatories set forth in the Second and Third Supplemental Requests as priorities. In previous letters, we provided responses to certain of the priority interrogatories and requests for additional information.

We provide responses to certain of the remaining interrogatories below, as modified during your various discussions with my colleagues. Citi reserves the right to supplement, amend, modify or correct any of the responses provided below.

* * * * *

Second Supplemental Request

Interrogatory No. 3:

Please identify and describe Citigroup's top ten sources of profit and top ten sources of loss in each year since 2000.

Response to Interrogatory No. 3:

On February 12, 2010, you sent us the Second Supplemental Request. On February 16, 18, and 19, 2010, we had multiple telephone conversations about the Second Supplemental Request, including Interrogatory No. 3, in which we explained that Interrogatory No. 3 does not call for information maintained by the Company in the form requested and otherwise is not amenable to a meaningful response. During those calls, you modified Interrogatory No. 3 to request information concerning Citigroup's profit and loss with respect to certain business areas.

On March 9, 2010, the Commission sent Citi a "loss template" spreadsheet seeking, among other data, information regarding the revenue and profitability of particular business activities. On March 11, 2010, you and your colleague, Jane Poulin, spoke with my partner Susanna Buergel as well as Dan O'Connor and Jeffrey Walsh, Controller and Chief Accounting Officer of Citigroup, to discuss the spreadsheet. During that discussion, we explained that the spreadsheet did not call for information maintained by the Company in the form requested and pointed to sections in the Company's public filings that contained extensive responsive and relevant information. As a result of that conversation, you agreed a response was not feasible and would not be required.

The next day, March 12, 2010, you spoke again with my colleague concerning certain of the outstanding requests from the Second Supplemental Request, and you again requested a response to Interrogatory No. 3—this time, suggesting that the Company respond to the request in the form as written. During that conversation, we again explained that this interrogatory is not amenable to a response in the form as written.

Consistent with these discussions, and as we and Citi personnel have explained in detail, in response to Interrogatory No. 3, we respectfully refer the Commission to the Company's audited financial statements, and in particular pages 14–15, 16–38, and 148 of the recent Annual Report on Form 10-K for 2009 filed by Citigroup on February 26, 2010. These statements show the largest sources of profit and loss, as well as revenue gains and losses, by Segment, Business and Product for 2009, 2008 and 2007. Comparable data appear in earlier Annual Reports, all of which are available at http://www.citigroup.com/citi/fin/sec.htm.

Interrogatory No. 7:

What types of, and how much, compensation was awarded in each year since January 1, 2004 to Robert Rubin, Charles Prince, Thomas Maheras, Randolf [*sic*] Barker, David Bushnell, Gary Crittenden, Susan Mills, Jeff Perlowitz, and Janice Warne?

Response to Interrogatory No. 7:

This response replaces our March 1, 2010 response to Interrogatory No. 7.

The Tables below contain compensation information for Robert Rubin, Charles Prince, Thomas Maheras, Randolph Barker, David Bushnell, Gary Crittenden, Susan Mills, Jeffrey Perlowitz, and Janice Warne, from 2004 to 2009. In these Tables, the "Category" column indicates whether the employee was paid in that year pursuant to a contractual guarantee or commitment ("C"), a discretionary award ("D"), or a separation agreement ("SA").

We note that, as part of Citi's stock ownership commitment, members of the Senior Leadership Committee also are required to retain at least 50 percent of the same categories of net equity awards for the same period of time. Members of the Executive Committee generally are required to retain at least 75 percent of the equity awarded to them as incentive compensation (other than cash equivalents and net of amounts required to pay taxes and exercise prices) as long as they are members of senior management.

All of the information provided in this letter and the enclosed documents is being provided with the understanding that it will be treated as strictly confidential, as discussed in greater detail at the conclusion of this letter. The Tables below, in particular, contain highly personal and competitively sensitive compensation data, which the Company respectfully requests be treated with the utmost confidentiality.

