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November 1, 2010

\*NOT ADMITTED TO THE NEW YORK BAR

**By E-Mail & FedEx**

Sarah Knaus  
Financial Crisis Inquiry Commission  
1717 Pennsylvania Avenue, NW  
Suite 800  
Washington, DC 20006-4614

*Financial Crisis Inquiry Commission ("Commission")*

Dear Ms. Knaus:

As you know, we represent Citigroup Inc. ("Citi" or "the Company") in connection with its responses to the Commission's requests for documents and information. We write in response to your September 21, 2010 letter regarding the actions undertaken by Citi in response to Richard Bowen's November 3, 2007 e-mail. On behalf of the Company, we provide the following information.

The first issue set forth in Mr. Bowen's e-mail, relating to the correspondent channel, was first raised by Mr. Bowen in mid-2006, and Mr. Bowen participated in the processes put in place by the Company, beginning in mid-2006, to address the issue. In mid-2006, Richard Bowen reported certain issues relating to the pre-purchase underwriting review by CitiMortgage of certain third-party originated mortgages through the correspondent channel. In response to Mr. Bowen's expressed concerns: (a) an investigation was immediately undertaken that resulted in the head of the group responsible for the pre-purchase underwriting review being terminated; (b) promptly thereafter, a working group, including Mr. Bowen, met to establish a plan for addressing the issues raised; (c) members of the working group reviewed, assessed, and

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revised existing policies and procedures governing the relevant underwriting review; and (d) additional resources, including additional personnel and technological resources, were developed and deployed to address the issues identified, among other remedial steps.

The second issue set forth in Mr. Bowen's e-mail, relating to the Wall Street channel, was resolved by the Company prior to Mr. Bowen's e-mail. In mid-2007, several months before Mr. Bowen's November 3, 2007 e-mail, a review was undertaken of the process by which certain third-party originated mortgages were purchased through CitiMortgage's Wall Street channel. Prior to Mr. Bowen's November 3, 2007 e-mail, the Wall Street channel was closed.

Following the receipt of Mr. Bowen's November 3, 2007 e-mail, a review of the issues raised in Mr. Bowen's e-mail was undertaken which included, among other things, review of the status of and actions undertaken with respect to the processes identified by Mr. Bowen in his e-mail.

\* \* \* \* \*

Citi reserves the right to supplement, amend, modify or correct the response provided above.

As we have discussed, the Company is providing the information in this letter in response to the Commission's requests and 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 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 S. Karp

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