



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

MAR 08 2002

[REDACTED]  
New York NY [REDACTED]

Re: FOIA Request No. 2002-535  
Citigroup

Dear [REDACTED]

This responds to your February 22, 2002, letter requesting copies of any consumer complaints files since June 1, 2001, with the Federal Trade Commission or any employee statements filed with the Federal Trade Commission pertaining to Citigroup, CitiFinancial Credit Company and/or Associates First Capital. We are responding to your request under the provisions of the Freedom of Information Act ("FOIA"), the law that gives citizens the right to access government records. Pursuant to the FOIA and agency policy, we have searched our records as of February 22, 2002, for the records you requested. We expect to have a further response to you by March 22, 2002.

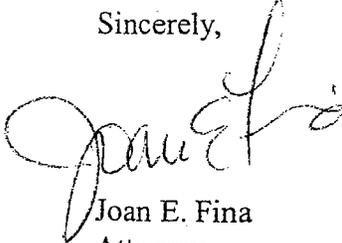
We have located 187 pages of responsive records. I am granting partial access to, and am enclosing copies of, the accessible records. Portions of those pages are subject to one of the nine exemptions to the FOIA's mandatory disclosure requirement, as explained below.

Enclosed are three responsive publically available affidavits. In addition, enclosed are 106 pages of responsive complaints that consumers have sent to the Federal Trade Commission ("FTC"). You should know that the enclosed complaints have not necessarily been verified by the FTC, therefore, you should make you own judgement about relying on the information provided. I am denying access to consumers' names and addresses, and any other identifying information found in the complaints. This information is exempt from release under FOIA Exemption 6, 5 U.S.C. § 552(b)(6), because individuals' right to privacy outweighs the general public's interest in seeing personal identifying information.

If you are not satisfied with this response to your request, you may appeal by writing to Freedom of Information Act Appeal, Office of the General Counsel, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington D.C. 20580, within 30 days of your receipt of this letter. Please enclose a copy of your original request and a copy of this response.

If you have any questions about the way we handled your request, or about our FOIA regulations or procedures, please contact Kathy Kelliher-Sloan at (202) 326-3253.

Sincerely,



Joan E. Fina  
Attorney

Enclosure

DECLARATION OF GAIL KUBINIEC  
PURSUANT TO 28 U.S.C. § 1746

I, Gail Kubinieć, make the following statement:

1. I am 35 years old, competent to give testimony, and the statements contained herein are based upon my own personal knowledge.
  
2. Until February 22, 2001, I worked part-time as an Assistant Manager for CitiFinancial in Tonawanda, New York. I am currently on Family Medical Leave from CitiFinancial, but I do not intend to return nor am I guaranteed a position given my previous part-time status. I worked for CitiFinancial in Tonawanda for approximately two and a half years. I spent the bulk of this time working in the same branch office. However, during the last six weeks, I worked in a different Tonawanda branch that had been acquired from The Associates. At that branch, I helped train the former Associates branch employees about CitiFinancial's products, procedures, and computer systems. In about January 2001, this former Associates branch was renamed "CitiFinancial." To my knowledge, it continues to operate as a CitiFinancial branch.
  
3. Prior to working in Tonawanda, I was an Assistant Manager in the Depew, New York branch for about one year. Prior to that, I worked as a Customer Service Representative for two years in the Lansing, Michigan branch. The Depew, New York and Lansing, Michigan offices were originally branches of Commercial Credit. When I joined Commercial Credit in 1995, I understood that it was owned by Sanford Weill, who is now

the head of Citigroup. Commercial Credit became part of Citigroup in about 1998. In about 1999, Citigroup renamed its Commercial Credit branches "CitiFinancial."

As a Customer Service Representative, my duties included cashiering, and selling, underwriting, and closing loans. As an Assistant Manager, I also trained employees.

Although employees were given some formal training, the informal, word-of-mouth training played a large role in the day-to-day operations and how employees conducted business. Branch offices tended to be small and have an open office structure, so employees were able to observe and hear other employees conduct business.

At CitiFinancial, emphasis was placed on marketing new loans, particularly real estate loans (loans secured by a home mortgage), to present borrowers of CitiFinancial. Employees would receive quarterly incentives, called "Rocopoly Money," based on how many present borrowers they "renewed" (refinanced) into new loans. Present borrowers were solicited for renewal loans about every six months. Employees were also encouraged to "convert" (refinance) retail installment loans and "bank drafts" (also known as "live checks") into larger personal loans or real estate loans. Each branch had a goal for "conversions" depending on the size of the branch. When I left CitiFinancial in February 2001, my branch's goal was to convert about 4.5% of these types of loans each month into a personal loan or real estate loan. If the branch met its goal, branch employees would receive Rocopoly Money and branch managers would receive bonuses, known as "ROC money" ("return on cash").

6. It was also common practice to renew delinquent loans to lower the delinquency rate. Often, employees would fabricate a reason in the paperwork to get approval for such a renewal. One reason for this was to avoid forced overtime work. If the delinquency rate was too high and over the branch's quota, employees had to stay late to get the percentage of delinquent accounts down.

7. In marketing renewal loans to customers (and before receiving their loan applications), employees would use information from customers' credit reports that was available on CitiFinancial's computer system, "Maestro." For example, if the system showed that the borrower had a number of open tradelines on their credit report, and available equity in their home, I would recommend a debt consolidation loan. In marketing loans, some inexperienced employees would obtain and use new credit reports on customers without their permission.

8. In selling loans, a common sales pitch at CitiFinancial was to tell consumers that the new loan would save them money. One common sales tool was a "Debt Relief Plan," which could be generated on Maestro. The Debt Relief Plan was a chart that compared a consumer's total monthly payments on his current debts with the total monthly payment on a proposed debt consolidation loan with CitiFinancial, and that showed how much money the consumer would save each month from the proposed loan. It also could display yearly savings from the proposed loan. The Debt Relief Plan was often sent to customers with a cover letter thanking the customer for his business and soliciting him for

the proposed new loan. Before a "blitz night," we would mail large numbers of Debt Relief Plans to customers. At a blitz night, employees had to work late to solicit present borrowers for new loans over the phone. During a blitz night, we would solicit customers using the Debt Relief Plans they had been sent in the mail. CitiFinancial does not include in a customer's monthly payment an escrow amount for property taxes and homeowner's insurance.

Typically, employees would only state the total monthly payment amount in selling a proposed loan. Additional information, such as the interest rate, and the financed points and fees, closing costs, and "add-ons" like credit insurance, were only disclosed when demanded by the borrower. Much of the loan process was structured around making the consumer comfortable with the total monthly payment, rather than disclosing every charge and add-on that was included. It was also common practice to try to sell borrowers the largest loan possible.

CitiFinancial also used direct mail offers to solicit new and present borrowers to take out loans. I felt these mailers were deceptive because most borrowers who responded to these offers did not qualify for the interest rate quoted in the offers, but rather were able to qualify only at a much higher rate. Managers would target these direct mail offers to certain zip codes, eliminating zip codes in higher income areas where consumers were unlikely to respond to the offers.

11. CitiFinancial also sells many different types of single-premium credit insurance and other add-on products (also referred to as "coverages") on personal and real estate loans, including Life, Disability, Involuntary Unemployment, Property, Home and Auto, and Appliance Guard. Home and Auto is a pre-paid plan that covers a set time period (e.g., \$1,200 for a ten year plan on a real estate loan) and which pays a consumer's deductible on other insurance if damage to the consumer's home or auto exceeds the deductible. Appliance Guard is a pre-paid plan that will pay for home appliances to be serviced during the time period of the plan.
12. All CitiFinancial branch offices had quotas for the sale of credit insurance. These quotas increased over time. At the time I left CitiFinancial in February 2001, the quota was \$100 of credit insurance for every \$1000 of loan held by CitiFinancial. Prior to that, it was \$95 per \$1,000 of loan. When I first started working in the Lansing, Michigan branch, the quota was \$60 per \$1,000 of loan. In addition, there were quotas for the sale of Home and Auto, and Appliance Guard. When I left CitiFinancial in 2001, my branch was expected to sell \$12,000 in Home and Auto or Appliance Guard each month. As a result of having these quotas, employees were not only encouraged to include coverages on their loans, but were essentially required to do so. If an employee submitted a loan for approval without any coverages, the branch manager would ask why there were no coverages and tell the employee that he had to sell at least one coverage. As a result, employees would try to include as many coverages as possible on loans. Loans were typically presented to consumers with "100% coverage," meaning that real estate loans

were presented with at least credit life and disability already included, and personal loans were presented with at least credit life, disability, involuntary unemployment, and property insurance already included. When quoting the monthly payment, I frequently quoted the payment with coverages already included, telling the consumer only that it was "fully protected." This was a common practice used by employees at CitiFinancial. If the borrower was comfortable with the monthly payment, then the employee would generally not disclose that specific coverages were included. Although CitiFinancial's formal training advised employees to quote the monthly payment both with and without coverages, employees typically only quoted the monthly payment with coverages. If borrowers objected to coverages at loan closing, branch managers would sometimes come to closings to "re-pitch" coverages in an effort to convince the borrower to accept them. If the borrower continued to object, another tactic was to tell the borrower that the loan could be re-written without the coverages but that it would take additional time. Some borrowers would accept the coverages rather than wait for the loan to be re-written.

The pressure to sell coverages came from CitiFinancial's Regional and District Managers. Each branch had monthly credit insurance sales goals to meet in accordance with the direction of the Regional and District Managers. If these goals were not met, the District Manager would call and put pressure on the Branch Manager to get the branch up to par. If the branch was not meeting the credit insurance quota, the Branch Manager would convene a meeting and possibly re-train employees on selling credit insurance. If the District as a whole was not meeting its goals, the District would conduct insurance sales

training for the branches in the District. Pressure was placed on employees and branches that did not meet their credit insurance goals. Each CitiFinancial branch kept a "performance chart" which tracked each employee's progress toward reaching his credit insurance and other goals. The chart kept track of the goals of every employee in the District. CitiFinancial branches competed with each other, so this chart was important in helping to determine which branch was in the lead. These charts also allowed Branch Managers to monitor their own employees' progress. If an employee was lagging behind, a manager would remind the employee that bonuses/incentives depended on meeting credit insurance goals, or otherwise pressure the employee to sell credit insurance

13. I and other employees would often determine how much insurance could be sold to a borrower based on the borrower's occupation, race, age, and education level. If someone appeared uneducated, inarticulate, was a minority, or was particularly old or young, I would try to include all the coverages CitiFinancial offered. The more gullible the consumer appeared, the more coverages I would try to include in the loan. If including all the coverages made the payment higher than the borrower's limit, I would include as many coverages as possible while keeping the payment within that limit. Most loans were sold with at least one type of coverage, and often loans had more coverages. If an employee was only able to include one type of insurance, it was encouraged that he should try to sell the coverage with the highest premium, for example personal property insurance on personal loans.

15 CitiFinancial trained employees to do a "closed folder" closing, meaning that information would be discussed orally first. Only after the borrower indicated that he wanted to sign would the employee open the folder and have the borrower sign the papers. At closings, employees typically did not state the monthly payment with and without coverages included, and did not go into detail about the terms, costs, and fees of the loan and coverages that were included. Closings were conducted by CitiFinancial employees, typically at the branch office. Closings would sometimes be held at borrower's homes, for example to bring a delinquent account current or if the borrower was bedridden or disabled.

20 CitiFinancial tracked delinquent accounts on the computer. For example, a 30-day late list could be generated, called a "hot-30 list." A high number of delinquencies in the branch affected employees' quarterly bonuses, and whether they had to stay after hours to work. I have observed employees harass and intimidate borrowers. For example, I know of employees who would show up at a person's house and refuse to leave until payment was received. This is known as "chasing" the account. Sometimes a manager would go with an employee to "chase" an account, even if it was only 30 days delinquent. Employees and managers would become more hostile toward borrowers at the end of the month because of the need to collect on delinquencies and meet their quotas. It was common practice to call borrowers at home and work, and sometimes, to call several times in one day, to collect on delinquent payments. I am also aware of employees who have disclosed information about borrowers' debts to their family members (e.g.,

mother) without the borrower's permission. Managers condoned whatever tactics an employee used, as long as he obtained the payment. On a couple of occasions, after a CitiFinancial borrower asked not to be called at work, I was told that Dave Fleming, a District Manager, erased the computer record of that request.

7 Each branch and region had goals for keeping the delinquency rate down. In my region, the quota/rate was 0.8% on personal loans. In addition, each employee had personal quotas for the number of personal and real estate loans he needed to close each month. Goals were set at the regional level and communicated to staff through meetings with the Branch Manager. The Regional and District Managers would have meetings with Branch Managers to communicate the monthly goals. Between meetings, District Managers would fax updates of the goals to the Branch Managers. Branch Managers had to turn in weekly progress reports regarding the status and number of loans and coverages sold. Branch employees received updates regarding their own status – *i.e.*, how close they were to meeting their goals – twice a month. When they did meet their monthly goals, employees would receive prizes such as plaques, dinner certificates, and small kitchen appliances out of a catalogue.

18. At the time of The Associates merger, my branch stopped selling credit life and disability insurance on real estate loans. My impression was that this was a temporary change to obtain approval for the merger. Although we stopped selling life and disability on real estate loans, we continued to sell Home and Auto, and Appliance Guard, on real estate

loans, and also continued to sell all coverages on personal loans.

I declare under penalty of perjury that the foregoing is true and correct.

EXECUTED on May, 2001, in Buffalo, New York.

Gail Kubiniec  
Gail Kubiniec

**DECLARATION OF GAIL KUBINIEC**  
**PURSUANT TO 28 U.S.C. § 1746**

I, Gail Kubiniec, make the following statement:

1. I am 35 years old, competent to give testimony, and the statements contained herein are based upon my own personal knowledge.
  
2. Until February 22, 2001, I worked part-time as an Assistant Manager for CitiFinancial in Tonawanda, New York. On February 22, 2001, I left CitiFinancial on unpaid maternity leave, with no intent to return to work there. On or about May 18, 2001, I gave CitiFinancial my written resignation. I worked for CitiFinancial in Tonawanda for approximately two and a half years. I spent the bulk of this time working in the same branch office. However, during the last six weeks, I worked in a different Tonawanda branch that had been acquired from The Associates. At that branch, I helped train the former Associates branch employees about CitiFinancial's products, procedures, and computer systems. In about January 2001, this former Associates branch was renamed "CitiFinancial." To my knowledge, it continues to operate as a CitiFinancial branch.
  
3. Prior to working in Tonawanda, I was an Assistant Manager in the Depew, New York branch for about one year. Prior to that, I worked as a Customer Service Representative for two years in the Lansing, Michigan branch. The Depew, New York and Lansing, Michigan offices were originally branches of Commercial Credit. When I joined Commercial Credit in 1995, I understood that it was owned by Sanford Weill, who is now

the head of Citigroup. Commercial Credit became part of Citigroup in about 1998. In about 1999, Citigroup renamed its Commercial Credit branches "CitiFinancial."

4. As a Customer Service Representative, my duties included cashiering, and selling, underwriting, and closing loans. As an Assistant Manager, I also trained employees. Although employees were given some formal training, the informal, word-of-mouth training played a large role in the day-to-day operations and how employees conducted business. Branch offices tended to be small and have an open office structure, so employees were able to observe and hear other employees conduct business.
  
5. At CitiFinancial, emphasis was placed on marketing new loans, particularly real estate loans (loans secured by a home mortgage), to present borrowers of CitiFinancial. Employees would receive quarterly incentives, called "Rocopoly Money," based on how many present borrowers they "renewed" (refinanced) into new loans. Present borrowers were solicited for renewal loans about every six months. Employees were also encouraged to "convert" (refinance) retail installment loans and "bank drafts" (also known as "live checks") into larger personal loans or real estate loans. Each branch had a goal for "conversions" depending on the size of the branch. When I left CitiFinancial in February 2001, my branch's goal was to convert about 4.5% of these types of loans each month into a personal loan or real estate loan. If the branch met its goal, branch employees would receive Rocopoly Money and branch managers would receive bonuses, known as "ROC money" ("return on cash").

6. It was also common practice to renew delinquent loans to lower the delinquency rate. Often, employees would fabricate a reason in the paperwork to get approval for such a renewal. One reason for this was to avoid forced overtime work. If the delinquency rate was too high and over the branch's quota, employees had to stay late to get the percentage of delinquent accounts down.
  
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10. CitiFinancial also used direct mail offers to solicit new and present borrowers to take out loans. I felt these mailers were deceptive because most borrowers who responded to these offers did not qualify for the interest rate quoted in the offers, but rather were able to qualify only at a much higher rate. Managers would target these direct mail offers to certain zip codes, eliminating zip codes in higher income areas where consumers were unlikely to respond to the offers.

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12. All CitiFinancial branch offices had quotas for the sale of credit insurance. These quotas increased over time. At the time I left CitiFinancial in February 2001, the quota was \$102 of credit insurance for every \$1000 of loan held by CitiFinancial. Prior to that, it was \$95 per \$1,000 of loan. When I first started working in the Lansing, Michigan branch, the quota was \$60 per \$1,000 of loan. In addition, there were quotas for the sale of Home and Auto, and Appliance Guard. When I left CitiFinancial in 2001, my branch was expected to sell \$12,000 in Home and Auto or Appliance Guard each month. As a result of having these quotas, employees were not only encouraged to include coverages on their loans, but were essentially required to do so. If an employee submitted a loan for approval without any coverages, the branch manager would ask why there were no coverages and tell the employee that he had to sell at least one coverage. As a result, employees would try to include as many coverages as possible on loans. Loans were typically presented to consumers with "100% coverage," meaning that real estate loans

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13. The pressure to sell coverages came from CitiFinancial's Regional and District Managers. Each branch had monthly credit insurance sales goals to meet in accordance with the direction of the Regional and District Managers. If these goals were not met, the District Manager would call and put pressure on the Branch Manager to get the branch up to par. If the branch was not meeting the credit insurance quota, the Branch Manager would convene a meeting and possibly re-train employees on selling credit insurance. If the District as a whole was not meeting its goals, the District would conduct insurance sales

training for the branches in the District. Pressure was placed on employees and branches that did not meet their credit insurance goals. In addition, each CitiFinancial branch kept a "performance chart" which tracked each employee's progress toward reaching his credit insurance and other goals. The chart kept track of the goals of every employee in the District. CitiFinancial branches competed with each other, so this chart was important in helping to determine which branch was in the lead. These charts also allowed Branch Managers to monitor their own employees' progress. If an employee was lagging behind, a manager would remind the employee that bonuses/incentives depended on meeting credit insurance goals, or otherwise pressure the employee to sell credit insurance.

14. I and other employees would often determine how much insurance could be sold to a borrower based on the borrower's occupation, race, age, and education level. If someone appeared uneducated, inarticulate, was a minority, or was particularly old or young, I would try to include all the coverages CitiFinancial offered. The more gullible the consumer appeared, the more coverages I would try to include in the loan. If including all the coverages made the payment higher than the borrower's limit, I would include as many coverages as possible while keeping the payment within that limit. Most loans were sold with at least one type of coverage, and often loans had more coverages. If an employee was only able to include one type of insurance, it was encouraged that he should try to sell the coverage with the highest premium, for example personal property insurance on personal loans.

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16. CitiFinancial tracked delinquent accounts on the computer. For example, a 30-day late list could be generated, called a "<sup>PER P</sup>hot-30 list." A high number of delinquencies in the branch affected employees' quarterly bonuses, and whether they had to stay after hours to work. I have observed employees harass and intimidate borrowers. For example, I know of employees who would show up at a person's house and refuse to leave until payment was received. This is known as "chasing" the account. Sometimes a manager would go with an employee to "chase" an account, even if it was only 30 days delinquent. Employees and managers would become more hostile toward borrowers at the end of the month because of the need to collect on delinquencies and meet their quotas. It was common practice to call borrowers at home and work, and sometimes, to call several times in one day, to collect on delinquent payments. I am also aware of employees who have disclosed information about borrowers' debts to their family members (e.g., a

mother) without the borrower's permission. Managers condoned whatever tactics an employee used, as long as he obtained the payment. On a couple of occasions, after a CitiFinancial borrower asked not to be called at work, I was told that Dave Fleming, a District Manager, erased the computer record of that request.