Table 1: 2004

Name	Category	Salary Paid	Cash	Common Stock Equivalent[1]	CAP[2]	Retention Equity Awards[3]	Total
				-		-	
				-		-	
				-		-	
				-		-	
				-		-	
Prince, Charles	D	$ 1,000,000	$ 9,690,000	$ -	$ 7,805,833	$ -	$18,495,833
Rubin, Robert	C	$ 1,000,000	$ 8,400,000	$ -	$ 6,766,666	$ -	$16,166,666
				-		-	

1 Pursuant to an agreement with the U.S. government regarding Citigroup's repayment of certain TARP obligations, Citigroup agreed to distribute a portion of its January 2010 incentive compensation pool in shares of common stock. Because there were insufficient shares available under the Plan for these awards to be paid in shares, the awards were structured as "common stock equivalent" awards that would be paid in stock in April 2010, based on shareholder approval at Citi's annual meeting of stockholders, which is scheduled to be held on April 20, 2010.

2 CAP is a discretionary annual incentive award program consisting of an award of restricted or deferred shares of Citigroup common stock. For 2004 through 2007, the incentive and retention awards under CAP consisted generally of a Core CAP award and a supplemental CAP award. For those years, Core CAP awards were discounted 25 percent from market value for eligible employees; these additional shares that were awarded as a result of the discount are referred to as premium CAP shares. Supplemental CAP awards were not discounted. After 2007, the incentive and retention awards under CAP consist generally of a Core CAP award (with no discount). The price per share for CAP equity awards was calculated using a five-day average and was used to determine the number of shares to be awarded. CAP awards vest in equal parts over a four-year period.

The CAP amounts reflected in these Tables are the pre-tax nominal value of those awards at the time they were made, and do not reflect the market value of the shares at the time the stock vests. The CAP amounts reflected in these Tables likewise do not reflect the market value of the shares if and when they were ultimately sold. Finally, these Tables do not reflect to what extent, if any, unvested shares were forfeited at the time of any of these individuals' departure from the Company, pursuant to applicable rules, programs, or agreements, or the market value of any such shares at the time of forfeiture.

3 Pursuant to the Company's Corporate Governance Approval Authorities, Citigroup's Personnel and Compensation Committee, at the recommendation of senior management, may grant retention equity awards to incent and retain key employees. These retention equity awards have vesting conditions and are intended to align the interests of executives with those of stockholders.

Table 2: 2005

Name	Category	Salary Paid	Cash	Common Stock Equivalent	CAP	Retention Equity Awards	Total
				-			
				-			
				-			
				-		-	
				-		-	
Prince, Charles	D	$ 1,000,000	$12,000,000	$ -	$ 9,666,666	$ -	$22,666,666
Rubin, Robert	C	$ 1,000,000	$ 8,400,000	$ -	$ 6,766,667	$ -	$16,166,667
				-		-	

Table 3: 2006

Name	Category	Salary Paid	Cash	Common Stock Equivalent	CAP	Retention Equity Awards	Total Comp
Barker, Randolph	D	$ 200,000	$11,580,000	$ -	$ 9,328,333	$ -	$21,108,333
Bushnell, David	D	$ 400,000	$ 3,900,000	$ -	$ 3,141,667	$ -	$ 7,441,667
Maheras, Thomas	D	$ 250,000	$19,200,000	$ -	$15,466,667	$ -	$34,916,667
				-		-	
				-		-	
Prince, Charles	D	$ 1,000,000	$13,200,000	$ -	$10,633,333	$ -	$24,833,333
Rubin, Robert	D	$ 1,000,000	$ 8,400,000	$ -	$ 6,766,666	$ -	$16,166,666
Warne, Janice	D	$ 200,000	$ 3,120,000	$ -	$ 2,513,333	$ -	$ 5,833,333

Table 4: 2007

Name	Category	Salary Paid	Cash	Common Stock Equivalent	CAP/SIA[4]	Retention Equity Awards	Total Comp
			-	-	-	-	
			-	-	-	-	
				-			
			-	-	-	-	
				-		-	
				-		-	
Prince, Charles	D	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000
Rubin, Robert	D	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000

[4] For 2007, Special Incentive Awards were granted to select employees on January 22, 2008. These retention awards vest generally in equal parts over a two-year or four-year period.

Table 5: 2008

Name	Category	Salary Paid	Cash	Common Stock Equivalent	CAP/SIA	Retention Equity Awards	Total Comp
		–		–	–	–	
		–		–	–	–	
			–	–	–	–	
		–	–	–	–	–	–
				–	–	–	
				–	–	–	
		–		–	–	–	
Rubin, Robert	D	$ 1,000,000	$ –	$ –	$ –	$ –	$ 1,000,000
			–	–	–	–	

Table 6: 2009

Name	Category	Salary Paid	Cash	Common Stock Equivalent	CAP	Retention Equity Awards	Total Comp
			–	–	–	–	
						–	
						–	
		–	–	–	–	–	
Rubin, Robert	D	$ 41,667	$ –	$ –	$ –	$ –	$ 41,667
		–		–	–	–	

5

Interrogatory No. 10:

Please identify and describe (a) Citigroup's enterprise risk management practices since 2000, (b) any deficiencies or failures in those risk management practices with respect to subprime lending, RMBS securitization, and CDOs with subprime RMBS collateral, and (c) any changes in risk management that have occurred since 2Q07 in these areas.

