

**TESTIMONY OF
SANJIV DAS
PRESIDENT & CEO
CITI MORTGAGE, INC.**

**Before the
HOUSE FINANCIAL SERVICES COMMITTEE**

WASHINGTON, DC

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Chairman Frank, Ranking Member Bachus and Members of the House Financial Services Committee, thank you for the opportunity to discuss Citi's efforts to help families stay in their homes. I am Sanjiv Das, CEO of CitiMortgage. Joining me is Steve Hemperly, head of Citi's Default Servicing operations. I am honored to be given the chance to describe our efforts and to answer any questions you and the Committee may have.

As Citi CEO Vikram Pandit has said, we owe a debt of gratitude to the American taxpayer, and we believe it is our responsibility to help American families in financial distress, and in particular, to help families stay in their homes. We are working each day to help the U.S. economic recovery and are committed to modifying loans for borrowers facing hardship while providing new loans to help Americans in this difficult time.

I joined Citi in July 2008 and in my role as head of CitiMortgage I manage Citi's efforts to help families pursue their dreams of buying a home, making their homes more affordable, or assisting those families who may be facing financial hardship.

CitiMortgage has a long history of helping homeowners. Historically, we have been among the five largest originators of mortgages in the U.S, and in 2009, we originated mortgage loans to approximately 366,000 borrowers totaling \$80.5 billion. In 2009, we helped approximately 270,000 borrowers refinance their primary mortgages. And in the midst of this housing crisis, we have put considerable resources toward helping our customers who are facing financial challenges. We describe our lending and foreclosure prevention efforts in a quarterly report available on our website (www.citigroup.com).

Citi has worked closely with the U.S. Treasury in developing and executing their Making Home Affordable programs. Our employees have rallied around the idea that helping families stay in their homes is the right thing to do and since 2007 we have helped more than 825,000 families in their efforts to avoid foreclosure. We have added over 1400 new employees to support our foreclosure prevention efforts and have trained more than 4000 employees to assist borrowers. Our focus has paid off: we are pleased to be ranked consistently among the top, if not at the top of Treasury's rankings for HAMP, and in the fourth quarter of 2009, we were able to help families in their efforts to avoid foreclosure by a ratio of 15 to 1.

Our goal is to work with our customers to find the most affordable solution, and to assist those who are in need. As we work through this crisis, we must address the fundamentals that are at the core of our borrowers' hardship: unemployment and overextended finances. At Citi, we have addressed these issues with programs which go beyond HAMP. We believe these programs are responsible, timely, and most importantly, effective. I share these programs with you to illustrate the need to address the core, underlying issues which borrowers face. Our programs address the following challenges:

- **Unemployment:** We launched the "Unemployment Assist Program" in March of 2009 when the unemployment rate was on a steep trajectory and we found that there were many borrowers who couldn't qualify for modifications because of a lack of income or reduced wages. Our program allows customers to focus on regaining employment without the fear of losing their home. We are delighted to see the introduction of Treasury's program in this area as we believe this challenge continues to be an on-going issue for many families in distress.
- **Customers at imminent risk of default:** We launched the "Homeowner Assistance Program" in November 2008 to help customers who were at imminent risk of default. We proactively reach out to these individuals

- **Foreclosure Alternatives:** For many borrowers, the challenges of financial hardship become a complex equation – they are often overextended financially and in homes they no longer wish to occupy. We developed initiatives which provide alternatives to foreclosure and introduced the “Foreclosure Alternative Program” in February of 2010. This program represents an opportunity for customers to stay in their homes for up to six months rent-free. By assigning their deed to us, they avoid foreclosure and are given a chance, additional time and financial relocation assistance, to make plans for their future. Additionally, we created a dedicated Short Sale unit to improve the process for customers who no longer wish to stay in their homes. Both of these programs provide meaningful alternatives to foreclosure and allow families a transition to the next phase in their lives.

As I mentioned, our goal is to find affordable solutions for our customers. To this end, we continue to look at all the ways we can help borrowers afford to stay in their homes, including principal reduction. To date, we have been successful in addressing the needs of our customers on a case-by-case basis which tailors solutions for a family’s unique needs and delivers an outcome that is affordable and lasting. We do not believe there is a “one size fits all” approach to affordability. The proof of this is in our low redefault rates which continue to rank significantly lower than industry averages.

We have used, and continue to use, principal reductions. We have also signed up for the Treasury’s second lien program (2MP) and support recent changes to the HAMP first lien program. We expect these changes will result in more principal reductions going forward. We believe principal reductions are one of many options that must be used responsibly. We will continue to be thoughtful in how we implement these programs in scale. Just as HAMP is not the only

solution for all consumers, we believe principal reduction is not the only solution for those who are experiencing financial hardship.

While we have made progress, I understand there is much more work to be done. We are staunch supporters of the Treasury's programs to help consumers because we believe that actions among all banks will prove to be more powerful and ultimately more effective than individual bank actions in addressing consumer financial hardship. We look forward to working with Treasury to further refine and implement the latest round of HAMP enhancements and the 2MP program.

Let me conclude by restating our unwavering commitment to helping American families during these challenging economic times. We remain focused on achieving affordability and helping families stay in their homes in a responsible manner. We believe that our economy is fundamentally strong and will recover over time. And our employees want to be an integral part of helping those in need.

Thank you for the opportunity to speak before the Committee.

We at Citi look forward to working through these issues with you and the Treasury. I would be happy to answer any questions you might have.

Thank you.