17. Each branch and region had goals for keeping the delinquency rate down. In my region, the quota/rate was 0.8% on personal loans. In addition, each employee had personal quotas for the number of personal and real estate loans he needed to close each month. Goals were set at the regional level and communicated to staff through meetings with the Branch Manager. The Regional and District Managers would have meetings with Branch Managers to communicate the monthly goals. Between meetings, District Managers would fax updates of the goals to the Branch Managers. Branch Managers had to turn in weekly progress reports regarding the status and number of loans and coverages sold. Branch employees received updates regarding their own status – *i.e.*, how close they were to meeting their goals – twice a month. When they did meet their monthly goals, employees would receive prizes such as plaques, dinner certificates, and small kitchen appliances out of a catalogue.

18. At the time of The Associates merger, my branch stopped selling credit life and disability insurance on real estate loans. My impression was that this was a temporary change to obtain approval for the merger. Although we stopped selling life and disability on real estate loans, we continued to sell Home and Auto, and Appliance Guard, on real estate

loans, and also continued to sell all coverages on personal loans.

I declare under penalty of perjury that the foregoing is true and correct.

EXECUTED on July, 20<sup>th</sup>, 2001, in Buffalo, New York.

Gail Kubiniec  
Gail Kubiniec

**DECLARATION OF MICHELE V. HANDZEL**

**PURSUANT TO 28 U.S.C. § 1746**

I, Michele V. Handzel, make the following statement:

1. I am 31 years old, competent to give testimony, and the statements contained herein are based upon my own personal knowledge.
  
2. Until August 15, 2001, I worked as a Branch Manager for CitiFinancial in Latham, New York. On August 16, 2001, I stepped down as Branch Manager because I returned to school. I was transferred and began working part-time as an Assistant Manager at the Clifton Park branch until November 1, 2001. On or about October 30, 2001, I gave CitiFinancial my written resignation. I worked in Latham for approximately three years. During the first two years of my tenure, the branch was owned by The Associates. On or about November 30, 2000, Latham became a CitiFinancial branch when Citigroup purchased The Associates.
  
3. Prior to working at the Latham branch, I was employed at other Associates branches. On or about April 4, 1994, I began my career with The Associates as an Assistant Manager at the Boynton Beach, Florida branch. In August 1995, I was promoted to Branch Manager at an Associates branch in Winterhaven, Florida. I remained in Winterhaven until April 1996 when I became the Branch Manager at Wappingers Falls, New York. From September through December 1997, I also assisted with the revitalization of the Parsippany, New Jersey branch. I helped develop Parsippany into a \$33 million annual operation. In December 1997, I left Wappingers Falls and became Branch Manager of the Parsippany branch exclusively. I remained at Parsippany until November 1998, when I became Branch Manager at Latham.
  
4. During my tenure with The Associates, I received numerous cash bonuses and rewards. (See, e.g., Attachments A-1 through A-3). Compensation was largely driven by how

much profit branches produced. Under my direction, the Wappingers Falls branch was one of the top-selling insurance branches in the country. As branch manager, I was rewarded with membership in the "President's Association," a cash bonus, and an all expenses-paid vacation to a luxurious spa in Boca Raton, Florida. (See Attachment B). At the Latham branch, I received awards for earning the best numbers in the state for overall branch growth in 2000. In that year, my branch grew by \$3 million and had the lowest delinquency numbers in the state. I earned approximately \$35,000 in cash bonuses over the course of my employment with the company.

5. As an Assistant Manager in Boynton Beach, my primary work was in the area of collections, but I also engaged in lending. I sold approximately one or two real estate loans, 10 to 15 personal loans, and two sales finance loans from dealers, per month. As a Branch Manager, I was responsible for overseeing the operations of the entire branch and supervising the work of several employees. I also trained employees. Although employees were given some formal training, the informal, word-of-mouth training played a large role in the day-to-day operations and how employees conducted business. Branch offices tended to be small and have an open office structure, so employees were able to observe and hear other employees conduct business.
6. The Associates emphasized marketing new loans, particularly real estate loans, to present borrowers and sales finance customers. The company frequently participated in, or purchased retail installment finance contracts. These loans were called "Associates Time Payments" ("ATPs"). When The Associates became a party to an ATP loan, it acquired information regarding the customer, including the customer's credit report and the amount of his or her home equity. Immediately after the company became a party to an ATP loan, Associates' employees were instructed to contact the customer and "upsell" or "convert" the loan to a larger loan, preferably a home equity loan. Employees were also encouraged to convert "live checks" into larger personal loans or real estate loans. Converting ATP loans and live checks to larger home equity loans generated substantially

more income for the company in the form of points, insurance premiums, and other fees.

7. At The Associates, I was taught to renew, or refinance, as many loans as possible. Real estate and personal loan renewals represented the majority of the loans made at my branch. Renewals were important to fulfilling The Associates' goal of establishing "customers for life." Group Managers would order "Customer Appreciation Days." On those occasions, branches would call their present borrowers in an effort to make as many renewals as possible. In preparation for the Customer Appreciation Days, we would send out offers for renewals pursuant to my Senior Vice President's instructions. These offers were widely disseminated to the branch's customers, even those customers whose loans had been previously renewed. It was not uncommon to renew a customer's loan repeatedly, a practice referred to as "flipping." For example, at the Boynton Beach branch, we flipped a customer's loan for three consecutive months merely because she had the equity in her property to do so.
8. At The Associates, I was trained to contact present borrowers who were past due on payments for the purpose of renewing their loans. For the company, renewals were an effective way of shoring up delinquencies. Renewing past due loans brought the account current, which made the branch's books look good and allowed The Associates to charge points on the new loan. The ideal target for a renewal was a customer with \$30,000 of equity in their home and delinquent payments. It was very easy to sell that type of customer on a renewal. On average, I re-wrote loans for two or three of my thirty-day delinquent customers every month.
9. The Associates' Home Office and Group Managers also ordered me and other branch employees to renew home equity loans that were less than two years old. This was encouraged because The Associates' loans were structured to provide more profit and higher yields to the company during the earlier years of the loan.

10. In marketing renewal loans to borrowers and before receiving their loan applications, other employees and I would use information from borrowers' credit reports that was available in their files. Until early 1998, other employees and I sometimes pulled entirely new credit reports to prepare a renewal loan proposal, even before the borrower had applied for the loan.
11. In selling and renewing loans, a common sales pitch at The Associates was to tell consumers that the new loan would save them money. One common sales tool was the "Equity Advantage Plan." The Equity Advantage Plan ("EAP") was a chart that compared a consumer's total monthly payments on his current debts with the total monthly payment on a proposed debt consolidation loan with The Associates, and that showed how much money the consumer would save each month with the proposed loan. It also could display yearly savings from the proposed loan. The EAP did not include points or credit insurance in the proposed loan amount, and thus, misled borrowers about the loan amount and "savings" associated with renewing their loans. Sometimes, I would quote the interest rate along with the monthly payment when selling an EAP, but I was trained by The Associates to always quote the agreed rate instead of the annual percentage rate ("APR"). If borrowers noticed the disparity between the agreed rate and the APR when they came to the branch to close the loan, I was taught by The Associates to minimize the points by telling borrowers that they were getting a lower interest rate on their loans by paying the points.
12. There was a lot of pressure from upper management to use the EAP. Employees were required to prepare and send out five new EAP presentations per day. Copies of EAPs were kept in a "follow-up" file so that if a customer did not express interest in a proposed loan, employees could call the customer and re-solicit him or her within a few days.
13. Another sales tool that I was taught to use at The Associates was the "What If?" solicitation pitch. The "What If?" was a sales program used primarily with present

borrowers who were homeowners. The "What If?" was usually initiated with a phone call, asking the customer, for example, "what if I could show you how to save \$300 every month, and take away all your credit card payments?" The Associates provided me with a script to use in making the "What If?" call. Before making the call, I would prepare one or more loan proposals using the customer's loan file, including his or her prior loan application and credit report on file. Often, other employees and I would use the EAP when drawing up these loan proposals. The amount that a borrower could potentially "save" was calculated manually on the EAP. Other times, we would use the "What If?" solicitation program directly on The Associates' computer system. On the "What If?" program, potential savings were calculated automatically by the computer. The computer calculated the difference between the borrower's total monthly payments on his current debts with the monthly payment on the proposed loan to determine the monthly savings amount. I felt that the monthly savings amount was misleading because it did not take into account points, fees, and credit insurance. In addition, other employees and I did not explain to borrowers that by consolidating their debts pursuant to the "What If?" or the EAP they were essentially taking a short-term debt, like a car loan, and spreading it out over the length of a first or second mortgage loan, typically 15 or 20 years. On proposed first mortgage loans, I also did not explain, and the monthly savings did not incorporate, that The Associates did not escrow for homeowners' insurance or property taxes, and that the consumer needed to budget for these costs separately.

14. The Associates sold various types of single-premium credit insurance products such as Life, Disability, Involuntary Unemployment, and Personal Property. It also sold other ancillary products on personal and real estate loans, including Spree and USAC. I was trained to use several methods to make sure that my loans always included credit insurance and/or other add-on products, a practice commonly referred to as "packing." First, when I proposed a loan to a customer, I was taught to automatically include insurance in his or her monthly loan payment without mentioning it to the borrower. Accordingly, I always tried to include credit insurance on every loan before I gave the

customer a monthly payment quote. This was especially true if I felt that I could include the insurance without eliciting a complaint from the customer. In addition, if I was renewing a loan with credit insurance, I would automatically include the same insurance coverages in the renewal. I also observed numerous loans that were sold by other Associates' employees. The same method of automatically including insurance in monthly quotes was used by other Associates' employees and managers.

15. Second, I was taught to always "sell the monthly payment." This instruction was repeated often by my Group Managers. By "selling the monthly payment," Associates' employees, including myself, could shift the focus away from the cost of insurance and other loan terms such as the interest rate and points. Based on my personal experience, most Associates' customers had very little financial sophistication and did not realize that without the credit insurance, they could borrow the same amount of money at far lower monthly payments. As a result, I was trained that I should not tell the customer that the monthly payment quote included insurance prior to loan closing. I would merely prepare the insurance applications and forms and include them with the rest of the loan papers at closing. If the customer should happen to notice at closing that I had automatically included the insurance, it was easy to convince them to go through with the closing because the monthly payment had not changed from the initial quote I had given them.
16. Third, I was encouraged to not tell customers that they had a choice regarding insurance unless they specifically asked whether the insurance was optional. If the customer happened to ask questions about the insurance, I would tout the benefits of the insurance and avoid telling them that it was not required to get the loan. It was particularly easy to sell insurance to my Spanish speaking customers because often they were not financially savvy. Pursuant to the instructions of The Associates' Insurance Sales Director for the Northeast Region, Diane Sarday, I would not even use the term insurance but would refer to it as "total payment protection."

17. Initially, I was taught that I should never tell customers what the monthly payment would be with and without insurance, unless they specifically asked that question. Starting in 1998, company policy was to quote monthly payments with and without insurance. In practice, we did not always follow this policy because it made it more difficult to sell insurance, and thus, meet the profit goals set forth by management. Usually, we would quote monthly payments with and without insurance only when we were told that we were on the roster to be "mystery shopped," which was the sole compliance tool that management used to insure that we were quoting payments with and without insurance. Management gave other employees and me a "cheat sheet" to use in connection with the mystery shopper calls. This cheat sheet listed an estimate of what a borrower's monthly payment would be with and without insurance for all sizes of loans.
  
18. Even after the policy change in 1998, there continued to be tremendous pressure to sell credit insurance on every loan. (See Attachment C). Credit insurance was so important to The Associates that sales were tracked on a Daily Status Report ("DSR") for each branch. Credit insurance sales accounted for a high percentage of income at the branches where I worked because we earned about 65% of the credit insurance premium. Maintaining high credit insurance sales totals was important to offset losses at the branch level. The pressure to sell credit insurance came mainly from Group Managers. Each branch had monthly credit insurance sales goals to meet in accordance with the directions of upper management, including Senior Vice Presidents and Group Managers. If these goals were not met, the Group Manager would call and put pressure on the Branch Manager to get the branch up to par.
  
19. Because credit insurance sales were a high priority at The Associates and a large part of my branches' profits, I worked my hardest as a Branch Manager to meet the company's goals. I instructed my branch to include as many credit insurance products as possible on each loan. Throughout the majority of my tenure with the company, I was one of The Associates' top credit insurance salespeople. I was designated a "Premium Performer"

for the entire nation, a title awarded to the top one or two credit insurance salespersons in each state. (See Attachment A-1). I also received the Presidents' Association award which rewarded the top one or two earners in the state. (See Attachment B).

20. In February 1999, I stopped packing insurance after one of my subordinates complained to Human Resources that I would not sign off on a loan that did not include insurance. As a result of the complaint, I was required to meet with a representative from Human Resources. I was not reprimanded for requiring the employee to pack the insurance but merely told not to write down any instructions to pack insurance in the future. Additionally, my Senior Vice President, Doug Jones, told me that I had done the right thing requiring the employee to include the insurance on the loan. Nonetheless, after this incident I stopped pressuring my employees to pack insurance.
21. At The Associates, loan closings were brief. Personal loan closings usually took no more than 10 minutes. For real estate loans, we merely gave the customer a cursory explanation of the loan. Generally, we did not discuss points, credit insurance, and other fees, unless the customer specifically asked about them. Other employees and I typically did not state the monthly payment with and without insurance coverages included, nor did we typically volunteer that the coverages were optional and not required to obtain the loan. Essentially, we would show the customer the first page of a loan document, show them the last page, and indicate where they had to sign.
22. The Associates was brutal in attempting to collect delinquent accounts. I was trained to call customers as many as ten times a day, especially at month's end. I would call customers at work even if they had requested otherwise. The company had an informal policy that employees should disregard a customer's request not to be called at work unless the customer put it in writing. However, employees, including myself, would not inform customers of this requirement until they registered their third or fourth request not to be called at work. I was given a company car so that I could "chase" delinquent

accounts. "Chasing" means showing up at a customer's house to collect on the delinquency. Managers condoned whatever collections tactics an employee used, as long as the employee obtained payment. Employees and managers would become more hostile toward borrowers at the end of the month because of the need to collect on delinquencies and meet their quotas.

23. On the whole, my managerial responsibilities remained the same after CitiFinancial and The Associates merged. However, one notable exception was that if one of my CitiFinancial branch employees was not meeting his or her insurance sales goals, he or she was placed on "Daily Follow-Up Status." This meant that as the Branch Manager I was required to come in during the loan closing and give the borrower an extra push to purchase the credit insurance. (See Attachments D-1 through D-5). This is just one example of the way District Managers at CitiFinancial micro-managed branch managers and employees; I felt that I had little direct control over the way my branch was run.
24. Another difference between The Associates and CitiFinancial relates to employee compensation. Compensation at CitiFinancial was tied to meeting monthly goals as it was at The Associates; however, the compensation was not as generous and the goals were much more difficult to meet at CitiFinancial. (See Attachment E). The bonus structure at CitiFinancial was such that there were several quotas to meet, and even if we hit all of those quotas, we might still only earn \$1000 to split among five employees. In addition, the pay scale at CitiFinancial was less than at The Associates.
25. One constant at both companies was the emphasis on renewals. (See Attachments F-1 through F-2). CitiFinancial provided employees with incentives to renew present borrowers and sales finance customers. For example, employees received bonuses whenever they renewed a loan that included an advance of over \$500. This incentive encouraged me and other employees to renew loans with larger cash advances because we were eager to earn the bonuses. In fact, there was so much pressure at CitiFinancial to

generate renewals that <sup>Some</sup> ~~other~~ employees and <sup>often</sup> ~~often~~ did not even bother to obtain customers' signatures on the renewal loan documents.

26. Like The Associates, CitiFinancial marketed renewal loans, particularly real estate loans, to present borrowers and sales finance customers, including through the use of "live checks" known as "bank drafts." Like The Associates, the majority of CitiFinancial's loans came from renewals. Both companies depended heavily on present borrowers and sales finance customers to create growth. At CitiFinancial, renewals were an effective tool to manipulate delinquency numbers as well. In my opinion, renewals did not provide much benefit to CitiFinancial's customers. Rather, renewals were merely a "band-aid" to their financial troubles and served to put many of them further into debt.
27. In selling and renewing loans at CitiFinancial, we utilized a sales tool called the "Debt Relief Plan." (See Attachments G-1 through G-2). The Debt Relief Plan ("DRP") functioned like the EAP at The Associates. It appeared as a screen on Maestro, CitiFinancial's computer system. The DRP compared a consumer's total monthly payments on his current debts with the total monthly payment on a proposed debt consolidation loan with CitiFinancial, and showed how much money the consumer would save each month with the proposed loan. After September 2001, using the DRP on Maestro made it easier for me and other employees to automatically include credit insurance in the proposed monthly payment quote. We no longer had to manually calculate how much credit insurance could be slid into the loan without exceeding the proposed monthly payment; Maestro automatically performed this calculation. Furthermore, Maestro enabled us to print the DRP as displayed on the computer screen and mail it directly to a customer.
28. Like The Associates, CitiFinancial sold four types of single-premium credit insurance products: Life, Disability, Involuntary Unemployment, and Personal Property. In addition, CitiFinancial sold other ancillary products including "Home & Auto Sales

Plans” (“HASP”) and “Appliance Guard.” CitiFinancial put much more pressure on employees than the Associates did to include as many credit insurance and ancillary products as possible on every loan. (See Attachments H-1 through H-2). In fact, I feel that the credit insurance sales practices at CitiFinancial were worse than at The Associates. From January to June 2001, the policy was that no personal loan at CitiFinancial would be approved if it did not include some type of credit insurance, nor would a real estate loan be approved without some type of ancillary product, such as HASP or Appliance Guard. There were several internal measures in place to effectuate this policy. For instance, District Managers would frequently refuse to send a loan to underwriting if it did not include some type of insurance product. Moreover, loans that were closed and did not include any insurance would be identified by CitiFinancial’s internal insurance auditors, and the employee who closed the loan would be written up. CitiFinancial also had many more reports that tracked insurance sales than The Associates. Furthermore, Branch Managers, such as myself, were required to come in during loan closings if a branch employee was having trouble selling the insurance. (See Attachments D-1 through D-5). Our role was to provide added leverage to guarantee that the insurance would be included on the loan.

29. In order to maximize credit insurance sales and to increase loan security, CitiFinancial distributed the “assumptive co-signer memo.” (See Attachment D-1). This memo required employees to ask the borrower the name of his or her spouse when taking a loan application, and then add the spouse as a co-applicant on the loan, without mentioning it to the borrower. When the customer came to the closing, he or she was required to get his or her spouse’s signature to close the loan. Once the spouse was added, the employee could automatically write up the loan to include joint rather than single insurance coverage, thus, increasing the insurance premium and the company’s profits.
30. Most of the training that other employees and I received at CitiFinancial was “on-the-job.” As a Branch Manager, I felt that CitiFinancial simply threw me into its operations

because of my previous experience with The Associates. After CitiFinancial and The Associates merged, I attended a mandatory insurance training session on January 3, 2001. At this time, other former Associates employees and I were introduced to CitiFinancial's nationwide "Selling it Right" program on credit insurance. This training stressed the sale of Home & Auto Sales Plans and Appliance Guard on every loan and incorporated the "mouse pad" presentation. Pursuant to that training, we were given a mouse pad which we were required to keep on our desks near our computers. The mouse pad contained instructions on how to automatically include credit insurance on loans when soliciting customers over the phone. (See Attachment I). These instructions were supposed to be followed verbatim, but like any script, people would modify it to their own liking. Some of the instructions were contained in parentheses, but that was for the employees' information and not supposed to be read to the borrower. The mouse pad instructions did not quote the monthly payment with and without insurance; rather, it first quoted the payment with insurance included. Later, it broke down the cost of the insurance into cents per day and compared that figure to the monthly payment amount without the credit insurance. Use of the mouse pad was strictly enforced by Diane Sarday and by all levels of management.