Response to Interrogatory No. 10:

Citi's response to Interrogatory No. 1, dated March 1, 2010, identified and described the risk management assessments that, with the benefit of hindsight, exacerbated the impact of events relating to the financial crisis on Citi's financial results.

In the wake of the ongoing financial crisis, the Company has undertaken significant efforts to enhance its independent control functions and, in particular, has focused on its independent risk management function and stress-testing processes. Specifically, following the market dislocations that culminated in the recent financial crisis, independent risk management, with input from the businesses and finance, has been providing enhanced periodic updates to senior management and the Board of Directors on significant potential exposures across Citi. These supplemental risk assessments are forward-looking exercises intended to inform senior management and the Board of Directors about the potential economic impacts to Citi that may occur, directly or indirectly, as a result of hypothetical scenarios.

This reporting format emphasizes stress/shock testing scenarios. For example, the format employs scenario stress testing to evaluate the potential economic impact of risk across the Company for a variety of historical and prospective stress shocks. In addition, the format employs factor stress testing to evaluate the impact of a variety of factors—including interest rates, credit spreads, home price appreciation, and borrower delinquencies, among others. Together, these stress tests permit the Company to consider objectively the potential impact specific economic scenarios might have on the Company's positions, and to evaluate whether steps should be taken to reduce exposures to particular risks. In addition to enhancing awareness of potential exposures, these assessments serve as the starting point for developing risk management and mitigation strategies.

Citi continues to monitor and aggregates credit risk, market risk, and operational risk—the key drivers of economic losses—within businesses and across the Company to facilitate an understanding of the Company's exposure to extreme downside events.

Many of the Company's efforts to enhance the risk function have been led by a new team of senior risk managers, including the appointment of Brian Leach, who was named Chief Risk Officer for Citi in March 2008. The Company also has appointed five additional senior-level risk managers, who collectively have brought to the Company a wealth of risk management experience that has enhanced the depth of talent in the risk organization.

Interrogatory No. 11:

Please describe the risk management (including identifying any modeling, stress testing, audits, and analyses) in each year since January 1, 2005 in each of the following areas: (a) subprime residential mortgages, (b) bulk purchases of residential mortgages, (c) securitization of residential mortgages, (d) cash CDOs, (e) synthetic CDOs, (f) proprietary hedge funds, and (g) the special investment vehicles. In doing so, please describe the involvement of the chief risk officer in each of these areas.

Response to Interrogatory No. 11:

With respect to the risk management activities of CitiMortgage, we respectfully refer the Commission to Citi's response to Interrogatory No. 3 of the Third Supplemental Request, below.

With respect to Citi's investment bank, during the relevant time period, Independent Risk Management ("IRM") worked with the businesses to set limits, measure and monitor risk-factor sensitivities, perform stress tests, evaluate models and assess new products. Daily risk reports were generated, and fixed-income management was provided with weekly commentary concerning risk issues. The trading desks also generated their own risk reports and a weekly risk/business pipeline meeting was held among senior members of the business and risk personnel.

IRM set limits relating to the trading and warehousing of assets, monitored compliance with limits, and reviewed requests for increases in risk limits. IRM established limits based on the specific goals of a business and evaluated those decisions as the business developed and matured.

IRM assessed potential exposures in a variety of ways, including by multiplying the size of the position by the stress levels for that position. The stress levels represent the possibility of potential loss based on historical data. Depending on the size of the potential exposure, IRM applied varying levels of approval. There frequently was a dialogue between the business and IRM about the proper stress levels for a specific business, but stress levels ultimately were set by individual risk managers. Risk produced quarterly stress reports. The Chief Risk Officer and other senior risk managers presented the results of the quarterly stress tests to the Board of Directors.