31. CitiFinancial instructed us to remove the mouse pads from our desks when banking examiners came to audit my branch in May 2001. Also on or about May 2001, the company instituted a policy pursuant to which it sent notification letters to borrowers two weeks after their loan closings informing them of the loan terms and insurance products on their loans. Many customers called the branch upon receiving these letters and cancelled the credit insurance on their loans. A large number of them told me that they had not been aware that credit insurance had been included in their loans.
32. In addition to the Selling it Right training session, CitiFinancial held sales meetings to teach employees how to sell HASP and Appliance Guard. Dave Devario, a representative of American Health and Life Insurance Company, a Citigroup subsidiary, was the

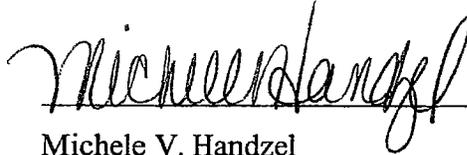
ancillary salesperson for Home & Auto Sales Plans and facilitated these sessions. Home & Auto Sales Plans and Appliance Guard were big money makers for CitiFinancial, as they accounted for approximately 65% of the branch's premium revenue. As a result, there was a lot of pressure from the company to include them on every loan.

33. Closings at CitiFinancial resembled those at The Associates – they were brief. Personal loan closings took approximately 10 minutes. Real estate loan closings took a little longer but also did not provide a lot of details about the loan. At CitiFinancial, I was instructed to do a “closed folder” closing, meaning that information would be discussed orally first. Only after the borrower indicated that he wanted to sign would the employee open the folder and have the borrower sign the papers.

34. Collections practices were more aggressive at CitiFinancial than at The Associates. CitiFinancial had a policy whereby loans were charged-off after two months of delinquency, rather than six months like at The Associates. Thus, there was a greater urgency to collect on a delinquent account before having to charge it off. Consequently, this policy also resulted in more flipping because the company did not want to lose the accounts and the profits generated by those accounts to a charge-off. Another reason I believe collections practices were more aggressive at CitiFinancial is because collections calls started sooner after a customer had a late payment. If a customer was five days past due, CitiFinancial required us to call the person repeatedly. We were required to call delinquent customers multiple times a day, at home and at work. My District Manager, Mike Moniot, would make us work late on week nights and on weekends to meet our collections goals. (See Attachment J). I observed several CitiFinancial employees call third parties and disclose the customers' debts to them. I also know of an employee at CitiFinancial's Rensselaer, New York branch who would falsely represent to the customer that she was an attorney calling from the legal department in order to collect on a delinquency. This employee also performed this “service” for other branches upon their request.

I declare under penalty of perjury that the foregoing is true and correct.

EXECUTED on 2/12, 2002, in Clifton Park, New York.

  
Michele V. Handzel

**ATTACHMENT A-1**



**ASSOCIATES  
INSURANCE GROUP, INC.**

---

**DATE:** February 24, 1997  
**TO:** 1996 Premium Performers  
**FROM:** L. J. Nemazie *LJN*  
**RE:** Premium Performers Awards

---

Congratulations! You are one of 350 PREMIUM PERFORMERS who demonstrated superior performance by surpassing your insurance MBP goal for 1996. Please proudly display the enclosed personalized plaque in honor of your achievement -- you and your branch worked hard and deserve our thanks. We look forward to your continued outstanding performance throughout this year and wish you the best of luck on becoming a PREMIUM PERFORMER again for 1997.

**ATTACHMENT A-2**



**ASSOCIATES FINANCIAL SERVICES COMPANY, INC.**  
A SUBSIDIARY OF ASSOCIATES CORPORATION OF NORTH AMERICA

July 18, 1997

Michelle Handzel  
Branch Manager  
0322 Wappingers Falls, NY

Dear Michelle,

Congratulations! Your efforts throughout last quarter have resulted in your award of a second quarter bonus. The results you achieved are appreciated and truly reflect the "Tradition of Excellence" at The Associates.

I want to personally thank you, as well as the employees who contributed to the branch's success, for all your hard work and wish you good luck on the next quarter's performance.

Regards,



H. J. Fullen  
Executive Vice President

HJF/rsj

"Values Driven in '97"

**ATTACHMENT A-3**

**CBTM2341**

**From:** Jones, Bruce  
**Sent:** Monday, August 02, 1999 10:26 AM  
**To:** Northeast Region - Jones,B  
**Cc:** 'RICHSS@AOL.COM'  
**Subject:** BRANCH OF THE MONTH

**ATTN--ALL EMPLOYEES**

**THE BRANCH OF THE MONTH FOR 7/99----IS **LATHAM**.....**  
**THERE RESULTS WERE AS FOLLOWS.....**

<b>1-INTERNAL GROWTH</b>	<b>177K</b>
<b>2-NEW \$\$ VOLUME</b>	<b>556K</b>
<b>3-RE VOLUME</b>	<b>10 UNITS</b>
<b>4-ATPC %</b>	<b>7.7%</b>
<b>5-ATP-RE</b>	<b>3</b>
<b>6-INS SALES</b>	<b>26K</b>
<b>7-HSP SALES</b>	<b>5,679</b>

**JUST A SOLID PERFORMANCE BY MICHELE AND TEAM, BRANCH DINNER FOR ALL EMPLOYEES....GREAT JOB ....**

***BRUCE JONES***  
***GROUP OVP***

**FTC 0023692**

**ATTACHMENT B**



March 6, 1998

Michelle Handzel  
Associates  
0322 Wappingers Falls NY

Dear Michelle:

Through your outstanding commitment to business excellence, you have earned membership into the 1997 President's Association. This remarkable accomplishment is a reflection of your dedicated efforts to achieve quality growth, expense control, profit improvement and superior customer satisfaction.

I would like to congratulate you on this honor. As a member of President's Association, you are recognized as one of the company's top performers in 1997. I look forward to seeing you in Boca Raton, Florida, in April, as we celebrate all of our 1997 winners and their accomplishments.

Congratulations once again on achieving this "point of excellence."

Sincerely,

T.R. Stone

FTC 0023709

*The Point Of Excellence*

**CONGRATULATIONS TO THE  
100TH PRESIDENTS ASSOCIATION  
MEMBERS**

KAREN MARSILLO  
MICHELLE HANDZEL  
SCOTT SMITH  
LORI FONTAINE  
PAT BROKHOFF  
MIKE KUCZKOWSKI  
ROGER MCCLEARY  
AL PICO

BROOKLYN, NY  
WAPP. FALLS, NY  
LIVERPOOL, NY  
GLENS FALLS, NY  
LATHAM, NY  
FAIRLAWN, NJ  
COLONIE, NY  
WHITE PLAINS, NY

PEG HARBRIDGE  
GERULDSEN  
BRUCE JONES  
ED O'DONNELL  
LENNY SABURRO

CENTRAL NY GROUP VPMARGIE  
METRO NY GROUP VP  
EMPIRE NY GROUP VP  
ATLANTIC NJ GROUP VP  
LIBERTY NY GROUP VP

**KELLY MEYER**

**OVP**

**SEE YA IN BOCA!**

**S.D. DIUBALDO**

**ATTACHMENT C**



**ATTACHMENT D-1**

*Tina is not present to sign*

*(DM)*

**P/L \$/1000 ACTION PLAN  
ALBANY DISTRICT**

- 1) FAX TO DM  
FINAL DEAL SCREEN AND MAESTRO NOTES ON ANY LOAN < \$86  
NOTES MUST INDICATE REASON WHY LOAN BELOW \$86 AND  
WHAT CUSTOMER OBJECTION WAS.  
  
EVERY MONDAY AM ALL EMPLOYEES FAX \$/1000 LOGS
- 2) JOINT PROTECTION  
ASK EVERY APPLICANT NAME OF SPOUSE AS ASSUMPTIVE  
QUESTION AND ADD AS COAPP. DO NOT ASK IF THEY WANT TO PUT  
SPOUSE ON LOAN, SIMPLY ASK FOR NAME AND CONTINUE.
- 3) PERSONAL PROPERTY  
ANY LOAN WITHOUT FULL LISTING TO COVER AT LEAST AMOUNT  
FINANCED MUST FAX FINAL DEAL SCREEN AN MAESTRO NOTES  
INDICATING WHY WE CAN'T GET FULL LISTING.
- 4) ANY EMPLOYEE BELOW \$86 AT CLOSE OF BUSINESS 4/6 WILL BE  
REQUIRED TO HAVE BRANCH MGR OR INSURANCE SPECIALIST WITH  
THEM AT EVERY LOAN CLOSING UNTIL ABOVE \$86.
- 5) ANY EMPLOYEE BELOW \$86 WILL LOSE AUTHORITY TO CLOSE LOANS IF  
BELOW \$86 AT CLOSE OF BUSINESS 4/20. MANAGER OR INS SPECIALIST  
WILL CLOSE THE LOANS.
- 6) MANAGER DESIGNATE INSURANCE SPECIALIST TO COME IN ON ANY  
THAT CUSTOMER OBJECTS TO PROTECTION AS BACK UP MANAGER.
- 7) MOUSEPAD PRESENTATION ON EVERY APPROVAL.
- 8) CLOSED FOLDER PRESENTATION ON EVERY CLOSING.

*David Mandy*  
*John [unclear]*  
*Mandy*  
*[unclear]*  
*[unclear]*

**ATTACHMENT D-2**

PERSONAL LOAN PAYMENT PROTECTION LOG

APR 1 201

MONTH

EMPLOYEE NAME

BRANCH # 32 0060

For: Lafran MD

CL	AM	INT	PROP	TOTAL PREM	VOL	\$IK	MTD PREM	MTD VOL	MTD \$IK	H&A
<del>PRD</del>	<del>PRD</del>	<del>PRD</del>	341.85	4999.93	7649.96	44.71	341.85	7649.96	44.71	
DNA	DNA	DNA	177.28	3000.	516.68	36.18	519.13	12192.84	49.57	
<del>PRD</del>	<del>PRD</del>	<del>PRD</del>	3000.	3000.	4294.08		519.13	16486.97	49.57	
DNA	DNA	DNA	1149.98	162.278	1157.76	67.25	1634.11	33049.34	49.42	

MATERIAL REDACTED

Michael; Yan or Carmen  
 must close Loan; Loan for  
 The remainder of The month

MATERIAL REDACTED

CL	AM	INT	PROP	TOTAL PREM	VOL	\$IK	MTD PREM	MTD VOL	MTD \$IK	H&A
<del>PRD</del>	<del>PRD</del>	<del>PRD</del>		1121.50	2978.60			2978.60		
<del>PRD</del>	<del>PRD</del>	<del>PRD</del>		7119.19	21267.18			21267.18		

MPA

PERSONAL LOAN PAYM. JT PROTECTION LOG  
 EMPLOYEE NAME 1192 BRANCH # 060 9163200 21F

MONTH

DATE	LOAN NAME	CL	AH	INT	PROP	IASI	TOTAL PREM	VOL	SIK	MTD PREM	NATD VOL	MTD SIK	HSA
4/10/01			NE	NE	119.99	0	1107.70	504.74	33.810	107.70	504.44	33.210	TD
4/19/01			NE	NE	37.00	0	8108.88	9544.32	91.03	10310.58	14885.70	71.018	499.95
4/12/01			NE	NE	351.00	0	708.28	12145.10	109.55	1744.810	21051.50	82.810	TD
4/20/01			NE	NE	318.00	0	367.31	30104.99	118.95	2112.19	31661.00	87.310	NE
4/12/01			NE	NE	318.00	0	375.93	10120.00	121.42	2478.10	30187.80	82.09	TD
4/13/01			NE	NE	991.23	0	1380.108	13173.1	104.81	3858.78	12330.80	88.99	TD
4/18/01			TD	TD	TD	0	0	13205.40	0	3858.78	108453.40	74.05	499.95
4/18/01			TD	TD	TD	0	1251.25	11887.20	105.810	5110.03	71101.00	105.83	TD
4/19/01			TD	TD	TD	0	0	9173.40	0	5110.03	71101.00	105.83	TD
4/19/01			TD	TD	TD	0	1041.73	5942.88	78.20	5574.710	8350.96	100.70	TD
4/20/01			TD	TD	TD	0	1048.13	9016.81	76.31	6262.89	9250.80	107.00	NE
4/23/01			TD	TD	TD	0	292.91	272.34	105.05	1055.80	9335.80	108.75	TD

MATERIAL REDACTED

Miscellaneous

Yan or Carmen must close  
 your loans for the rest  
 of the month. Mya

MATERIAL REDACTED

4/18/01  
 4/18/01  
 4/23/01

**ATTACHMENT D-3**

15 PARK AVE.  
CLIFTON PARK, NY 12085  
PHONE: (518) 383-3389  
FAX: (518) 383-3527

**Citifinancial  
Albany District**

# Fax

**To:** MANAGERS **From:** MIKE MCNIOT

---

**Fax:** **Pages:** 1

---

**Phone:** **Date:** 6/11/01

---

**Re:** P/L \$/1000 FOLLOW UP **CC:**

---

**Urgent**  **For Review**  **Please Comment**  **Please Reply**  **Please Recycle**

THIS MONTH I WANT ALL EMPLOYEES TO STRIVE FOR AT LEAST THE \$88 SUPERIOR LEVEL.  
EMPLOYEES BELOW \$80 WILL BE ON A FOLLOW UP PROGRAM UNTIL THEY ACHIEVE AT  
LEAST \$90 AS FOLLOWS:

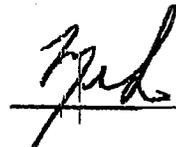
- 1) MANAGER INVOLVED ON EVERY APPROVAL QUOTATION AND LOAN CLOSING
- 2) FAX BLACK AND WHITE SCREEN PRINT OF EVERY LOAN CLOSED WITH \$/1000 WRITTEN  
ON SCREEN TO DM.
- 3) I WILL CALL EMPLOYEE TO REVIEW ANY LOAN CLOSED BELOW \$100.

THE FOLLOWING EMPLOYEES ARE BELOW \$80 AND ON THIS PROGRAM:

NICOLE RUBY, HELEN RICHARDSON, LORI FONTAINE, CHRIS MULLIN, ELISA BURKE,  
CARMAN VALOZE, TINA STALKER, DAN MORRELL.

STICK WITH THIS PROGRAM LADIES AND GENTLEMEN. I AM CONFIDENT YOU WILL EXCEED  
THE SUPERIOR LEVEL THIS MONTH. FAX ME YOUR \$/1000 LOG WHEN YOU ARE ABOVE \$90  
MTD AND YOU ARE OFF THIS PROGRAM.

OUR DISTRICT TEAM OPENS THIS WEEK AT \$84. YOU ARE THE KEY TO GETTING OUR TEAM  
ABOVE SUPERIOR. LET'S DO IT.



FTC 0023907

**ATTACHMENT D-4**

15 PARK AVE.  
CLIFTON PARK, NY 12065  
PHONE: (518) 383-3399  
FAX: (518) 383-3527

**Citifinancial  
Albany District**

# Fax

**To:** MANAGERS **From:** MIKE MONJOT

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**Fax:** **Pages:** 1

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**Phone:** **Date:** 6/26/01

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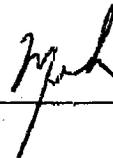
**Re:** P/L \$/1000 FOLLOW UP PLAN **CC:** ROCCO LEONE

---

**Urgent**     **For Review**     **Please Comment**     **Please Reply**     **Please Recycle**

ENOUGH IS ENOUGH LADIES AND GENTLEMEN. WE DID NOT ACHIEVE THE IMPROVEMENT I HOPED FOR LAST WEEK THE FOLLOWING IS IN PLACE EFFECTIVE TODAY FOR THE REMAINDER OF THIS MONTH:

- TOM POLITANO, CINDY LEE: YOU ARE SUBSTANTIALLY BELOW THE MIN \$/1000 LEVEL YOU WILL PERSONALLY CLOSE ALL PERSONAL LOANS THE REST OF THIS MONTH.
- THE FOLLOWING EMPLOYEES ARE ON DAILY FOLLOW UP : JANINE FRALEIGH, SHELLY PICKMAN, ELISA BURKE, MARIA PARENTE, CARMAN VALOZE, CORINNA CUSANO, NICOLE RUBY.
  - MANAGER IS PERSONALLY INVOLVED ON EVERY APPROVAL QUOTATION AND LOAN CLOSING.
  - FAX FINAL DEAL SCREEN ITH \$/1000 WRITTEN ON TO ME ON EVERY LOAN CLOSED. I WILL CALL YOU TO REVIEW ANY LOAN <\$100.



FTC 0023904

**ATTACHMENT D-5**

15 PARK AVE.  
CLIFTON PARK, NY 12065  
PHONE: (518) 383-3399  
FAX: (518) 383-3527

**Citifinancial  
Champlain Mohawk  
Hudson District**

**Fax**

Reminder!

**To:** MANAGERS **From:** MIKE MONIOT

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**Fax:** **Pages:**

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**Phone:** **Date:** 12/30/00

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**Re:** GOOD AND EXCELLENT APPS. **CC:**

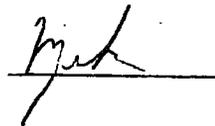
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Urgent  For Review  Please Comment  Please Reply  Please Recycle®

I JUST COMPLETED A REVIEW OF GOOD/EXCELENT REJECTS IN MY WORKLIST. I AM DEEPLY DISTURBED BY THE LACK OF FOLLOW UP AND SALESMANSHIP EXHIBITED ON THESE APPLICATIONS. WE ARE LOSING FOCUS ON THE IMPORTANCE OF BOOKING THESE LOANS. HERE IS A REMINDER OF WHAT I EXPECT:

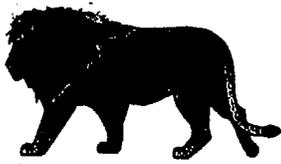
- 1) GOOD AND EXCELLENT APPS ARE TO BE APPROVED/DECISIONED WHILE THE CUSTOMER IS ON THE PHONE WITH NOTES TO INDICATE SUCH.
- 2) APPLICATIONS ARE TO BE FOLLOWED UP BY PHONE EVERY DAY WITH NO GAPS. YOU ARE TO MAIL A NOTE TO SPUR CUSTOMER RESPONSE IF NO CONTACT BY PHONE THE 1<sup>ST</sup> DAY. ALL CONTACT ATTEMPTS MUST BE LOGGED IN MAESTRO NOTES.
- 3) NO ONE IS TO TURN DOWN A GOOD/EXCELLENT CUSTOMER WITHOUT MY APPROVAL FIRST.
- 4) THE MANAGER MUST PERSONALLY ATTEMPT TO SELL THE LOAN WHILE THE CUSTOMER IS STILL ON THE PHONE IF OUR OFFER IS REJECTED WHEN THE EMPLOYEE PITCHES IT. NO CALL BACKS. MANAGER MUST GET ON THE PHONE IMMEDIATELY. I EXPECT TO SEE NOTES FROM THE MANAGERS ON THE RESULTS OF THEIR ATTEMPT. IT MAKES SENSE FOR MANAGER'S, OUR BEST SALESPEOPLE TO PITCH THE MOST DIFFICULT SALES.
- 5) IF THE CUSTOMER REJECTS THE MANAGER'S OFFER, THE LOAN MUST BE SENT TO MY WORKLIST IMMEDIATELY FOR REVIEW, NOT 2 WEEKS LATER AFTER THE LOAN IS STALE FOR EXCELLENT RISK.

PLEASE CALL ME IF YOU HAVE QUESTIONS. WE MUST BOOK 70% IN 2001!



FTC 0023885

**ATTACHMENT E**



## NEW YORK REGION 2001 PRIORITIES

### Productivity 25-10+

- ◆ 10 R/E per month is 10 R/E, not 9.
- ◆ Employee productivity to be tracked daily by DM's and as needed by RM. Employees must understand 25 is 25, not 24.
- ◆ Every Branch WILL HAVE growth by 1/31/2001! Weekly follow up until growth in both categories. (Conference call with RM, DM, MD Managers of no growth branches on 1<sup>st</sup> and 15<sup>th</sup>).
- ◆ P/L upgrades must increase to 4 Branch/Month.
- ◆ Must lead by example. How fast you go is how fast your team will go.
- ◆ WE ARE SALES PEOPLE! NOTHING ELSE!

### Delinquency Control

- ◆ Month-end madness will stop-Will be at 1.0% by the 25<sup>th</sup> and at .80 by the 30<sup>th</sup>.
- ◆ Emphasis will continue to be front-end delinquency.
- ◆ 9% = 15-29 standard
- ◆ .80% = 3- day standard
- ◆ .40% = 60 day standard
- ◆ WE ARE SALES PEOPLE, NOT COLLECTORS

### Sales Finance Conversions

- ◆ 6/5% IS THE GOAL!
- ◆ A leader in each office/Daily tracking and weekly tracking to District.
- ◆ Must designate and have weekly meetings

### People Training

- ◆ Promotions and Increases tied to Career Track & Productivity, no exceptions!!!
- ◆ 3 Hours per week minimum.
- ◆ 2<sup>nd</sup> and 3<sup>rd</sup> level interviews mandatory.
- ◆ Be proactive.
- ◆ Second string; Where is it? Who is it?

### Quality/Audits

- ◆ Do the right thing, all the time, every time!
- ◆ Sharing of experiences. We will fax all Compliance/Audits to every office.
- ◆ Reviews done on time/follow-ups will be done on time.

**GOOD  
OR EXCELLENT  
JUST BOOK THEM!**

- 1. Managers and/or Senior Person must sell all deals and must enter comments in notes on the initial phone call.**
- 2. Do a sample Shopping call to the office from each District.**
- 3. We lose 20 to 30% by way of poor follow up.**
- 4. We will improve this 40 to 60% if we improve our overall BOOKING RATE.**
- 5. Conference call with the DM, RM on all offices below 50% booking.**

**LET'S DO IT RIGHT!!!!**

**STANDARDS**  
**NEW YORK REGION**

- 1. Growth in both controls  
Monthly/Mandatory**
- 2. It's a REAL ESTATE first, a personal  
Loan second!**
- 3. 10 + FSRE/Month/Branch**
- 4. 25 Personal Loans/Employee/Month**
- 5. Minimum 4 P/L Upgrades per Month**
- 6. 6.5% (Rocopoly) Sales Finance  
Conversion**
- 7. 5% Personal Loan Renewals/Goal  
Report (500+ cash advance)**
- 8. Book 60% + of Good & Excellent**
- 9. 4.0% FSRE Renewals**

10. P/L 15-29 day delinquency -<9%
11. P/L 30 days < then 1.0% by 25<sup>th</sup>...< then .80% by EOM
12. P/L 30-59 Days <.40%
13. ALL insurance categories at Superior Level
13. HOME & AUTO/APPLIANCEGARD/  
Minimum \$5,000 per Month/Employee

Hit these standards and you will hit maximum ROCOPOLY...

Hit these standards and you will do the 14 steps to get to \$55,000 Bonus.

**Simply The Best!**

**ATTACHMENT F-1**

15 PARK AVE.  
CLIFTON PARK, NY 12085  
PHONE: (518) 383-3389  
FAX: (518) 383-3527

**Citifinancial  
Albany District**

# Fax

**To:** MANAGERS **From:** MIKE MONIOT  
**Fax:** **Pages:** 1  
**Phone:** **Date:** 7/2/01  
**Re:** ACCOUNT TRANSFER **CC:**

**Urgent**  **For Review**  **Please Comment**  **Please Reply**  **Please Recycle**

THE TRANSFER BY ZIP CODE OF FORMER ASSOCIATES ACCOUNTS WAS PROCESSED OVER MONTH END. PLEASE REVIEW YOUR CG TO DETERMINE HOW MANY ACCOUNTS YOU RECEIVED. YOU ALSO SHOULD HAVE A LIST FROM HOME OFFICE. IT IS CRITICAL TO AGGRESSIVELY SOLICIT THESE ACCOUNTS FOR RENEWAL. I WANT YOU TO PUT TOGETHER A PROGRAM TO TODAY TO CONTACT EVERY CUSTOMER TRANSFERRED IN TO YOUR BRANCH AND WELCOME THEM. YOUR SOLICIT PITCH SHOULD INCLUDE:

- GENERAL WELCOME MESSAGE AND THANKYOU FOR BUSINESS
- CONFIRM DETAILS OF PHONE # AND ADDRESS
- INFORM CUSTOMER TRANSFERRED AS YOUR BRANCH IS CLOSER AND WE YOU CAN SERVICE THEM BETTER
- SOLICIT TO RENEW, CASH FOR SUMMER NEEDS, VACATION, BILL CONSOLIDATION.

WE HAVE A CONTEST IN PLACE FOR JULY TO DETERMINE WHO DOES THE BEST JOB OF RENEWING THESE ACCOUNTS. I WILL AWARD POINTS FOR RENEWING TRANSFERRED ACCOUNTS AS FOLLOWS

- P/L RENEWAL 1 POINT
- R/E RENEWAL 5 POINTS
- P/L UPGRADE 7 POINTS

THE BRANCH WITH THE MOST POINTS EARNS A DAY OFF FOR EACH EMPLOYEE IN AUGUST.



FTC 0023892

**ATTACHMENT F-2**

## MIKE'S MORNING MESSAGE TO MANAGERS

DATE: 6/12/01



GOOD MORNING LADIES AND GENTLEMEN. TODAY IS THE DAY WE MUST RALLY ON REAL ESTATE. OUR TEAM HAS BOOKED 7 R/E LOANS THIS MONTH. THIS IS A PATHETIC NUMBER FOLKS.

- I WILL BE CALLING YOU FOR YOUR COMMITMENT THIS AM
- FAX ME YOUR DRP TRACKING LOG BY 10AM (N/A QUEENSBURY)
- TONIGHT'S PLAN FOR SOLICITATION AND COLLECTIONS IS AS FOLLOWS:
  - 1 HR WORK POT 30+ AND CURR MONTH. SPLIT STAFF SO THAT BOTH POT 30+ AND CURR MONTH ARE WORKED.
  - 2 HOUR BLITZ ON R/E. FOCUS ON:
    - FOLLOW UP EVERY PENDING UNSOLD APP
    - FOLLOW UP ALL DRP'S
    - SOL RENEWALS FOCUSING ON LOWER PMTS WITH THE ADVANTAGE PLUS PROGRAM.

*Mike*

FTC 0023908

**ATTACHMENT G-1**

2001 BUSINESS DEVELOPMENT PLAN  
ALBANY DISTRICT

- **LATE NIGHTS-** Offices will be open fully staffed Tuesday and Thursday nights until 7pm. Any office tracking behind goals will be subject to a 3<sup>rd</sup> late night staffed by the manager and any employee behind goals.
- **RIITZ NIGHT-** Every Tuesday night from 5-7pm. We will focus weekly on specific areas needing attention. We will reward and recognize top performing branches
- **SOLICITATION HOURS-** Every employee will spend a minimum of 1 hour daily soliciting our current paying customers using the business development lists. Solicitation hours are 3-4pm on regular nights and 6-7 pm on late nights. During solicit hours, the manager will be the 1<sup>st</sup> person answering the phone to allow staffs to make outgoing calls.
- **UPGRADES/DRP'S-** Follow uniform district plan(see atached).
- **SF CONVERSIONS-** All offices have SF Conv. Managers to coordinate activities. Every employee will make 5 contacts daily focusing on SAC Exp. And DLQ lists. SF Conversion report/tracking will be faxed to District Office every Thursday. Conference call at least one monthly with SF Conversion Managers.
- **RE Renewals-** 1<sup>st</sup> quarter focus on Marketing list of customers with no insurance due to new New York restrictions. Customers with insurance will be offered side loans with the understanding to renew and combo in April when insurance becomes available.
- **STAFF MEETINGS-** Every Tuesday morning, mandatory staff meeting ½ hour minimum to discuss following topics: Loan Productivity, Rocopoly, Insurance, H.A.S.P./A.G., DLQ, Misc office business.
- **TRACKING-** Post the following on board format: Individual Employee productivity, Rocopoly Tracking, R/E Pipeline.

UPGRADE / DRP PLAN  
ALBANY DISTRICT

- Every customer with equity for a Fully Secured Real Estate loan and bills to consolidate is presented with a DRP at the loan closing.
- DRP will be prepared before the customer comes in to close and must be reviewed/approved by the manager prior to presentation.
- DRP is presented before the loan is closed focusing on payment savings, interest savings, tax savings.
- If the customer rejects plan, the manager must personally attempt to resell the plan and handle objections. This should be done after loan is closed when manager can come in to witness the documents and introduce.
- If manager can't sell plan personally, put plan in 1-31 follow up file for call within 3 business days. Manager is to personally assign DRP's from the 1-31 file daily as they come due. DRP's are to be returned to manager at close of business daily with comments on results. Manager will reassign DRP'S as necessary if no contact or another follow up date is appropriate.
- Fax every DRP to the District Office after presented. The manager must sign off on the plan to verify presentation and write the customer's home phone number on the DRP.
- Log Maestro notes for every loan with DRP recording result of closing presentation and follow up phone activity.

**ATTACHMENT G-2**

1<sup>ST</sup> QUARTER 2001

FAST START PRIORITIES

ALBANY DISTRICT

GROWTH

\*REAL ESTATE \$150K MINIMUM PER BRANCH MONTHLY

\*DRP'S

\*UPSELL TO 1<sup>ST</sup> MORTGAGE

\*PERSONAL LOAN MINIMUM \$75K PER BRANCH / MO.

\*BOOK 70% GOOD AND EXCELLENT

\*UPSELL EVERY LOAN TO MAX QUALIFIED

UNITS / PAYMENT PROTECTION

- 25 PERSONAL LOANS PER EMPLOYEE
  - 5% ROCOPOLY PB'S
  - 6.5% SF CONV
  - BOOK 70% GOOD AND EXC. APPS
  - DISTRICT DAILY SOLICITATION PROGRAMS
- 10 (OR MORE!) REAL ESTATE PER MONTH
  - DISTRICT DRP PROGRAM
  - RENEW ACCOUNTS WITH NO INSURANCE
    - MARKETING LIST
- RAISE THE BAR TO \$100 ON P/L \$/1000
  - SELL THE 10 YEAR H.A.S.P. PLAN ON R/E
- \$5000 PER EMPLOYEE PER MONTH H.A.S.P. / A.G.

FTC 0024501

## DLQ CONTROL

- RAISE THE BAR TO .7% P/L 30 DAY
- CONSISTENTLY ACHIEVE .4% P/L 60 DAY
- ACHIEVE BEGINNING P/L POT 30 OF 15%
  - WORK THE CURR MONTH LIST
- DIG IN ON REPOS AND SERIOUS DLQ R/E LOANS
  - PORTFOLIO MANAGEMENT
  - AVOID BIG LOSSES / WRITEDOWNS
- DEFENSIVE RENEWALS WHEN IT MAKES SENSE

## DO THE RIGHT THING EVERY TIME, ALL THE TIME

- QUALITY AUDITS AND REVIEWS
- DECISIONS THAT MAKE SENSE
- KEEP THE TEAMS IN THE LOOP AND FOCUSED

**BE  
CONSISTENT**

**ATTACHMENT H-1**

**MATERIAL REDACTED**

Approval present  
 Application Data  
 Applicant Age 48 Time At Addr 2.49  
 Housing Status Mtg/Rent Amt: 339  
 OWNS HOME  
 Occupation: Time At Job: 8.65

ENEW	Follow-Up	mike	App # 23142
Verified?	Credit Bureau Debts	Monthly	
	Balances	Payment	High Credit Used
Install:	25,843.0	951.0	49,044.0 53
Revol:	25,885.0	920.0	24,666.0 105
Other:	0.0	0.0	0.00
Mort:	41,923.0	779.00	
Total:	97,659.0	2,797.00	

Lock Reference  
 Approve  
 Rejected  
 ATP WkSheet  
 R.E. WkSheet  
 Credit Deta  
 Reassign To  
 Application

**MATERIAL REDACTED**

Company Name: Mo. Salary: 4,167  
 Co-Applicant Mo. Salary: 1,100  
 Occupation: Time At Job: 6.47  
 DISABLED

Trade Lines	Total Count	Total Count
Open Trades	28 28	Open 6 Mths 1
Curr 30 Days	5 5	75% High Cr 11 10
Ever 30 Days	16 16	Total Trades 46 46
Curr 60 Days	1 1	Major Derogs 7 7
Ever 60 Days	13 15	Minor Derogs 6 6
Satisfactory	45 45	

Creditors  
 Products  
 Verify  
 Final Deal  
 Other Funct

Loan Section BILL CONSOLIDATION  
 Product: Advantage Plus 1st Mtg - C  
 Loan Amount 64,000.00 Term: 180  
 Cash Advance 163.96 APR: 11.51  
 Payment: 761.08/o in 761.07  
 Points - Amt 3,257.54 %: 5.00  
 Collateral: Fully Secured By RE

Months Since Most Recent Del  
 Average Months In 69e In File D04/01/1974

Inquiries  
 Public Recs  
 Agency: 04/01/1974  
 Notes

Credit Poli Credit Risk Ra WEAK  
 Real Estate: PASS Scores  
 Equity Plus: PASS Auto  
 Auto Secured: PASS  
 Unsecured/Misc: FAIL  
 Sales Finance: N/A Actual Minimum  
 Actual ATP: PASS 59.0 35.00  
 Mthly Exp & I 1,396.00 5,266.67  
 Remaining Income: 3,109.59

Real Estate Loan Verified? products  
 Home Value: 80,000  
 Per Applicant  
 1st Mortgage Balance 34,510  
 2nd Mortgage Bal 34,510  
 1st Mortgage Rating: CURR  
 Estimated LTV: 80.00

Qualifying  
 Approval  
 Condition  
 Loans  
 Limitations  
 High Credit  
 Print Menu  
 Find  
 App/Acct Ls  
 Other Files  
 Done

SALES SUPPORT | WORKLIST | BRANCH ADMIN | CUSTOMER SVC | ? | EXIT

DYR?  
 HAMP?

To: Managers  
 From: Mike

CC: R. Lenn

An experienced manager just sent me this app. for approval/review. Look at what is missing. I can't believe some of you still are not focused. Sell IDY, HAMP! M-h

**ATTACHMENT H-2**

DIVISION: 15-NORTH/EAST  
 REGION: 1522-NORTH/EAST  
 DISTRICT: 152203-ALBANY

MONTH TO DATE ENDING 07/07/2001  
 NETWORK  
 INSURANCE SUMMARY

RUN DATE 07/07/2001  
 VOLUME AND GROSS PREM IN 000'S

1883200 01A

BRANCH / DISTRICT      PERSONAL LOANS      EQUITY PLDS      FULLY SECURED      SUB      NON-CREDIT\*\*

024 - ALBANY AVC PEN	LIFE	A/H	PROP	VS1	TDI	TOTAL*	LIFE	A/H	TOT	VS2	TOTAL	LIFE	A/H	TOT	VS2	TOTAL	LIFE	A/H	TOT	VS2	TOTAL	NON-CREDIT**	
62.5	50.0	35.6	0	55.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SGL PREM	0	1	2	0	1	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO EQUITY	11	46	58	0	19	136	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO PREM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PMT DIFF	11	46	58	0	19	136	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MEASURE	6.1	24.8	31.1	0	10.6	72.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VOL-	54	54	54	0	54	54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

032 - PLATTSBURG PEN	LIFE	A/H	PROP	VS1	TDI	TOTAL*	LIFE	A/H	TOT	VS2	TOTAL	LIFE	A/H	TOT	VS2	TOTAL	LIFE	A/H	TOT	VS2	TOTAL	NON-CREDIT**	
88.9	88.9	88.9	0	77.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SGL PREM	1	7	5	0	2	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO EQUITY	42	200	158	0	48	449	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO PREM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PMT DIFF	42	200	158	0	48	449	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MEASURE	12.8	60.5	47.8	0	14.6	135.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VOL-	109	109	109	0	109	109	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

039 - CLIFTON PA PEN	LIFE	A/H	PROP	VS1	TDI	TOTAL*	LIFE	A/H	TOT	VS2	TOTAL	LIFE	A/H	TOT	VS2	TOTAL	LIFE	A/H	TOT	VS2	TOTAL	NON-CREDIT**	
25.0	2.5	12.5	0	12.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SGL PREM	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO EQUITY	6	4	4	0	2	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO PREM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PMT DIFF	6	4	4	0	2	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MEASURE	4.5	2.9	3.1	0	1.6	12.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VOL-	42	42	42	0	42	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

060 - IATROVA, NY PEN	LIFE	A/H	PROP	VS1	TDI	TOTAL*	LIFE	A/H	TOT	VS2	TOTAL	LIFE	A/H	TOT	VS2	TOTAL	LIFE	A/H	TOT	VS2	TOTAL	NON-CREDIT**	
44.4	44.4	33.3	0	33.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SGL PREM	0	2	1	0	1	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO EQUITY	16	77	31	0	22	147	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO PREM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PMT DIFF	16	77	31	0	22	147	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MEASURE	6.6	31.3	12.5	0	9.0	59.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VOL-	69	69	69	0	69	69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

247 - SCHEMCHAD PEN	LIFE	A/H	PROP	VS1	TDI	TOTAL*	LIFE	A/H	TOT	VS2	TOTAL	LIFE	A/H	TOT	VS2	TOTAL	LIFE	A/H	TOT	VS2	TOTAL	NON-CREDIT**	
80.0	80.0	100.0	0	80.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SGL PREM	0	1	2	0	1	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO EQUITY	8	40	80	0	18	147	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NO PREM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PMT DIFF	8	40	80	0	18	147	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MEASURE	6.7	30.1	60.4	0	13.6	110.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VOL-	41	41	41	0	41	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

\* MEASURE - PL - S/L, EQ+ - S/100, FS - S/EING      \*\* EXCLUDES HOME & AUTO AND APPLIANCE WARRANTY FEES

SK      4K      1K      15K      4K      Premium \$

DIVISION: 15-NORTH/EAST  
 REGION: 1522-NORTH/EAST  
 DISTRICT: 152203-ALBANY

MONTH TO DATE ENDING 07/07/2001  
 NETWORK  
 INSURANCE SUMMARY

RUN DATE 07/07/2001  
 (VOLUME AND GROSS PREM IN 000'S)

BRANCH / DISTRICT	LIFE	A/H	PROP	VSI	TUI TOTAL*	EQUITY PLUS			FULLY SECURED			NON-CREDIT**	
						LIFE	%/E	#/E	SUB	LIFE	A/H		TOT TOTAL
600 - RENSSELAER PEN 	SGL PREM	66.7	66.7	33.3	0	66.7	0	0	0	0	0	0	0
	NO EQUTV	25.0	0	0	0	0	0	0	0	0	0	0	0
	NO PREM	0	1	1	0	0	0	0	0	0	0	0	0
	PMT DIFE	0	38	35	0	0	0	0	0	0	0	0	0
	MEASURE	9	0	0	0	17	101	0	0	0	0	0	0
603 - QUEENSBURY PEN 	SGL PREM	66.7	66.7	50.0	0	60.0	0	0	0	0	0	0	0
	NO EQUTV	16.7	0	0	0	0	0	0	0	0	0	0	0
	NO PREM	0	2	2	0	0	0	0	0	0	0	0	0
	PMT DIFE	0	58	56	0	1	5	0	0	0	0	0	0
	MEASURE	14	0	0	0	25	154	0	0	0	0	0	0
697 - SARATOGA S PEN 	SGL PREM	90.0	60.0	60.0	0	50.0	0	0	0	0	0	0	0
	NO EQUTV	11.1	16.7	0	0	0	0	0	0	0	0	0	0
	NO PREM	1	2	2	0	1	6	0	0	0	0	0	0
	PMT DIFE	29	82	53	0	26	192	0	0	0	0	0	0
	MEASURE	29	82	53	0	26	192	0	0	0	0	0	0
DISTRICT TOTAL	SGL PREM	65.6	57.8	53.0	0	53.0	0	0	0	0	0	0	0
	NO EQUTV	21.4	16.2	0	0	0	0	0	0	0	0	0	0
	NO PREM	4	17	15	0	6	42	0	0	0	0	0	0
	PMT DIFE	140	555	486	0	180	1363	0	0	0	0	0	0
	MEASURE	140	555	486	0	180	1363	0	0	0	0	0	0

\* MEASURE - PL - S/L, EQ+ - S/100, FS - S/500  
 \*\* EXCLUDES HOME & AUTO AND APPLIANCE WARRANTY FEES

District Results Are Poor/Below Min!  
 Must have A Big Week! Lot's Of Loans, Fully Protected!  
 Plattsburgh & Schenectady Look Good, Above Superior.  
 District Needs to Run on All, 8 Auto Cylinders and

**ATTACHMENT I**



# citi financial

TIPS TO HELP YOU USE YOUR MOUSE PAD IN NEW YORK

## FOR HIGH COST LOANS ONLY

• Tell your customer you have GREAT NEWS, their loan has been approved!