Interrogatory No. 16:

For each year since January 1, 2005, please provide a list of all so-called "cash" CDOs sold in each year, the investors (including Citigroup) in each of the various tranches, any liquidity puts associated with any tranche, the profit earned on the liquidity puts, the rating of the tranches in each year, the performance by quarter of the tranches, and the types and amounts of losses experienced by Citigroup in each year associated with cash CDOs.

Response to Interrogatory No. 16:

We enclose a chart, bearing control numbers CITI-FCIC 00099801 through CITI-FCIC 00099862, which provides a list of cash CDOs sold since 2005 that included residential-mortgage related assets, including the ratings of the tranches associated with those CDOs.

Interrogatory No. 17:

For each year since January 1, 2005, please provide a list of all so-called "synthetic" CDOs sold in each year, the investors (including Citigroup) in the various tranches, any liquidity puts associated with any tranche, the profit earned on the liquidity puts, the rating of the tranches in each year, the performance by quarter of the tranches, and the types and amounts of losses experienced by Citigroup in each year associated with synthetic CDOs.

Response to Interrogatory No. 17:

We enclose a chart, bearing control numbers CITI-FCIC 00099801 through CITI-FCIC 00099862, which provides a list of synthetic CDOs sold since 2005 that included residential-mortgage related assets, including the ratings of the tranches associated with those CDOs.

Interrogatory No. 21:

How much profit did Citigroup earn in each year since January 1, 2005 from its sales of CDOs?

Response to Interrogatory No. 21:

At this time, we do not have data providing profits earned from Citigroup's sale of CDOs. However, based on contemporaneous documents prepared by Global Structured Credit Products ("GSCP"), we understand that GSCP had revenues of approximately $528 million and $768 million in 2005 and 2006, respectively. The amount of that revenue attributable to CDO origination and syndication was approximately $367 million and $465 million in 2005 and 2006, respectively. We note that these revenue figures are not limited to revenues from CDOs backed by residential mortgage-related assets, but instead include revenues from CDOs with all types of collateral, including RMBS, corporate bonds (*i.e.*, CLOs), project finance, and other assets. For 2007, 2008 and 2009, the Company did not generate positive revenues from the CDO business given the substantial losses suffered in those years on legacy CDO positions held by the Company.

Interrogatory No. 23:

Please identify and describe the so-called "CDO-squared" deals (consisting in whole or part of CDOs with the ultimate underlying securities being residential mortgage-backed securities) that Citigroup structured since January 1, 2005.

Response to Interrogatory No. 23:

We enclose a chart, bearing control numbers CITI-FCIC 00099801 through CITI-FCIC 00099862, which provides a list of CDO-squared deals sold since 2005 that included residential-mortgage related assets, including the ratings of the tranches associated with those CDOs.

Interrogatory No. 24:

Please describe and quantify Citigroup's hedging activities to reduce credit risk (including the CDS purchased) with respect to MBS and CDOs since January 1, 2005. In doing so, please also identify any changes in hedging during that time period.

Response to Interrogatory No. 24:

The Company actively hedges and otherwise seeks to mitigate its risks in all areas of its businesses. With respect to CDOs, for example, the Company took measures to hedge its risks during the warehousing process related to the structuring of CDOs. Among other things, the Company typically sold assets acquired for inclusion in a CDO to the CDO structure at the same price that the Company acquired the assets. The Company also took active measures to reduce its holdings of lower-rated CDO positions. In addition, the Company hedged some of its exposure to holdings of super-senior CDOs primarily through the use of credit default swaps with various monoline bond insurers, index swaps (*e.g.*, ABX), and customized hedge instruments. As of September 30, 2007, the Company had approximately $10.5 billion notional amount of hedges against its CDO super-senior positions.

With respect to MBS held in the non-agency trading book in Global Securitized Markets ("GSM"), and as described by Philip Seares during his February 3, 2010 interview, a number of techniques were used to reduce credit risk, principally beginning in late 2006 and 2007. One primary means by which GSM reduced its credit risk was to sell its MBS positions. GSM also hedged credit risk using the ABX indices and by buying protection through credit default swaps on its MBS bonds in inventory or other, similar bonds in the marketplace. These hedges were primarily executed with respect to the lower portion of the MBS capital structure. The extent of GSM's hedging activities varied over time; however, GSM was never net short MBS during 2007 and 2008.

Interrogatory No. 27:

What efforts were made in 2007 to sell or dispose of existing inventory of CDOs?