• “Your payment will be about \$ \_\_\_\_\_. That will fit your budget, won’t it?”

• “Good. That includes your Optional payment protection plan, with Involuntary Unemployment \$ \_\_\_\_\_, Credit Disability \$ \_\_\_\_\_, and Credit Life \$ \_\_\_\_\_. We’ll go over that in detail when you come in. Right now I need to ask you a few questions.”

- DO YOU KNOW HOW TO GET TO THE BRANCH?
- WHEN WOULD YOU LIKE YOUR DUE DATE? BETWEEN THE 1ST AND 20TH.
- WE NEED 2 FORMS OF ID, 2 PAYSTUBS, AND ANYTHING ELSE YOUR MANAGER DIRECTS.

• “Your payments are only \_\_\_\_\_ cents per day more than your unprotected payment would be at \$ \_\_\_\_\_ per month, and the insurance premium(s) will be prepaid and financed at the interest rate provided for in the loan. *OF course, your payment protection decision has no effect on our loan decision.* So Mr./Mrs. \_\_\_\_\_, when will it be convenient for you to come in?”

- Would this afternoon or tomorrow be better for you.
  - We can have the paper ready in an hour.
  - You can come in at any time after.

citigroup

**ATTACHMENT J**

ALBANY DISTRICT  
P/L DLQ

	30%	60%	\$ TO HIT .8%
ALBANY	2.28	.63	\$52K
PLATTSBURGH	1.22 ✓	.27	\$24K
CLIFTON PARK	1.30 ✓	.91	\$17K
LATHAM	3.90	1.03	\$123K
SCHENECTADY	2.50	1.43	\$92K
RENSSELAER	1.24 ✓	.69	\$19K
QUEENSBURY	2.92	1.20	\$138K
SARATOGA	2.62	1.51	\$89K
<hr/>			
DISTRICT	2.26	.98	\$558K

WE MOVED \$130K SO FAR TODAY. STILL NEED OVER \$500K.  
I DO NOT WANT TO WORK TIL 8PM TOMORROW AND 2PM  
SATURDAY. DO YOU? I DO NOT WANT TO BE ON A DIVISION  
MANAGER FOLLOW UP PROGRAM. DO YOU?

MAKE IT HAPPEN FOLKS!!!!



FTC 0023882



Consumer Information System  
Complaint Detail Report

02/26/2002

KMILTA

**Transaction**

Ref No.: 1594021 Contact Type:Complaint Source: Consumer TCS? N

Comments: This consumer has 6 boxes of information on the Citigroup/Associates, about the illegal practices. These practices are still going on under Citigroup. April 13, 2001 the consumer has been fired. This is the lawyer who has a lot of information that the consumer gave, [REDACTED]

Created By: JRAU Created Date: 10/02/01

Updated By: JRAU Updated Date: 10/02/01

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date: 10/02/01

Initial Response:

Product/Service: Finance Company Lending

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: Dallas State: TX Zip: [REDACTED]

Country: UNITED STATES

Work phone ( ) Ext:

Fax Number: ( )

Home Number: ( )

Email:

Age Range:

**Company**

Company: Citigroup/Associates Financial

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: ( ) Ext:



Consumer Information System  
Complaint Detail Report

02/06/2009

KM111

Company Representative

Associated Company



**Transaction**

Ref No.: 1547059 Contact Type: Complaint Source: Consumer TCS? N

Comments: Debt Management Services is writing on behalf of their client [REDACTED], regarding CitiGroup Financial. Consumer attempted a deal in good faith with Citi-Group Financial, to satisfy [REDACTED] obligations to the creditor. In response, with the exception of a brief two week period, Citi-Group Financial has subjected [REDACTED] to an unrelenting barrage of phone calls and embarrassment. In fact, one caller told [REDACTED] that they intended to continue calling her and harrassing her until she paid up.

Created By: ABANKS Created Date: 09/04/01

Updated By: ABANKS Updated Date: 09/04/01

Org Name: Planning and Information- BCP

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date:

Initial Response:

Product/Service: Mortgage Lender

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Misrepresentations/Deception (note in comments)

**Consumer**

Complaining Company/Org.: [REDACTED]

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: Bloomfield State: CT Zip: [REDACTED]

Country: UNITED STATES

Work phone [REDACTED] Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



**Company**

Company: Citigroup Financial

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ( )

Ext:

**Company Representative**

**Associated Company**

⊙



**Transaction**

Ref No.: 1533038 Contact Type: Complaint Source: Consumer TCS? N

Comments: CITIGROUP HAS FAILED TO PROVIDE ME WITH THE NECESSARY FORMS TO BEGIN RECEIVING MY PENSION. I HAVE BEEN REQUESTING THE NECESSARY FORMS SINCE FEBRUARY 2001. THE LAST TIME I REQUESTED THE NECESSARY FORMS WAS JUNE 1, 2001. THE PERSON IN THE PENSION DEPARTMENT WAS FELICIA (SHE REFUSES TO PROVIDE A LAST NAME)

Created By: FTUCKER Created Date: 08/21/01

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 08/16/01

Initial Contact: Unknown Transaction Date:

Initial Response:

Product/Service: OS-Other (Note type in comments)

Statute/Rule:

Law Violation:

**Consumer**

Complaining Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: PLEASANTON State: TX Zip: [REDACTED]

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: [REDACTED]

Email: [REDACTED]

Age Range: [REDACTED]



**Company**

Company: CITIGROUP PENSION SERVICE CENTER

Address: PO BOX 431

City: LITTLE FALLS

State: NJ Zip: 07424

Country: UNITED STATES

Email:

URL:

Phone: (800) 881-3938 Ext:

**Company Representative**

**Associated Company**



**Transaction**

Ref No.: 1503967 Contact Type: Complaint Source: Consumer TCS? N

Comments: The consumer has a mortgage with the company and in order not to have her home foreclosed she was forced to file bankruptcy because of the high interest rate and constant harassment that she was receiving from them. The consumer stated that she search the internet and found that FTC has filed a lawsuit. She states that she will like to be a part of the suit.

Created By: ASELLERS Created Date: 07/31/01

Updated By: ABANKS Updated Date: 08/15/01

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Mail Complaint Date: 07/09/01

Initial Contact: Unknown Transaction Date:

Initial Response: Unknown

Product/Service: Mortgage Lender

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: St. Louis State: MO Zip: [REDACTED]

Country: UNITED STATES

Work phone () Ext:

Fax Number: ()

Home Number: ()

Email:

Age Range:



Information  
Complaint Detail Report

02/26/2001

RMHLL

**Company**

Company: Citigroup

Address: Unknown

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ( ) Ext:

Company: Associate

Address: unknown

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ( ) Ext:

**Company Representative**

**Associated Company**

Company: Associate

Address: unknown

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Phone: ( ) Ext:

Reason: Other



**Transaction**

Ref No.: 1469721 Contact Type: Complaint Source: Consumer TCS? N

Comments: DECEPTIVE OR UNFAIR TRADE PRACTICES IN VIOLATION OF SECTION 5, VIOLATION OF THE TRUTH IN LENDING ACT, THE EQUAL CREDIT OPPORTUNITY ACT, AND THE FAIR CREDIT REPORTING ACT IN CONNECTION WITH CITIGROUP SUBSIDIARIES: SECURITY PACIFIC FINANCIAL SERVICES, COMMERCIAL CREDIT CO. CITIFINANCIAL. IN ADDITION SECURITY PACIFIC, INC. WAS INVOLVED IN TAX FRAUD, THE ACCOUNT NUMBERS WERE CHANGED EVERY YEAR IN THE 1998 TO MAKE IT APPEAR THAT THE LOANS WERE DIFFERENT FROM THE PREVIOUS YEARS. THIS IS WORSE THAN THE CASE YOU FILED IN FTC V. CITIGROUP, INC. NO. 1:01-CV-00606 (N.D.Ga), BECAUSE OF THE YEARLY TAX FRAUD. CITIGROUP THROUGH ITS SUBSIDIARIES SECURITY PACIFIC, INC. CITIFINANCIAL, COMMERCIAL CREDIT, CITIMORTGAGE, HAS VICTIMIZED THOUSANDS AND THOUSANDS OF PEOPLE IN PENNSYLVANIA. IF INTERESTED I HAVE MORE LISTS AND INFORMATION.

Created By: FTUCKER Created Date: 07/05/01

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 07/03/01

Initial Contact: Mail Transaction Date:

Initial Response:

Product/Service: Other Lender

Statute/Rule: Truth-In-Lending Act

Law Violation: Creditor Fails or Inaccurately Discloses Finance Charge Method of Computing Finance Charge/Annual Percentage Rate

**Consumer**

Complaining Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: PHILADELPHIA State: PA Zip: [REDACTED]

Country: UNITED STATES

Work phone: [REDACTED] Ext:

Fax Number: ( ) [REDACTED]

Home Number: [REDACTED]

Email: [REDACTED]

Age Range: [REDACTED]



**Company**

Company: CITIGROUPSECURITY PACIFIC. COMMERCIAL CREDIT, CITIFINANCIAL

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:CITIMORTGAGEIS THE NEWNAMEFOR  
SECURITYPACIFIC,COMCREDIT SECURITY

Phone: ( )

Ext:

Company Representative

Associated Company



**Transaction**

Ref No.: 1456598 Contact Type: Complaint Source: Consumer TCS? N

**Comments:**

[REDACTED]  
MY SITUATION IS NOW DESPERATE. I AM UNABLE TO REFERENCE MY HOME DUE TO THE IMPROPER HANDLING BY THE ASSOCIATES AND NOW CITIGROUP. JODIE BERNSTEIN, DIRECTOR OF BUREAU OF CONSUMER PROTECTION HAS BEEN QUOTED IN AN ASSOCIATED PRESS ARTICLE PLEASE DIRECT MY CASE TO JODIE BERNSTEIN'S OFFICE SO IT MAY RECEIVE THE PROPER ATTENTION. I CANNOT WAIT MUCH LONGER. MY MORTGAGE IS COMING TO END OF TERM SOON AND THE MONIES THEY WILL BE DEMANDING IS TOTALLY OUT OF LINE. I STAND TO LOSE MY HOME. I HAVE BEEN FIGHTING THIS ON MY OWN FOR OVER NINE YEARS AND HAVE DOCUMENTATION TO BACK THIS UP. AT THIS POINT I WOULD APPRECIATE A PERSON'S NAME AND PHONE NUMBER THAT I MAY CALL. [REDACTED]

Created By: SMBAILEY Created Date: 06/25/01

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 06/24/01

Initial Contact: Internet Web Site Transaction Date:

Initial Response:

Product/Service: Credit Information Furnishers

Statute/Rule: Fair Credit Reporting Act

Law Violation: Provides Inaccurate Information

**Consumer**

Complaining Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: Huntington State: NY Zip: [REDACTED]

Country: UNITED STATES

Work phone: [REDACTED] Ext:

Fax Number: ()

Home Number: [REDACTED]

Email: [REDACTED]

Age Range: [REDACTED]



**Company**

Company: Citigroup/Associates Financial

Address:

City: New York State: NY Zip:

Country: UNITED STATES

Email: URL:

Phone: ( ) Ext:

Company Representative

Associated Company



**Transaction**

Ref No.: 1612974 Contact Type: Complaint Source: Consumer TCS? N

Comments: I forwarded to Citigroup the appropriate form and copies of my 401(k) statement in order to have my account rolled over to my new employer, Accubanc Mortgage. I sent the form with a cover letter on 8/3/2001 to US Postal Service. The letter was received by Citigroup on or before 9/10/01, as evidenced by a date stamp noted on the returned cover letter, and was forwarded to another department, also evidenced by a date stamp on the returned cover letter, which was received 9/18/01. No action was taken on the request for the rollover. The entire contence of the cover letter, request form and account statement copies were returned with a letter from Citigroup stating I had to call to request the rollover. This letter was dated 9/19/01. Noting the terrorist acts of 9/11/01 and subsequent stock market declines after this date, I am assuming that I have lost value in this account due to the incompetence and negligence on the part of Citigroup. To date I have received several emails and two phone messages referring me to call, for which a get an automated system that will not recognize my SS# as I am no longer an employee, or telling me that the matter is being researched. This is over two months after I mailed the request for the rollover and over a month since they supposedly received the request noted by the first date stamp. I would appreciate any and all guidance or help you may be able to provide me in getting this matter resolved.

Created By: DJOHNSON Created Date: 10/17/01  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested:  
Amt Paid: Payment Method:  
Agency Contact: Internet Complaint Date: 10/16/01  
Initial Contact: Mail Transaction Date: 09/19/01  
Initial Response:  
Product/Service: OS-Other (Note type in comments)  
Statute/Rule:



Law Violation:

Consumer

Complaining  
Company/Org.:

Last Name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: Phoenix State: AZ Zip: [REDACTED]

Country: UNITED STATES

Work phone: [REDACTED] Ext:

Fax Number: ()

Home Number: [REDACTED]

Email: [REDACTED]

Age Range: [REDACTED]

Company

Company: Citigroup 401(k) Plan

Address: P.O. Box 1389

City: Boston State: MA Zip: 02104-1389

Country: UNITED STATES

Email: not known URL: www.citibank.com

Phone: (800) 947-2484 Ext:

Company Representative

Associated Company



**Transaction**

Ref No.: 1643049 Contact Type: Complaint Source: Consumer TCS? N

Comments: My husband and I bought house in 1999. He died in 1999. I was trying to raise our 4 children alone and fell behind on mortgage, originally with Shawmut, then Source One and then CitiSank. Source One charged high fees while attempting to foreclose. Then Ameriquest began approaching me offering to "help" me and "save" me money. Ameriquest is part of CitiGroup who already held my mortgage, but they charged me high closing costs. My payments were no lower, but my taxes were not included so now I owe thousands in back taxes. Ameriquest calls me at work and at home constantly. They say they are going to "take the house" from my children and me. I decided to sell the house before I lose it entirely and when my realtor asked for a payoff, it included a \$12,000 prepayment penalty. Ameriquest will have all my equity, all that my husband and I had worked for. It is bad enough to leave our home, but must they rape me too? They call so often, but I never know what to expect, they still call and write to me offering to "help" me some more and "save" me more money if I will refinance again. THEY keep wanting to refinance over and over, they stole all my equity, and they want me to pay them for it.

Please help me, and my kids. They lost their father, now Ameriquest is stealing their home too!

Created By: HBUCKMON Created Date: 11/05/01

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 240,000.00

Amt Paid: 240,000.00 Payment Method: Check (Personal)

Agency Contact: Internet Complaint Date: 11/02/01

Initial Contact: Mail Transaction Date: 09/09/99

Initial Response:

Product/Service: Mortgage Lender

Statute/Rule: FTC Act Sec. 5 (BCP)



Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

LAST NAME: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: west hartford State: CT Zip: [REDACTED]

Country: UNITED STATES

Work phone: [REDACTED] Ext:

Fax Number: ( )

Home Number: [REDACTED]

Email: [REDACTED]

Age Range: [REDACTED]

**Company**

Company: CitiGroup/Ameritrust Mortgage/Souce One Mortgage

Address: not sure

City: not sure State: CA Zip:

Country: UNITED STATES

Email: URL:ameritrustmortgage.com

Phone: ( ) Ext:

**Company Representative**

Rep Name: Paul Webster, Paul Webster Title:

Associated Company



Consumer Information System  
Complaint Detail Report

02/26/2002

KMILTON

Transaction

Ref No.: 1652837 Contact Type: Complaint Source: Consumer TCS? N

Comments: Consumer complained that his wife received an AT&T universal calling card from Citigroup with 100 free minutes which she accepted. The consumer was not told that all the minutes were used up and was billed \$34.85. Consumer added that Citigroup is doing business with companies associated with the Saudi terrorist Osama Bin Laden. Consumer did not have any company names.

Created By: PASMITH Created Date: 11/13/01

Updated By: PASMITH Updated Date: 11/13/01

Org Name: TOLL FREE NUMBER AND CONSUMER SENTINEL

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date: 11/13/01

Initial Contact: Phone Transaction Date:

Initial Response: Phone: other

Product/Service: OS-FCC, General

Statute/Rule:

Law Violation:

Consumer

Complaining Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: Mt Vernon State: IL Zip: [REDACTED]

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: [REDACTED]

Email:

Age Range:



**Company**

Company: Citigroup

Address: Unknown

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: (800) 950-5114 Ext:

**Company Representative**

**Associated Company**



Consumer Information System  
Complaint Detail Report

02/26/2002

KMILTON

Transaction

Ref No.: 1773603 Contact Type: Complaint Source: Consumer TCS? N

Comments: CITIGROUP HAS FILED A COMPLAINT FOR SUIT AGAINST ME IN THE CIRCUIT COURT OF HOUSTON COUNTY ALABAMA .CV 2001 000795.00. DATED NOV 30 2001.

ON 27 DEC 2001 I REQUESTED IN WRITING TO ADDRESS OF THE PLANITIFF: CITIFINANCIAL MORTGAGE COMPANY, INC., FORMERLY KNOWN AS FIRST FAMILY SERVICES, INC. WHOSE ADDRESS IS 1111 NORTHPOINT DRIVE, BUILDING W, SUITE 100, COPPELL, TEXAS 75019., MY REQUEST STATED WISH TO EXERCISE MY RIGHTS OF RESCINDSION OF :

TRANSCATIONS DATED 14 MAR 1998 ACCOUNT # 31935957 AND TRANCSCATIONS DATED 5 NOV 1999 ACCOUNT # 31935957.

REFERENCE ACCOUNT # 070172130202348.

TO BEST OF MY KNOWLEDGE AND BELIEF I HAVE BEEN INJURED BY TO ILLEGAL PRACTICES ALLEGED IN A COMPAINT FILE BY THE FTC IN THE NORTHERN DISTRICT OF GEORGIA CIVIL NO. 1:01-CV-00606

I KNOW THAT THE FTC DOES NOT RESOLVE INDIVIDUAL CONUSUMER PROBLEMS, BUT ANY HELP OR INFORMATION IS NEEDED. THANK YOU.

Created By: FTUCKER Created Date: 01/16/02

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Internet Complaint Date: 01/04/02

Initial Contact: Mail Transaction Date:

Initial Response:

Product/Service: Mortgage Lender

Statute/Rule: FTC Act Sec 5 (BCP)



Consumer Information System  
Complaint Detail Report

02/26/2000

KMILTON

Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: DOTHAN State: AL Zip: [REDACTED]

Country: UNITED STATES

Work phone: ( ) Ext:

Fax Number: ( )

Home Number: [REDACTED]

Email: [REDACTED]

Age Range: [REDACTED]

**Company**

Company: Citigroup

Address: 153 E. 53rd STREET

City: NEW YORK State: NY Zip: 10043

Country: UNITED STATES

Email: URL:

Phone: ( ) Ext:

**Company Representative**

**Associated Company**





Consumer Information System  
Complaint Detail Report

02/26/2002

KMILTON

Agency Contact: Internet                      Complaint Date: 12/18/01  
Initial Contact: Internet/E-mail              Transaction Date:  
Initial Response:  
Product/Service: Internet Information & Web Services  
Statute/Rule:        FTC Act Sec 5 (BCP)  
Law Violation:     Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name: [REDACTED]                      First: [REDACTED]  
Address: [REDACTED]

City:                      worthington                      State: OH Zip: [REDACTED]

Country:                UNITED STATES

Work phone             [REDACTED]                      Ext:

Fax Number:            ()

Home Number: [REDACTED]

Email: [REDACTED]

Age Range: [REDACTED]

**Company**

Company: Citigroup

Address:

City:                      State: NY Zip:

Country: UNITED STATES

Email:                      URL:www.c2it.com

Phone:        (904) 9547222                      Ext:

**Company Representative**

**Associated Company**



Consumer Information System  
Complaint Detail Report

02/28/2002

KMILTON

**Transaction**

Ref No.: 1418238 Contact Type: Complaint Source: Congress TCS? N

Comments:

Created By: GREESE Created Date: 05/30/01

Updated By: CMUNGO Updated Date: 07/03/01

Org Name: Office of the Secretary

Amt Requested:

Amt Paid: Payment Method:

Initial Response:

Product/Service:

Statute/Rule:

Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: San Antonio State: TX Zip: [REDACTED]

Country: UNITED STATES

Work phone ( ) Ext:

Fax Number: ( )

Home Number: ( )

Email:

Age Range:

**Company**

Company: Sanford Weil's Citigroup

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: ( ) Ext:

**Company Representative**

**Associated Company**



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

141 8238

Office of the Secretary

JUL 3 2001

The Honorable Kay Bailey Hutchison  
United States Senate  
300 East Eighth Street  
Austin, TX 78701

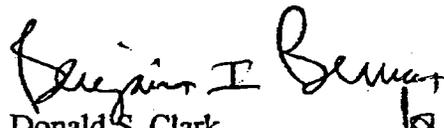
Dear Senator Hutchison:

Thank you for your letter on behalf of [REDACTED]. As you know, the Federal Trade Commission has been directed by Congress to act in the interest of all consumers to prevent deceptive or unfair practices and unfair methods of competition, pursuant to the Federal Trade Commission Act, 15 U.S.C. 41 *et seq.* In determining whether to take enforcement or other action in any particular situation, the Commission may consider a number of factors, including the type of violation alleged; the nature and amount of consumer injury at issue and the number of consumers affected; and the likelihood of preventing future unlawful conduct and securing redress or other relief. I would like to emphasize that letters from your constituents provide valuable information that is frequently used to develop or support Commission enforcement initiatives.

I appreciate learning of your constituent's concerns, and I am sympathetic to the problem described. I should note, however, that the jurisdiction of the Commission under the FTC Act does not extend, *inter alia*, to "banks. . ." such as the Sanford Weil's Citigroup. I have therefore taken the liberty of forwarding your correspondence to the Comptroller of the Currency for their review.

Thank you for your interest in this matter. Please let us know whenever we can be of service.

Sincerely,

  
Donald S. Clark  
Secretary of the Commission

cc: Carolyn Zeul McFarlane  
Director of Congressional Liaison  
Comptroller of the Currency  
250 E Street, S. W.  
Washington, D. C. 20219



United States Senate

WASHINGTON, DC 20510-4304

MAY 22 2001

1418238

RESPECTFULLY REFERRED:

Mr. Donald Clark  
Secretary  
FTC  
600 Pennsylvania Ave., NW  
#172  
Washington, D. C. 20580

Dear Mr. Clark:

The attached communication was forwarded to Senator Hutchison by a constituent concerned about a matter that falls within your agency's jurisdiction. I would appreciate it if appropriate inquiries could be initiated on this individual's behalf, and if a full response could be prepared for me to report to the constituent.

It would be very helpful if the attached were to accompany your response. In the event you require more information, please do not hesitate to contact me in Austin at 512/916-5834 or by fax at 512/916-5839.

Thank you for your courtesy.

PLEASE REPLY TO:

Office of Senator Kay Bailey Hutchison  
Attention: Joyce Sibley  
961 Federal Building  
300 East Eighth Street  
Austin, Texas 78701

Enclosure

Privacy Act Form



01 MAY 14 PM 12:04

PRIVACY ACT FORM

I hereby authorize Sen. Hutchinson to request on my behalf, pertinent to the Freedom of Information and Privacy Act, access to information concerning me in the files of:

All

[Name of agency]

is also authorized to see any materials that may be disclosed pertinent to that request.

NAME: \_\_\_\_\_  
(Please print)

ADDRESS: \_\_\_\_\_  
(Street)

SAN ANTONIO TX \_\_\_\_\_  
(City, State, Zip)

PHONE: \_\_\_\_\_

Social Security #: \_\_\_\_\_

Date of birth \_\_\_\_\_

If an agency case number applies — for instance, "DOL/OWCP", "OPM:CSF/CSA", or "INS:A/SRC" — and you know it, please enter it below:

Please explain the problem: (Use as many additional sheets as you need)

See 2 pages attached

SIGNATURE: \_\_\_\_\_

DATE: 4/22/01

April 22, 2001

I ask for your help. Federal law and regulations are being violated intentionally in CRIMINAL, perhaps RACKETEERING, manner by a spaghetti-like entanglement of corporations, including some of the largest banks/financial institutions.

I refer to Sanford Weil's Citigroup, which owns Citibank, which owns Universal Bank, which owns Universal Credit Card Services Corp, which operates as AT&T Universal Card.

Repeatedly I have provided full details to the credit card's customer service, and the ceos of the aforementioned corporate shells from Steve Freiberg – Pres, Universal Credit Card Services Corp to Sanford Weil, Citigroup Chairman. The giants of American free enterprise, aka capitalist thieves, have never responded to a single letter.

The particular criminal activity is that, despite federal law & regulation, despite what it is written on its customers' statements, Citigroup/Universal Card refuses to abide by mandated policy about the purchase of defective merchandise.

That mandatory requirement is that, if merchandise of at least \$50 is purchased locally, and the customer makes a good faith effort to return merchandise, the customer does not have to pay the amount charged. I returned the defective goods, but no one in these companies cares.

Repeatedly, I provided full documentation in writing to Universal. Repeatedly, they ignored my disputes. Each time I called, customer service claimed not to have any of my numerous letters. Recently, Universal Card arrogantly stated that I – not the merchant – am responsible for defective goods bought!

Having checked the internet, I find numerous complaints of similar nature, i.e., complaints missing, hanging up on consumers, refusal to even acknowledge disputes (e.g., see "Citibank and the Wrong They Have Done To Me" posted at [www.geocities.com/ResearchTriangle/Forum/4626](http://www.geocities.com/ResearchTriangle/Forum/4626), and, [www.tellcitibank.org/accountholderletter.htm](http://www.tellcitibank.org/accountholderletter.htm)).

Moreover, government agencies are suing Citibank (e.g., the Federal Trade Commission).

By now, it is clear that Sanford Weil, and his racketeering co-conspirators, are disgraceful human beings. Anyone who accepts political contributions should be ashamed.

I suppose millions of dollars to each in compensation is not enough. They also are trying to steal a few hundred dollars from me. Their lust for ill-gotten money knows no limits.

So, it is time for the Congress to act. Because of the serious and repeated violations of federal law, I ask that you:

1. Forward my complaint to the appropriate agencies, both regulatory and prosecuting.
2. Hold hearings to expose these criminal activities.
3. Consider legislation to prevent or discourage such abuses by greedy bankers.

FROM [REDACTED]

Apr. 23 2001 12:46PM P2

Maybe the only solution is for the economy to keep falling all the way into a DEPRESSION. The greedy and criminal bankers deserve this! They are turning thousands of people like me from capitalist to anti-capitalists. As I read about the news from Canada, I find myself *cheering for the demonstrators in Quebec City because I now have utter contempt for greedy big bankers.*

Attached is a privacy release form for your use to pursue this gross abuse.

Thank you.

Very truly yours,

[REDACTED]  
[REDACTED]  
San Antonio, TX [REDACTED]



Consumer Information System  
Complaint Detail Report

02/28/2002

KMILTON

**Transaction**

Ref No.: 1461924 Contact Type: Complaint Source: Congress TCS? N

Comments:

Created By: GREESE Created Date: 06/28/01

Updated By: CMUNGO Updated Date: 07/31/01

Org Name: Office of the Secretary

Amt Requested:

Amt Paid: Payment Method:

Initial Response:

Product/Service:

Statute/Rule:

Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: Urbandale State: IA Zip: [REDACTED]

Country: UNITED STATES

Work phone ( ) Ext:

Fax Number: ( )

Home Number: ( )

Email:

Age Range:

**Company**

Company: Citifinancial Retail Svc

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: ( ) Ext:

**Company Representative**

**Associated Company**



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

1461924

Office of the Secretary

JUL 31 2001

The Honorable Greg Ganske  
U.S. House of Representatives  
210 Walnut Street  
Des Moines, IA 50309

Dear Representative Ganske:

Thank you for your letter on behalf of [REDACTED]. As you know, the Federal Trade Commission has been directed by Congress to act in the interest of all consumers to prevent deceptive or unfair practices and unfair methods of competition, pursuant to the Federal Trade Commission Act, 15 U.S.C. 41 *et seq.* In determining whether to take enforcement or other action in any particular situation, the Commission may consider a number of factors, including the type of violation alleged; the nature and amount of consumer injury at issue and the number of consumers affected; and the likelihood of preventing future unlawful conduct and securing redress or other relief. I would like to emphasize that letters from your constituents provide valuable information that is frequently used to develop or support Commission enforcement initiatives.

I appreciate learning of your constituent's concerns, and I am sympathetic to the problem described. I should note, however, that the jurisdiction of the Commission under the FTC Act does not extend, *inter alia*, to "banks. . ." such as the Travelers Bank, USA. I have therefore taken the liberty of forwarding your correspondence to the Federal Deposit Insurance Corporation for their review.

Thank you for your interest in this matter. Please let us know whenever we can be of service.

Sincerely,

Donald S. Clark  
Secretary of the Commission

cc: Director of Congressional Liaison  
Federal Deposit Insurance Corporation  
550 - 17th Street, N. W.  
Washington, D. C. 20429



GREG GANSKE  
4TH DISTRICT, IOWA



COMMERCE COMMITTEE

SUBCOMMITTEES:

HEALTH AND ENVIRONMENT  
FINANCE AND HAZARDOUS MATERIALS  
OVERSIGHT AND INVESTIGATIONS

FEDERAL TRADE COMMISSION

01 JUN 28 AM 8:17

LONG. COM. BRANCH

CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES

June 21, 2001

1461924

Ms. Lorraine C. Miller  
Director, Congressional Relation  
Federal Trade Commission  
6th and Pennsylvania Avenue Northwest R  
Washington, D.C. 20580-0001

Dear Ms. Miller:

Enclosed is a copy of a letter and other documents which I received from [REDACTED] concerning what he believes is a fraudulent practice by a finance company. I would appreciate your looking into this situation and apprising me of your determination.

If you have questions or comments, please call Susan Steinick in my Des Moines office at 515/284-4634, or e-mail her at [sue.steinick@mail.house.gov](mailto:sue.steinick@mail.house.gov).

Thank you again for your help. I look forward to hearing from you soon.

Sincerely,

Greg Ganske  
Member of Congress

JGG:ss

[REDACTED]  
Urbandale, Iowa [REDACTED]  
June 14, 2001

JUN 20 2001

Congressman Greg Ganske  
1108 Longworth House Office Building  
Washington, DC 20515

Congressman Ganske:

This morning I had a discussion with Ms. Lisa Ludwig who is an investigator with the Consumer Protection Division of the Iowa Attorney General about a problem I am having with Citifinancial Retail Services which is a division of Citigroup. Ms. Ludwig felt I was justified in my complaint and as they are a national bank suggested I contact your office for possible assistance.

Let me briefly reiterate my problem. On December 9, 1999 I purchased a treadmill from a local store on a 6 month same as cash offer. On the original paperwork I filled out there was no date provided as to when the same as cash offer expired and I never received a final contract with a specific date. In June of 2000 (6 months later) I received a statement from Citifinancial who was handling the same as cash offer. Prominently displayed on the top of the statement was a payment due date of June 19, 2000. I mailed them a check for the full amount on June 4, 2000 which they posted on June 8, 2000.

I received another statement in July and was suprised to find I was being assessed all accrued interest charges. After speaking with them and examining my statement I did find another due date on the June statement buried in the fine print of a full paragraph that listed June 6, 2000 as the due date for the same as cash offer. I found it very interesting to note that this full paragraph had become a single 6 word sentence with the same as cash due date not only in bold print but blown up several type sizes once the promotion had expired. I felt and Ms. Ludwig agreed that they were intentionally misleading about this with the hope that people would miss the cutoff and be forced to pay all accrued interest charges. I have done several same as cash offers and never had a problem and after reexamining other statements found them to very clearly spell out when a payment was due to avoid the accrued interest.

My wife and I have made several phone calls to Citifinancial about this matter and I have written several letters. Their response has ranged from rude (we've been hung up on) to basically saying tough, we want our money to simply ignoring my letters. They have had their collectors call us multiple times a day and even once at work and when I have spoken with them I have encouraged them to sue me as I feel I have grounds and would welcome a judges' opinion on this matter. Regardless, the interest and late charges have continued to mount and my credit rating has been damaged (it was perfect prior to this).

I welcome any assistance you can give me on this matter. If you would like copies of any information I have, please don't hesitate to ask. If nothing else, I want to make you aware of the poor practices this company is engaging in. Thank you for your time.

Sincerely,  
[REDACTED]



**EXERCISE EQUIPMENT**

NEW • USED • RENTALS • BUY • SELL • TRADE

**SALES INVOICE**

**ST. LOUIS PARK**  
6819 Wayzata Blvd, MN 55426  
(612) 544-2540

**MAPLEWOOD**  
1898 Beam Ave., MN 55109  
(651) 770-7701

**BURNSVILLE**  
14033 Grand Ave. So., MN 55337  
(612) 892-6300

**MAPLE GROVE**  
13630 80th Circle, MN 55389  
(612) 420-2161

**ROSEVILLE**  
2189 No. Snelling Ave, MN 55113  
(651) 633-3110

**RICHFIELD**  
1420 E. 78th St., MN 5542  
(612) 866-6110

**DISTRIBUTION & SERVICE CENTER**  
1515 So. 5th Street, Hopkins, MN 55343  
(612) 930-1601

Payment Due: 12/04/1999  
Invoice Date: 12/04/1999  
Representative: 06 012-Des Moines  
Contract Type: Sale

Urbancie (A)  
Home Phone: [REDACTED]  
Work Phone: [REDACTED]

QTY	ITEM #	DESCRIPTION	EACH	EXTENSION
1.0	SA1200	Sport Art 1200 Treadmill	1399.00	1399.00
1.0	SM1000	SM Treadmill Mat		
1.0	SVRack	Storage Center Rack		

Payment Method Serial # Dollar Amt

Receivable 1488.96

ITEM TOTAL: 1,399.00  
TOTAL TAX: 69.96  
DELIVERY: .00  
LABOR: .00  
TOTAL: \$ 1,468.96  
PAYMENTS: \$ 1,468.96  
CHANGE DUE: \$ .00

**CARDHOLDER AGREEMENT AND DISCLOSURE STATEMENT**

This is your Agreement with The Travelers Bank USA, Newark, Delaware  
Please Read This Agreement And Keep It For Your Records.

- GENERAL:** Each person signing the application for a credit card account ("Account") applies for an Account with The Travelers Bank USA, a Delaware state bank located in Newark, Delaware (the "Bank"), and requests one or more credit card(s) bearing the name and/or logo of the merchant referenced on the credit application completed in connection with this Agreement and Disclosures, to be used in connection with the Account. The word "Card" means any credit card(s) issued to you or an authorized user of your Account. In this Agreement, the words "you" and "yours" refers to all persons named on the credit card application and the words "we", "us" and "our" refers to The Travelers Bank USA.  
If we approve your application to open an Account, we will extend credit so that you may purchase goods and services for personal, family and household purposes from merchants which honor the Card.
- ACCEPTANCE OF AGREEMENT:** The use of your Account or Card by you or anyone whom you authorize or permit to use your Account or Card means you accept and agree to terms of this Agreement.
- PROMISE TO PAY:** You agree to pay us in U.S. Dollars for all purchases, advances made on your Account, applicable Finance Charges and other charges or fees under this Agreement, including but not limited to, late payment fees, returned instrument fees, and credit insurance charges, if any, incurred by you or anyone you authorize or permit to use your Account or Card, plus collection costs, including court costs and reasonable attorneys' fees if not prohibited by applicable law. If your Account is a joint Account, you and your joint Account Holder each agree to pay and are jointly and individually responsible for all amounts owed on your Account, this means that we may collect these amounts from each of you or from all of you.
- BILLING STATEMENT:** We will send you a billing statement periodically (normally monthly) after each billing cycle in which you have a balance in excess of \$1.00. The billing statement will show all purchases, finance charges and other charges or fees, including credit insurance if applicable, and all payments and other credits posted to your Account during the billing cycle. The billing statement will show the amount owed on your Account. The total amount owed is called "New Balance" on your billing statement subject to the terms of special Credit Plan purchases, if any, as indicated below. Payments are due at our offices on or before the Payment Due Date shown on your billing statement.
- CREDIT PLANS:** In addition to purchases that accrue Finance Charges and require Minimum Payments as described below, the following special Credit Plans may be offered from time to time only as specified on the sales slip honoring the Card or indicated on the periodic billing statement:  
  - NC PAY (Delayed Payment)** - No minimum monthly payment will be due until the payment due date of the billing cycle following the expiration of the delayed payment period, with Finance Charges accruing from the date of purchase. **NO INTEREST (Waived Finance Charges)** - No Finance Charges will accrue on the purchase until the day following the expiration of the "no interest" promotional period, with minimum monthly payments due each billing cycle. **NO INTEREST/NO PAYMENT (Waived Finance Charges/Delayed Payment)** - No minimum monthly payments will be due and no Finance Charges will accrue until the expiration of the deferred period. **SAME AS CASH** - Finance Charges will accrue on the purchase from the date of purchase and minimum monthly payments will be due each billing cycle. If, however, you pay the cash sales price of the purchase by the promoter's expiration date as indicated on your periodic statement, no Finance Charges will be due on the purchase. **NO PAY/SAME AS CASH (Delayed Payment/Same as Cash)** - Finance Charges will accrue on the purchase from the date of purchase but no minimum monthly payments will be due prior to the promotion due date as indicated on your periodic statement, and if you pay the cash sales price of the purchase by the promotion due date, no Finance Charges will be due on the purchase. **FREE FINANCING (Waived Finance Charges/Payment Required)** - We will not add Finance Charges on your purchase for a specific period of time assuming you make the required minimum payment and the account is paid as agreed; if a balance remains after the term of the specified period expires, Finance Charges are assessed at the rate disclosed in the Cardholder Agreement. **REDUCED RATE** - A reduced rate Finance Charge will be applied to the balance attributable to the purchase until the expiration of the reduced rate period or payment in full of the reduced rate balance, whichever occurs first. You can obtain more information about the availability of the Credit Plans from the merchant who honors this Card. We may cancel the availability of any of the Credit Plans at any time for any reason.
- MINIMUM PAYMENT:** You agree to pay us at least the Minimum Payment reflected on your statement. If you wish, you may pay more than the Minimum Payment and at any time you may pay the entire amount due. All payments, except disputed payments, must be mailed or delivered to us at the address shown on your monthly billing statement. Disputed payments including those which indicate that the payment constitutes "payment in full" of the amount owed must be mailed or delivered to the address shown on your monthly statement. The Minimum Payment will be the total of the minimum payments required for any Credit Plan plus the amount of insurance premiums, if any. The Minimum Payment (excepting the Free Financing Credit Plan) is the greater of \$15 or 2.33% of the "New Balance" after your most recent purchase (excluding Finance Charges, late payment and returned instrument fees, and less any No Pay, No Interest/No Payment, and No Pay/Same as Cash Purchase Balances); the Minimum Payment on the Free Financing Credit Plan is determined by dividing the purchase balance equally over the agreed term to provide equal monthly payments. The Minimum Payment is shown on your billing statement and is rounded to the next higher dollar.  
You agree that any payment may be returned to you if your check or other payment instrument is: (a) not drawn on U.S. Dollars on funds on deposit in the U.S., (b) missing a signature, (c) drawn with different numeric and written amounts; (d) contains a restrictive endorsement, (e) postdated, (f) drawn on a credit account issued by The Travelers Bank USA or its affiliates; (g) not paid on presentation. We can accept late payments, partial payments or checks and payment instruments marked with words of condition or limitation, such as "payment in full", without losing any of our rights under this Agreement.
- TREATMENT OF PAYMENTS:** Each Payment is applied as of the date received in the following order: (a) Finance Charges; (b) late payment fees and return instrument fees; (c) attorneys' fees and costs of collection; (d) special Credit Plans requiring payment during the applicable period, in order of posting due date, as applicable; (e) Regular Purchases, and (f) insurance charges, if any. Any excess will be credited to your Account.
- FINANCE CHARGES:** The Finance Charge is part of the interest on your Account. The Finance Charge for each billing cycle is computed by multiplying the "Average Daily Balance" by the daily periodic rate of 0.062988% (corresponding 22.99% ANNUAL PERCENTAGE RATE) times the number of days in the billing cycle.  
We use the "Average Daily Balance" of each Credit Plan to calculate Finance Charges on your Account.  
We start with the beginning balance of each Credit Plan. We do not include unpaid Finance Charges or fees in the beginning balance. We subtract any payments or credits. We add any new purchases. If you have made purchases under a deferred Credit Plan, we will add deferred purchases on the first day after the deferred period. This gives us the daily balance. Then we add up all the daily balances of purchases for the billing period and divide by the total number of days in the billing period. This gives us the "Average Daily Balance" of each Credit Plan.  
We then add together the Finance Charge amounts to get the total Finance Charge on the Account. In addition, if you make a purchase under a No Pay or a Reduced Rate Credit Plan, we will add the amount of Finance Charge that has accrued on the Average Daily Balance of the purchase from the date of purchase through and including the last day of the deferred period.  
We will charge you a minimum FINANCE CHARGE of \$5.00 for each billing cycle in which FINANCE CHARGE is due.