Response to Interrogatory No. 27:

In November 2007, shortly after announcing anticipated write-downs of $8 to $11 billion on subprime-related positions held within Citi's investment bank, the Company formed the Subprime Portfolio Group ("SPG"). The SPG assumed responsibility for managing Citi's subprime-related assets, including super-senior CDO positions, and combined ABS and structured ABS trading under a single manager to enhance efficiencies and risk management. The SPG specifically was tasked with, among other things, (1) reducing the Company's exposure to the products it managed by implementing hedging strategies and negotiating sales as market opportunities arose, (2) evaluating the deal structure of the positions within its portfolio to understand Citi's control rights and options, and (3) providing enhanced analytics, including portfolio monitoring, collateral marking, and cashflow forecasting and improving valuation methodologies.

In January 2009, Citi realigned into two businesses, Citicorp and Citi Holdings. Citi Holdings is comprised of brokerage and retail asset management, local consumer finance and a special asset pool (including those housed in the SPG). Its management is focused on tightly managing risks and losses and maximizing the value of these assets.

With respect to CDO warehouse positions and unsold tranche positions, the Company held approximately $2.7 billion of these positions as of September 30, 2007—this figure was reduced from approximately $7.7 billion as of December 31, 2006. The Company has incurred write-downs on these holdings of $2.6 billion in 2007 and $0.1 billion in 2008.

With respect to super-senior CDO positions, the Company held approximately $43 billion of direct super-senior related exposure as of September 30, 2007—this figure was up from approximately $32.9 billion as of December 31, 2006. The Company has incurred write-downs on these holdings of approximately $14.8 billion in 2007 and $13.1 billion in 2008. The Company realized gains on these holdings of approximately $0.9 billion in 2009.

* * * * *

Third Supplemental Request

Interrogatory No. 2:

Please describe the securitization activities at CitiMortgage and how they differed from the [*sic*] Citigroup's Global Markets securitization activities.

Response to Interrogatory No. 2:

Citicorp Mortgage Securities Inc. ("CMSI") issues securities collateralized by prime, non-agency mortgage loans originated within the underwriting guidelines of CitiMortgage Inc. ("CMI").[8] The loans reflect similar prime credit risk and documentation. The loans were originated or acquired through normal mortgage banking activities by CMI. CMI provides the servicing on all of the loans. CMSI has entered into 264 transactions totaling approximately $61.9 billion of original principal balance. As of December 31, 2009, the outstanding balance of the 68 active issuances totaled approximately $10.7 billion.

CitiFinancial Mortgage Securities Inc. ("CFMSI") issued securities with collateral consisting of nonprime, non-agency mortgage loans originated within the underwriting guidelines of CFMC. CFMC purchased all of these loans and provided the servicing after securitization. CFMSI entered into six transactions totaling approximately $4.8 billion of original principal balance. As of December 31, 2009, the outstanding balance of the five active issuances totaled approximately $549 million. CFMSI has not issued securities since 2004.

CitiMortgage Alternative Loan Trust Inc. ("CMALT") issues securities with collateral consisting of prime, non-agency mortgage loans originated within CMI's alternative documentation underwriting guidelines. These loans are originated or acquired through normal mortgage banking activities by CMI. CMI provides the servicing on all of these loans. CMALT has entered into sixteen transactions totaling approximately $9.2 billion of original principal balance. As of December 31, 2009, the outstanding balance of the active transactions totaled approximately $6.8 billion.

Citi Residential Mortgage Securities Inc. ("CRMSI") issues securities with collateral consisting of non-prime, non-agency mortgage loans originated within the underwriting guidelines of Citicorp Trust Bank ("CTB"). CMI retains the servicing on all of the securitized loans. CRMSI has issued five transactions totaling $3.75 billion of original principal balance. As of December 31, 2009, the outstanding balance of the active transactions was $2.09 billion.

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8 The businesses of CitiMortgage and CitiFinancial Mortgage Corporation ("CFMC") were merged in 2006. CFMC is separate and distinct from "CitiFinancial," the consumer finance company referenced elsewhere in your interrogatories. Except where otherwise indicated, to the extent that responses address time periods before 2006, "CMI" includes both CitiMortgage and CFMC.