ANNUAL PERCENTAGE RATE	FINANCE CHARGE (Daily Periodic Rate)	Grace Period	METHOD OF COMPUTING THE BALANCE FOR PURCHASES	ANNUAL OR MEMBERSHIP FEE	Minimum Finance Charge
22.99%	0.062988%	None	Average Daily Balance (including new purchases)	None	\$5.00
LATE PAYMENT FEE: \$20					
RETURN INSTRUMENT FEE: \$20 (charged only once per billing cycle)					

Finance Charges for all Purchases except special Credit Plan Purchases begin to accrue on the date of sale unless delivery is more than ten (10) days after the date of sale, in which case such charges begin on the date of delivery. Finance Charges on **No Pay Purchases** begin to accrue from the date of purchase. For **No Interest Purchases**, the Finance Charge will accrue on the purchase as of the first day following the expiration of the "no interest" period indicated on the periodic billing statement. On **No Interest/No Payment Purchases**, Finance Charges will accrue from the first day after the deferred period ends. If the **Same as Cash** and the **No Pay/Same as Cash** Balance is not paid in full upon expiration of the deferred period, the Finance Charge will be earned and added to the New Balance for that month. If the **Free Financing** Balance is not paid during the deferred period as scheduled, Finance Charges will be earned at the rate disclosed in the Cardholder Agreement and added to the New Balance for that month. **Reduced Rate** - A reduced rate Finance Charge will be applied to the balance attributable to the purchase until the expiration of the reduced rate period or payment in full of the reduced rate balance, whichever occurs first.

- INSURANCE:** If you elect any credit insurance coverage in connection with opening the Account, you authorize us to charge the insurance premium for such insurance to your Account on a monthly basis. You understand the amount of the insurance premium is based on the Balance of your Account outstanding at the end of the each periodic billing cycle.
- CREDIT LIMIT:** You agree not to let the Account balance, including Finance Charges, exceed the credit limit established for you by us from time to time and shown on your billing statement. We do not have to honor any use of your Card which would cause you to exceed your credit limit, but if we do, you agree to repay the amount by which your credit limit is exceeded, plus Finance Charges immediately.
- LATE PAYMENT FEE:** For each billing period in which we fail to receive payments or credits on your Account at least equal to the Minimum Payment due on or before the seventh (7th) day following the Payment Due Date shown on your billing statement, you agree to pay us a \$20 late payment fee.
- RETURNED INSTRUMENT FEE:** If any check or other instrument for payment on your Account is dishonored or returned unpaid for any reason, you agree to pay a returned instrument fee of \$20.
- CHANGE OF TERMS (INCLUDING FINANCE CHARGE RATE):** We may, at any time and subject to applicable law: (a) terminate this Agreement; (b) change your credit limit; or (c) change any other terms and conditions of this Agreement relating to your Account provided we send you notice at least 16 days prior to the effective date of the change. If the change will increase the Finance Charges or Fees, notice shall be sent at least 30 days prior to the effective date and may become effective as of the first day of your billing period during which the effective date occurs unless you give us written notice that you do not agree to the change within 30 days of the date of the mailing. If you give us such written notice, you will be permitted to pay the outstanding unpaid indebtedness in your Account as of the effective date under the terms of the agreement governing your Account at the time our notice was given. If you use your card after the effective date, you will be considered to have agreed to the new terms even if you have sent us such written notice. At our option we may also make any such change if you start to use your account after the effective date of the amendment. Changes which we make can apply to all outstanding unpaid indebtedness and to any future transaction on your Account.

14. **DEFAULT:** You will be in default under this Agreement upon (a) your failure to make at least the Minimum Payment when due, (b) your violation of any other provision of this Agreement, (c) your death, (d) your becoming the subject of bankruptcy or insolvency proceedings, (e) your becoming the subject of attachment or garnishment proceedings, (f) your supplying us with misleading, false, incomplete or incorrect information, or (g) our receipt of information that you are unable or unwilling to perform the terms or conditions of this Agreement. After default, all your Account Balances including Special Credit Plan Balances will accrue Finance Charges at the contract rate in effect at the time of default. Upon default, we have the right to (a) terminate your credit privileges under this Agreement, (b) require you to pay your entire Account Balance including Special Credit Plan Balances, all accrued but unpaid finance charges and other charges provided for in this Agreement immediately, (c) cancel any credit insurance coverage applicable to your Account, and (d) bring an action to collect all amounts owed. To the extent permitted by applicable law, you agree to pay all costs and disbursements, including reasonable attorneys' fees, incurred by us to collect or enforce your indebtedness.
15. **CREDIT AUTHORIZATIONS:** Some purchases will require our prior authorization and you may be asked by the merchant to provide identification. If our authorization system is not working, we may not be able to authorize a transaction, even if you have sufficient available credit. We will not be liable to you if any of these events happen. We are not responsible for the refusal of any merchant to accept or honor the Card.
16. **CHANGE OF NAME, ADDRESS, OR EMPLOYMENT:** You agree to give us prompt notice of any change in your name, mailing address, or place of employment. You agree that the Department of Motor Vehicles may release your residence address to us should it become necessary to locate you. We have the right to request and accept address corrections from the U.S. Postal Service.
17. **UPDATED FINANCIAL INFORMATION:** Upon request, you agree to promptly give us accurate updated financial information about yourself.
18. **LIABILITY FOR UNAUTHORIZED USE:** You may be liable for the unauthorized use of your Card. You agree to notify us immediately upon learning of the loss, theft, or possible unauthorized use of your Card. You will not be liable for unauthorized use that occurs after you notify us at 1-800-642-5607, of the loss, theft, or possible unauthorized use of your Card. In any case, your liability will not exceed \$50. However, unauthorized use does not include use by a person to whom you have given authority to use the Card, and you will be liable for all use by such a user. To terminate this authority, you must retrieve the Card from the previously authorized user and return it to us at the address shown on your billing statement or the address indicated below, together with a letter explaining why you are doing so.
19. **LOST OR STOLEN CARD:** You agree to notify us immediately if your Card is lost or stolen, or if you think someone is using your Account without your permission. You may either write or call us at the address and phone number shown on your billing statement. Until you do, you may have to pay (up to \$50.00) for purchases made by anyone who used the card without your permission. In any such event, we reserve the right to require you to file one or more reports with the appropriate law enforcement authorities prior to our removal of alleged unauthorized charges made against your Account.
20. **CARD CANCELLATION:** We can terminate your Account or reduce your credit limit at any time and for any reason. Balances outstanding under this Agreement when your credit limit is reduced or terminated will continue to accrue Finance Charges, until paid in full. You agree to return your Card(s), including Card(s) you gave to others, to us at any time that we request.
21. **CLOSING YOUR ACCOUNT:** You can cancel or close your Account at any time by writing to us. Your notice becomes effective when we receive it. If you cancel your Account, you will still be responsible for all amounts owed us according to the terms of this Agreement and you must immediately pay everything that you owe us, including any amounts not yet billed to you. You agree to return your Card(s) to us.
22. **SECURITY:** To the extent permitted by applicable law, you grant us a purchase money security interest in all goods purchased through your Account now or at any time in the future and all proceeds of such goods. Payments will be applied as required by law. When sufficient payments are made to repay the portion of the Account balance attributable to the purchase of a particular good, we will release our purchase money security interest in that good. Goods covered by a security interest may be taken from you if you do not pay on time. We may require you to make them available at a convenient place of our choice. We waive any security interest in your principal dwelling that we would otherwise secure any obligation hereunder.
23. **CREDIT INVESTIGATION AND REPORTING:** You agree that we may investigate your credit, employment and income records and verify your credit references and also may report to credit reporting agencies, merchants, and other creditors the status and payment history of your Account. We may inform the merchant of your line of credit on your Account. You authorize us to obtain a consumer report from consumer reporting agencies in considering this application, and for the purpose of an update, renewal, extension of credit, review or collection of your account. If you ask whether or not a consumer report was requested, we will tell you and if we received a report, we will give you the name and address of the agency that furnished it. You agree that in the event we decline your application for credit, we or any of our affiliates may submit the information you have given us on the credit Application to other lenders or our affiliates, who will treat such information as a credit application for a separate credit product offered by such lender. If the Application is referred to another lender, it will be subject to such lender's credit approval and to the terms and conditions of such lender's separate credit agreement. Furthermore, you grant the other lender the right to request a consumer credit report on you, and you authorize the other lender to check your credit and "share" employment history and financial information, and to answer questions about its credit experience with us.
24. **PRIVACY PRACTICES:** From time to time we may listen to or record telephone calls between you and us for the purpose of monitoring and improving the quality of services you receive.
25. **MISCELLANEOUS:** We will not lose any of our rights under this Agreement if we delay taking action or fail to exercise our rights and remedies for any reason. To the extent allowed by law, we may take other action not described in this Agreement, and by doing so will not lose our rights under this Agreement. We may sell, assign, or transfer your Account, or any portion thereof, and any of our rights under this Agreement without your consent or notice to you. You may not sell, assign or transfer your Account. If any provision of this Agreement is finally determined to be void or unenforceable under any law, rule or regulation, all other provisions of this Agreement will remain valid and enforceable.
26. **APPLICABLE LAW:** This Agreement and your Account will be governed by the law of the State of Delaware and applicable federal law, whether or not you live in Delaware and whether or not your Account is used in or outside Delaware. This Agreement is entered into in Delaware and all credit under this Agreement will be extended from Delaware.
27. **AGREEMENT TO ARBITRATION:** Any controversy or claim, except a repossession or any claim for damages or other relief because of your default hereunder, arising out of or relating to this Agreement or the breach of this Agreement or relating to any insurance, services or products offered in connection with this Agreement, including any claim against any of our affiliates, successors or assigns, or our employees, agents or officers, shall be determined by binding arbitration. Any party to this Agreement may bring an action to compel arbitration of any controversy or claim to which this Agreement applies. The arbitration shall be administered by J.A.M.S./Endispute under its Streamlined Arbitration Rules and Procedures. No arbitrator shall have the authority to award punitive damages in excess of three times the amount of the actual damages. Judgment upon any arbitration award may be entered in any court having jurisdiction.
28. **REFINANCING:** You understand that the overall cost of refinancing a purchase balance into a new loan account may be greater than the cost of keeping the existing purchase balance and obtaining a separate loan for any additional funds you wish to borrow.
29. **SHARED INFORMATION:** Unless you indicate otherwise in writing (with social security number) to The Travelers Bank USA, Customer Service, 300 St. Paul Place, BSP09D, Baltimore, MD 21202, you agree that The Travelers Bank USA and its affiliates may share information about you or your account, including information from your credit reports, for marketing and administrative purposes.

The information about the costs of the Card described in this Agreement is accurate as of March, 1998. This information may be changed after that date. To find out what may have changed, write to us at The Travelers Bank USA, P.O. Box 15105, Wilmington, DE 19850-5105.

**NOTICE TO CALIFORNIA RESIDENTS:** California law requires that we inform customers that should they fail to fulfill the terms of their credit obligation, a negative report reflecting on their credit record may be submitted to a credit reporting agency. Regardless of your marital status, you may apply for credit in your name alone.

**NOTICE FOR NEW YORK AND VERMONT RESIDENTS:** A consumer credit report may be requested in connection with this application or in connection with updates, renewals or extensions of any credit granted as a result of this application. Upon your request, you will be informed whether or not such a report was requested and, if so, the name and address of the agency that furnished the report.

**NOTICE TO MARRIED WISCONSIN RESIDENTS:** No provision of marital agreement, unilateral statement or court decrees under Wisconsin's Marital Property Act adversely affects our rights with respect to your account, unless, before we extend credit to you, you provide us with a copy of it, or we have actual knowledge of the adverse provision when the obligation is incurred. You must provide the following information because, when credit is granted, we must give notice to a spouse who is not a co-applicant:

Name and address of spouse:

**NOTICE TO OHIO RESIDENTS:** The Ohio laws against discrimination require that all creditors make credit readily available to all credit worthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio civil rights commission administers compliance with this law.

**YOUR BILLING RIGHTS - KEEP THIS NOTICE FOR FUTURE USE**

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

**Notify Us in Case of Errors or Questions About Your Bill:** If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the address listed on your bill or to The Travelers Bank USA, P.O. Box 15105, Wilmington, DE 19850-5105. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information: • Your name and account number. • The dollar amount of the suspected error. • Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

**Your Rights and Our Responsibilities After We Receive Your Written Notice:** We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report that amount as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

**Special Rule for Credit Card Purchases:** If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right: (a) You must have made the purchase in your home state or, if not within your home state within 100 miles of your current mailing address; and (b) The purchase price must have been more than \$50. These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

MERCHANT

- NO PAY:** Finance Charges accrue from the date of purchase, no minimum monthly payment will be due until the payment due date of the billing cycle following the expiration of the No Pay period of \_\_\_\_\_ days.
- MINIMUM PAYMENT:** No minimum monthly payments will be due and no Finance Charges will accrue until the expiration of the interest period of \_\_\_\_\_ days.
- PAID AS YOU GO:** Finance Charges will accrue on the purchases from the date of purchase and minimum monthly payments will be due each billing cycle. If you pay the cash sales price of the purchase by the expiration date of the Same as Cash period of \_\_\_\_\_ days, as indicated on your monthly statement, no Finance Charges will accrue on the purchase.
- NO PAY/PAID AS CASH (NAC):** Finance Charges will accrue on the purchase, but no minimum monthly payments will be due prior to the deferred due date of \_\_\_\_\_ days, as indicated on your monthly statement, and if you pay the cash sales price of the purchase by the expiration of the Same as Cash period, no Finance Charges will be due on the purchase.
- NO INTEREST:** No Finance Charges will accrue on the purchase until the day following the expiration of the "No Interest" period of \_\_\_\_\_ days, with minimum monthly payments due each billing cycle.
- FREE FINANCING:** No Finance Charges will accrue on the purchase for the "Free Financing" period of \_\_\_\_\_ days, assuming you make the required minimum monthly payments and the account is paid as agreed. If a balance remains after the specified period expires, Finance Charges are assessed at the rate disclosed in the particular agreement.
- DEFERRED RATE:** A reduced rate Finance Charge will be applied to the interest attributable to the purchase until the expiration of the reduced rate period or payment in full of the reduced rate balance, whichever occurs first.

Address

Telephone #

LEASER'S LICENSE #

Other

DATE OF SALE: 12-4-99		DATE OF DELIVERY:	
QUAN	DESCRIPTION	PRICE EACH	CASH SALE PRICE
1	SA1200		1399
1	SM1000		
1	SURACE		
		Sales Tax	69.95
SALESPERSON		Cash Price	1399
SELLER'S AUTH		Down Payment	- 0 -
AUTH CODE:		Unpaid Balance of Cash Price	1468.95
<input checked="" type="checkbox"/> New Account		<input type="checkbox"/> Existing Account	

I promise to pay The Truvelco Bank LEA or its assignee the Unpaid Balance of Cash Price for the purchase shown above plus Finance Charges, fees, insurance premiums and all other charges due thereon and grant and confirm a purchase money security interest in the goods shown to secure the unpaid cash price, subject to and in accordance with all terms and conditions of the Credit Agreement and Document Statement with Bank which establishes the Account under which the

CUSTOMER COPY

Account Number	Credit Limit	Available Credit	Days In Billing Cycle	Billing Cycle Closing Date	Payment Due Date	Minimum Payment Due
	1500	181	30	05/25/00	06/19/00	0.00
Date	Reference Number	Purchases, Charges, Payments and Credits since last statement				Amount
12/09/1999		*** NO CURRENT ACTIVITY ***				
6 MONTH NO PAY/SAC		Annual Percentage Rate				22.99%
Average daily Balance		Daily Periodic Rate				0.86299%
						\$ 1468.95
Save on Interest? Simply pay \$1468.95 plus the minimum payment amount shown above by 06/06/2000 and you'll avoid interest charges of \$155.95. Be sure to allow 7 days for mail delivery to ensure we receive your payment on time. Thank you for letting us serve you.						
Previous Balance	Payments	Credits	Purchase	Debit Adjustments	Finance Charges	New Balance
1468.95	0.00	0.00	0.00	0.00	0.00	1468.95
An amount followed by a minus sign(-) is a credit or a credit balance unless otherwise indicated.						
Nominal APR	22.99%	Sequence 8			Average Daily balance on which Finance charges are computed	
Annual Percentage Rate	22.99%					
Daily Periodic Rate	.86299%					
					0.00	

\* INCLUDE ANY AMOUNT PAST DUE AND/OR OVERLIMIT.