Unlike securities structured by Citigroup Global Markets Inc. ("CGMI") and issued by Citigroup Mortgage Loan Trust Inc. ("CMLTI"), CMI originated or acquired loans for its RMBS according to its own underwriting guidelines. CGMI never developed or maintained its own underwriting guidelines; instead, CGMI looked to the underwriting guidelines of the originators of the loans that it acquired. In addition, unlike CGMI, CMI retained the servicing on its securitized loans. Also, CMI did not structure its own RMBS, but instead sold the collateral to a trust and contracted with an investment bank to structure and underwrite each security.

Interrogatory No. 3:

Please describe the CitiMortgage risk management structures and techniques and individuals (including identifying any modeling, stress testing, audits, and analyses) in each year since January 1, 2005 in each of the following areas: (a) bulk purchases of residential prime and subprime mortgages, (b) securitization of residential mortgages.

Response to Interrogatory No. 3:

Until January 2006, CMI Risk Management included the following units:

- Quality Control
- Decision Technologies
- Counterparty Risk
- Appraisal Review
- Vendor
- Credit Policy
- Fraud
- Intermediary Management
- Investor Relations
- Repurchase
- Credit Training

Risk Management was directed by the Chief Credit Officer who reported directly to the President of CMI and to the Global Consumer Group Risk Director. CMI underwriting personnel reported to the Managing Director for each channel (retail, wholesale, or correspondent), who in turn reported to the President of CMI.

Prior to the 2006 merger of CFMC and CMI, CFMC Risk Management included the following units:

- Appraisal Review
- Intermediary Management
- Portfolio Management, including MIS
- Decision Technology
- Modeling

The directors of these units reported the CFMC Chief Credit Officer, who in turn reported to the Chief Credit Officer for North America and the President of CFMC. At CFMC, Underwriting Management reported to Risk Management. Underwriting Management also included the following units:

- Fraud Review
- Credit Policy
- Credit Training
- Underwriting Quality Control

The Chief Underwriter reported to the Chief Credit Officer for North America and the President of CFMC.

After January 2006, CMI Risk Management included the following units:

- Operational Risk, which included:
  - Fraud
  - Counterparty Risk
  - Credit Risk Management
  - Quality Control
  - Underwriting Quality Control
- Credit Policy
- Portfolio Risk
- Decision Support
- Business Risk Models
- Portfolio Analysis and Regulatory Reporting
- Credit Risk Underwriting

After the merger of CFMC and CMI, CFMC's Risk Management units became part of the corresponding units at CMI Risk Management. CFMC's Fraud, Credit Policy, and Collateral Review Management units, formerly part of CFMC Underwriting Management, became part of the corresponding units in CMI Risk Management.

Staff underwriters and senior underwriters are responsible for daily underwriting activities. Since September 2007, all staff and senior underwriters have reported to CMI Operations Management. CMI personnel with the title "Risk Manager" oversee underwriting credit quality, train and mentor underwriters, review second-level underwriting decisions, and audit new and suspended credit authorities. Since the consolidation of CFMC and CMI, Risk Managers have reported to Credit Risk Underwriting in CMI Risk Management.

Interrogatory No. 5:

Please identify and explain the types of residential subprime mortgages purchased by CitiMortgage, the underwriting parameters (e.g., minimum FICO score permitted, highest loan-to-value, etc.), and the performance of each type since January 1, 2000.

Response to Interrogatory No. 5:

We enclose a document bearing control numbers CITI-FCIC 00099863 through CITI-FCIC 00099898. The pages bearing control numbers CITI-FCIC 0009863 through CITI-FCIC 00099880 contain charts that (a) identify the types of residential mortgages purchased by CMI, and (b) list the volume of all loans of each type with FICO scores below 620 that were thirty, sixty, or ninety days or more past due in each quarter from January 2001 to the present as a percentage of the outstanding loan balance of all loans of each type.[9]

The pages bearing control numbers CITI-FCIC 00099881 through CITI-FCIC 00099898 contain charts that list the volume of all loans of each type with FICO scores between 620 and 660 that were thirty, sixty, or ninety days or more past due in each quarter from January 2001 to the present as a percentage of the outstanding loan balance of all loans of each type.

Interrogatory No. 9:

For each of Citigroup's securitization channels, please describe and quantify the fees earned in a typical securitization deal.

Response to Interrogatory No. 9:

Neither CMI in its private-label RMBS transactions (CMSI, CFMSI, CMALT, CRMSI), nor CGMI in its private-label RMBS transactions (CMLTI), earned fees on securitizations. By contrast, when CGMI serves as an underwriter for a securitization issued by a third party, CGMI generally earns a fee of between twenty and twenty-five basis points of the par value of bonds sold.

Interrogatory No. 14:

Please identify precisely the types of "adjustable rate first mortgages" and "adjustable rate second mortgages" that CitiFinancial has offered since January 1, 2003. In particular, has Citigroup offered customers so-called "2/28 mortgages," "3/27 mortgages," or "hybrid adjustable" mortgages? If so, please identify precisely the mortgages offered and the performance of those mortgages.

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9 For purposes of this response to Interrogatory No. 5, data for CMI do not include loans purchased by CFMC prior to 2003.

Response to Interrogatory No. 14:

In the period from January 1, 2003 to the present, CitiFinancial has not offered so-called "2/28," "3/27," or "hybrid adjustable" mortgage loans.

The great majority of CitiFinancial's mortgage lending from January 1, 2003 to the present was in fixed rate rather than ARM loans. From January 1, 2003 through September 30, 2007, CitiFinancial offered its own "AdvantagePlus" adjustable rate mortgage product. Since September 30, 2007, CitiFinancial has not offered any ARM product.

The "AdvantagePlus" ARM product was similar to CitiFinancial's fixed-rate mortgage loans in several important ways: (1) the ARM loans were originated with a full underwriting and documentation process; (2) the ARM loans were not available for purchase-money financing; and (3) the ARM loans were serviced by CitiFinancial and retained in portfolio rather than sold on the secondary market. Unlike the ARM products available from many other lenders active during this period, CitiFinancial's ARM loans did not offer a "teaser" introductory rate; instead, CitiFinancial's initial rate was fully indexed to the index used for later rate adjustments. Features and terms of the CitiFinancial ARM product included the following:

- Index – Wall Street Journal "Prime Rate."
- Adjustments – The rate and payment were fixed for an initial period (the first 36, 24, 12 or 6 months) and thereafter adjusted every six months based on a margin above the index.
- Adjustment caps – Rate changes could not exceed two percentage points on the change date or compared to the rate in effect one year and one day before the rate change.
- Rates caps – The initial rate was fully indexed and was determined by the applicant's FICO score and LTV. The loan agreement provided for ceiling and floor rate caps.
- Loan amount – Minimum $15,000 and Maximum $400,000 for first-mortgage loans; $125,000 for second-mortgage loans.
- Term – 181 to 360 months (first lien) or 20 years (second lien).
- Security – First or second mortgage lien on owner-occupied single family residential real estate.
- LTV – Maximum 75% to 100%, depending on FICO score and lien position.
- Underwriting – Full application, underwriting, consideration of ability to pay, income and employment verifications and documentation as for other real estate-secured loans.

For information regarding adjustable-rate mortgages originated or purchased by CMI, we respectfully refer the Commission to Citi's response to Interrogatory No. 5 of the Third Supplemental Request, above.

Interrogatory No. 17:

Please identify the top ten sources of RMBS collateral used in CDOs structured by Citigroup in each year since January 1, 2003 or related data to show the primary sources of RMBS used in Citigroup CDOs.

Response to Interrogatory No. 17:

We enclose documents, bearing control numbers CITI-FCIC 00099899 through CITI-FCIC 00103191, which are initial trustee reports for the CDOs previously identified to you in our March 1, 2010 response to Interrogatories 19 and 20 of your Second Supplemental Request.

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As we have discussed, the Company is providing the information in this letter in response to the Second and Third Supplemental Requests, pursuant to the Commission's representations that the information provided to the Commission will be maintained in strict confidence and will be used by the Commission solely for the purposes of this inquiry.

We understand from our recent discussions that the Commission's work, and the materials it requests and obtains from the Company, are not subject to the provisions of FOIA. We also understand that the Commission intends to keep the materials submitted to it by the Company strictly confidential in connection with this inquiry.

If any person not a member of the Commission or its staff (including, without limitation, any government employee) should request an opportunity to inspect or copy any confidential information provided by the Company, or if you or any member of the Commission or its staff contemplates disclosure of this information to any other person, the Company requests that the Commission promptly notify Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, N.Y., N.Y. 10019 (att'n Brad Karp) and Citigroup Inc., 399 Park Avenue, N.Y., N.Y. 10022 (att'n P.J. Mode).

Please do not hesitate to contact me if you would like to discuss this letter or any other matter.

Respectfully,

Brad Karp / NP

Brad S. Karp

Enclosure