05/21/2001

14:21

2700 WILSON EAGLESE CLIVE  
PO BOX 15185  
WILMINGTON DE 19859-5105

Address Correction - Please Print

Street  
City State Zip Code  
Home ( ) Work ( )

Minimum Payment Due	Past Due Amount	Payment Due Date	New Balance	Account Number	Payment Enclosed
0.00	0.00	06/19/00	1468.95	[REDACTED]	\$

Please detach top portion and return with payment.

URBANDALE IA

Use the enclosed envelope and make payment to:

CITIFINANCIAL RETAIL SERVICES  
PO BOX 6254  
CAROL STREAM, IL 60197-6254



603259015696589800000000146895000000025

2ND WIND EXERCISE-CLIVE  
P.O. BOX 22060  
TEMPE, AZ 85285-2060

Address/Phone change? Please check here and complete the reverse side.

Minimum Payment Due	Past Due Amount	Payment Due Date	New Balance	Account Number	Payment Enclosed
190.00	168.00	06/20/01	399.93		

000225 05/20/01

URBANDALE IA

Please detach top portion and return with payment in the enclosed envelope. Make payment to:

CITIFINANCIAL RETAIL SERVICES  
P.O. BOX 6254  
CAROL STREAM, IL 60197-6254



603259015696589800190000039993014689525

Account Number	Credit Limit	Available Credit	Days In Billing Cycle	Billing Cycle Closing Date	Payment Due Date	Minimum Payment Due
6032-5901-5696-5898	1500	1250	31	05/26/01	06/20/01	190.00

Date	Reference Number	Purchases, Charges, Payments and Credits since last statement	Amount
05 25		LATE CHARGE ASSESSMENT	29.00

12/09/1999  
6 MONTH NO PAY/SAC -B-06062000-Y  
Average daily Balance

Annual Percentage Rate 22.99%  
Daily Periodic Rate 0.06299%  
\$ 00.00

SAME AS CASH option Expired 06/06/2000

Previous Balance	Payments	Credits	Purchase	Debit Adjustments	Finance Charges	New Balance
378.93	0.00	0.00	0.00	29.00	0.00	399.93

An amount followed by a minus sign (-) is a credit or a credit balance unless otherwise indicated.

Nominal APR	22.99%	Sequence #	Average Daily balance on which Finance charges are computed
Annual Percentage Rate	22.99%		
Daily Periodic Rate	0.06299%		0.00



Consumer Information System  
Complaint Detail Report

02/28/2002

KMILTON

**Transaction**

Ref No.: 1549837 Contact Type: Complaint Source: Congress TCS? N

Comments:

Created By: GREESE Created Date: 09/05/01

Updated By: CMUNGO Updated Date: 10/06/01

Org Name: Office of the Secretary

Amt Requested:

Amt Paid: Payment Method:

Initial Response:

Product/Service:

Statute/Rule:

Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: Urbandale State: IA Zip: [REDACTED]

Country: UNITED STATES

Work phone ( ) Ext:

Fax Number: ( )

Home Number: ( )

Email:

Age Range:

**Company**

Company: CitiFinancial Retail Service

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: ( ) Ext:

**Company Representative**

**Associated Company**



REF. TO:

135 HART SENATE OFFICE BUILDING  
WASHINGTON, DC 20510-1501  
(202) 224-3744  
TTY: (202) 224-4479  
e-mail: chuck\_grassley@grassley.senate.gov

721 FEDERAL BUILDING  
210 WALNUT STREET  
DES MOINES, IA 50309-2140  
(515) 284-4890

206 FEDERAL BUILDING  
101 1ST STREET SE.  
CEDAR RAPIDS, IA 52401-1227  
(319) 363-6832

REPLY TO:

103 FEDERAL COURTHOUSE BUILDING  
320 6TH STREET  
SIOUX CITY, IA 51101-1244  
(712) 233-1860

210 WATERLOO BUILDING  
531 COMMERCIAL STREET  
WATERLOO, IA 50701-5497  
(319) 232-6657

119 FEDERAL BUILDING  
531 E. 4TH STREET  
DAVENPORT, IA 52801-1513  
(319) 322-4331

307 FEDERAL BUILDING  
8 SOUTH 6TH STREET  
COUNCIL BLUFFS, IA 51501-4204  
(712) 322-7103

# United States Senate

CHARLES E. GRASSLEY

WASHINGTON, DC 20510-1501

August 22, 2001

1549837

David Thomas  
Director, Office of Congressional Relations  
Federal Trade Commission  
600 Pennsylvania Avenue, N.W., Room 404  
Washington, DC 20580

Dear Mr. Thomas:

Enclosed please find a communication from [REDACTED] regarding the interest charges he has been assessed by Citifinancial Retail Services.

I would appreciate any assistance you could provide pertaining to this matter. Please mark your return correspondence to the attention of Adam Freed when responding to my office.

Thank you for your attention to my request.

Sincerely,

Charles E. Grassley  
United States Senator

CEG/af  
Enclosure

[REDACTED]  
Urbandale, Iowa [REDACTED]  
June 14, 2001

Senator Charles E. Grassley  
135 Senate Office Building  
Washington, DC 20510

Senator Grassley:

This morning I had a discussion with Ms. Lisa Ludwig who is an investigator with the Consumer Protection Division of the Iowa Attorney General about a problem I am having with Citifinancial Retail Services which is a division of Citigroup. Ms. Ludwig felt I was justified in my complaint and as they are a national bank suggested I contact your office for possible assistance.

Let me briefly reiterate my problem. On December 9, 1999 I purchased a treadmill from a local store on a 6 month same as cash offer. On the original paperwork I filled out there was no date provided as to when the same as cash offer expired and I never received a final contract with a specific date. In June of 2000 (6 months later) I received a statement from Citifinancial who was handling the same as cash offer. Prominently displayed on the top of the statement was a payment due date of June 19, 2000. I mailed them a check for the full amount on June 4, 2000 which they posted on June 8, 2000.

I received another statement in July and was suprised to find I was being assessed all accrued interest charges. After speaking with them and examining my statement I did find another due date on the June statement buried in the fine print of a full paragraph that listed June 6, 2000 as the due date for the same as cash offer. I found it very interesting to note that this full paragraph had become a single 6 word sentence with the same as cash due date not only in bold print but blown up several type sizes once the promotion had expired. I felt and Ms. Ludwig agreed that they were intentionally misleading about this with the hope that people would miss the cutoff and be forced to pay all accrued interest charges. I have done several same as cash offers and never had a problem and after reexamining other statements found them to very clearly spell out when a payment was due to avoid the accrued interest.

My wife and I have made several phone calls to Citifinancial about this matter and I have written several letters. Their response has ranged from rude (we've been hung up on) to basically saying tough, we want our money to simply ignoring my letters. They have had their collectors call us multiple times a day and even once at work and when I have spoken with them I have encouraged them to sue me as I feel I have grounds and would welcome a judges' opinion on this matter. Regardless, the interest and late charges have continued to mount and my credit rating has been damaged (it was perfect prior to this).

I welcome any assistance you can give me on this matter. If you would like copies of any information I have, please don't hesitate to ask. If nothing else, I want to make you aware of the poor practices this company is engaging in. Thank you for your time.

Sincerely,  
[REDACTED]  
[REDACTED]  
[REDACTED]



Consumer Information System  
Complaint Detail Report

02/26/2002

KMILTON

**Transaction**

Ref No.: 1676983 Contact Type: Complaint Source: Congress TCS? N  
Comments:  
Created By: STAYLOR Created Date: 11/29/01  
Updated By: CMUNGO Updated Date: 12/06/01  
Org Name: Office of the Secretary  
Amt Requested:  
Amt Paid: Payment Method:  
Initial Response:  
Product/Service:  
Statute/Rule:  
Law Violation: Truth-in-Lending Act

**Consumer**

Complaining  
Company/Org.:

Last name: [REDACTED] First: [REDACTED]  
Address: [REDACTED]

City: Rochester State: NY Zip: [REDACTED]

Country: LOCATION NOT REPORTED

Work phone: ( ) Ext:

Fax Number: ( )

Home Number: ( )

Email:

Age Range:

**Company**

Company: CitiFinancial Credit Company

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: ( ) Ext:

**Company Representative**

**Associated Company**



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Office of the Secretary

DEC 6 2001

The Honorable Louise Slaughter  
U.S. House of Representatives  
2347 Rayburn House Office Building  
Washington, D.C. 20515-3228

Re: FTC Ref. No. 1676983

Dear Representative Slaughter:

This will acknowledge receipt of a referral from the Federal Reserve System of your letter on behalf of your constituent, [REDACTED], concerning a loan solicitation that he received in July from CitiFinancial that did not contain any interest rate information.

As you know, the Federal Trade Commission has been directed by Congress to act in the interest of all consumers to prevent deceptive or unfair acts or practices, pursuant to the Federal Trade Commission Act, 15 U.S.C. §§ 41-58. In interpreting Section 5 of that statute, 15 U.S.C. § 45, the Commission has determined that a representation, omission, or practice is *deceptive* if (1) it is likely to mislead consumers acting reasonably under the circumstances; and (2) it is material; that is, likely to affect consumers' conduct or decisions with respect to the product at issue.<sup>1</sup> In a statute that became effective in August 1994, Congress amended Section 5 of the FTC Act to provide that an act or practice is *unfair* if the injury to consumers it causes or is likely to cause (1) is substantial; (2) is not outweighed by countervailing benefits to consumers or to competition; and (3) is not reasonably avoidable by consumers themselves.<sup>2</sup>

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<sup>1</sup> *Stouffer Foods Corp.*, 118 F.T.C. 746 (1994); *Kraft, Inc.*, 114 F.T.C. 40, 120 (1991), *affirmed and enforced*, 970 F.2d 311 (7th Cir. 1992), *cert. denied*, 113 S. Ct. 1254 (1993); *Removatron Int'l Corp.*, 111 F.T.C. 206, 308-09 (1988), *citing, e.g., Southwest Sunsites, Inc. v. FTC*, 785 F.2d 1431, 1436 (9th Cir.), *cert. denied*, 107 S. Ct. 109 (1986); *International Harvester Co.*, 104 F.T.C. 949, 1056 (1984); *Cliffdale Assocs.*, 103 F.T.C. 110, 164-65 (1984); *see generally Federal Trade Commission Policy Statement on Deception, appended to Cliffdale Assocs.*, 103 F.T.C. at 174-83.

<sup>2</sup> Section 5(n) of the FTC Act, 15 U.S.C. § 45(n), *added by The Federal Trade Commission Act Amendments of 1994, Pub. L. No. 103-312*. The Commission previously relied on similar criteria to define the scope of its authority to prohibit unfair acts or practices pursuant to Section 5(a) of the FTC Act. *See, e.g., Orkin Exterminating Co., Inc.*, 108 F.T.C. 263, 362 (1986); *International Harvester Co.*, 104 F.T.C. at 1061; *see generally Federal Trade Commission Policy Statement on Unfairness, appended to International Harvester Co.*, 104 F.T.C. at 1070-76.

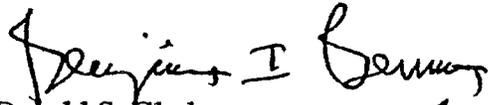
In determining whether to take enforcement or other action in any particular situation, the Commission may consider a number of factors, including the type of violation alleged; the nature and amount of consumer injury at issue and the number of consumers affected; and the likelihood of preventing future unlawful conduct and securing redress or other relief. As a matter of policy, the Commission does not generally intervene in individual disputes. However, letters from your constituents provide valuable information that is frequently used to develop or support Commission enforcement initiatives. I should also note that more than 150 consumer and business education brochures and other materials are available online in the FTC Consumer Line and FTC Business Line sections of our Home Page, located at [HTTP://WWW.FTC.GOV.](http://www.ftc.gov) In addition, your constituent should feel free to contact our Consumer Response Center, if additional information is needed, at the following address and toll-free telephone number:

Consumer Response Center  
Room 240-H  
Federal Trade Commission  
Washington, D.C. 20580  
1 (877) FTC-HELP  
1 (877) 382-4357

The October 16, 2001-referral letter from the Federal Reserve System states that “solicitations of the type [REDACTED] received are not required by federal law to contain rate information.” Therefore, because no law or regulation has been violated, this agency will be unable to provide any direct assistance to your constituent in this matter.

I appreciate your interest in this matter, and I hope that your constituent will find the above information helpful in addressing the problem at issue. Please let us know whenever we can be of service.

Sincerely,

  
Donald S. Clark  
Secretary of the Commission





BOARD OF GOVERNORS FEDERAL TRADE COMMISSION  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

01 NOV 19 PM 1:06

CONG. CONRES. BRANCH

October 16, 2001

1676983

NOV 20 2001

The Honorable Louise M. Slaughter  
House of Representatives  
Washington, D.C. 20515

Dear Congresswoman:

I am writing in response to your request for comment on correspondence you received from ██████████ about CitiFinancial. ██████████ stated that he received a loan solicitation from CitiFinancial for \$5,000 - \$10,000, and that the solicitation did not state the interest rate. We have reviewed ██████████ situation and offer the following information.

While we understand ██████████ concern, solicitations of the type ██████████ received are not required by federal law to contain rate information. If the solicitation contained rate information, then the Board's Regulation Z, which implements the Truth in Lending Act, provides rules to ensure that the solicitation contains sufficient additional information about the terms of the credit product. In addition, the regulation requires that disclosures about the cost and terms of the credit be provided before the consumer becomes obligated on any credit product. Therefore, with regard to ██████████ case, while the solicitation he received does not have to contain the interest rate, he would have received that interest rate information, along with a good deal of other cost information about the credit product, before he became in any way obligated on the loan.

Since CitiFinancial falls under the supervisory jurisdiction of the Federal Trade Commission, we are taking the liberty of forwarding copies of ██████████ letter and this response to the Federal Trade Commission at the address noted below.

I hope this information is helpful. Please let me know if I can be of further assistance.

Sincerely,

Winthrop P. Hambley  
Deputy Congressional Liaison

cc with copy of incoming to:  
Federal Trade Commission ✓  
Consumer Response Center  
6<sup>th</sup> and Pennsylvania Avenue, NW  
Washington, D.C. 20580

HOUSE OFFICE BUILDING  
WASHINGTON, D.C. 20515-3228  
202/225-3615

DISTRICT OFFICE  
FEDERAL BUILDING  
3 STATE STREET  
ROCHESTER, NY 14614-1309  
716/232-4850  
FAX 716/454-4805

usaony@mail.house.gov  
www.house.gov/slaughter

Director of the Currency  
Director of National Banks

July 7, 2001

Honorable Louise M. Slaughter  
Mary Schaeffer  
Columbian House Office Building  
Washington DC 20515

CLO: #332  
CCS: 01-4394  
RECVD: 8/30/01  
CACA

Re: 276993 - Constituent: [REDACTED]

Congresswoman Slaughter:

I acknowledge receipt of your complaint in the Customer Assistance Group of the  
the Comptroller of the Currency (OCC).

The OCC answers questions and assists consumers in resolving complaints against national  
complaints against credit card and mortgage company subsidiaries of national banks.  
A national bank is a bank that has the word National or the letters N. A. in its official name.

Your complaint is against an entity (Citifinancial) that does not fall under the jurisdiction of  
the OCC. We are referring your letter to the appropriate supervisory agency which is the Federal  
Reserve System (FRB). Their address is:

Board of Governors of the Federal Reserve System  
Division of Community and Consumer Law  
Complaint Section  
20th and C Streets, N.W  
Washington, D.C. 20551

The phone number is (202) 452-3693. Their Internet address is [www.federalreserve.gov](http://www.federalreserve.gov).  
Please direct all future correspondence regarding this issue to that office.

M. Cure  
Cure  
Customer Assistance Specialist

Customer Assistance Group, 1301 McKinney Street, Suite 3710, Houston, Texas 77010  
Phone: (800) 613-6743, FAX: (713) 336-4301

Resolution  
Resolving my

*Handwritten signature and notes on the right margin.*

Dear Congresswoman Shafter:

I enclose a solicitation received today offering me \$5000-\$10,000 in loans.

Please note - nowhere does it disclose the interest rate - You can imagine what it is - 20-25% annualized with incredible extra penalties.

This is outrageous! People will go for these offers and eventually end up in real financial trouble.

I have written to you regarding loan shark interest rates on credit cards. Apparently it's not of concern or of interest. The number of people in trouble in this economy should be of interest.

# citi financial

A member of Citigroup

1694 PENFIELD ROAD  
ROCHESTER, NY 14625  
(716) 586-5150

[REDACTED]  
[REDACTED]  
ROCHESTER, NY [REDACTED]

Dear [REDACTED]

The enclosed statement shows that a \$5,000 loan has been pre-selected for your immediate use.

This pre-selected status means no lengthy application is required. Simply complete the attached Confirmation of Receipt and return it in the enclosed return envelope.

However, as the manager of your local office, I may be able to authorize a larger amount. You may qualify for a lot more money than you think.

In fact, you can apply for up to \$10,000 right now. You can do this with a simple phone call to our office. We can give you an answer within 5 minutes and usually have the money for you the same day.

Obviously, this is a big advantage to you. With a loan from CitiFinancial, you can get the money you need quickly, easily, without any red tape.

Use the extra cash for any reason you might have - fix up your home, pay off bills or take care of unexpected expenses.

When you need money, no one gets it to you faster. It's why we're one of America's largest neighborhood financial service companies with more than 1,000 offices across the country.

Please call me today and let's work together to get you up to \$10,000 right now.

Sincerely,

*Kim Yohon*

Kim Yohon  
Branch Manager  
NY617 PC7

# Confirmation of Receipt

Please provide the following information:

Social Security #: \_\_\_\_\_  
 Years Living at Current Address: \_\_\_\_\_ years  
 Home Telephone: \_\_\_\_\_  
 Best Time to Call: \_\_\_\_\_  AM  PM

Birth Date: \_\_\_\_\_  
 Years at Current Job: \_\_\_\_\_ years \_\_\_\_\_ months  
 Work Telephone: \_\_\_\_\_

Expiration Date: 07/21/01

Please mail this form to:



KIM YOHON  
 CITIFINANCIAL  
 1694 PENFIELD ROAD  
 P.O. BOX 25093  
 ROCHESTER, NY 14625

Or contact by telephone: (716) 586-5150

ROCHESTER, NY \_\_\_\_\_



Pre-selected credit amount: \$5,000

Amount Requested \$ \_\_\_\_\_

Signature X \_\_\_\_\_

This loan offer is limited to credit-qualified homeowners.

Instructions: Please complete the above receipt, then detach and return in the envelope provided. Please be sure that the CitiFinancial office address appears through the envelope window. Thank you.

A member of Citigroup

<b>Pre-Selected Account Statement</b>		Security Control Number: _____	Offer Expiration Date: 07/21/01
Pre-Selected Credit:  \$5,000	Maximum Available Loan Amount:  \$10,000	Questions? For more information on your pre-selected account, call:  (716) 586-5150	Mail the above Confirmation of Receipt to:  P.O. BOX 25093 ROCHESTER, NY 14625

## Transaction Details

Offer Date	Offer Expiration Date	Description	Amount
06/18/01	07/21/01	<p>PRE-SELECTED CREDIT AMOUNT</p> <p>NOTE: YOU MAY ALSO QUALIFY FOR UP TO \$10,000. SEE SPECIAL NOTICE BELOW.</p> <p><b>Special Notice</b></p> <p>SANFORD R. ABBEY - Our central office has authorized me to offer you a pre-selected loan for \$5,000.</p> <p>HOWEVER, YOU MAY QUALIFY FOR UP TO \$10,000.</p> <p>Please call me immediately to confirm your receipt of this statement for control purposes. Or return the above Confirmation of Receipt in the enclosed envelope.</p> <p>Kim Yohon, Manager (716) 586-5150.</p>	\$5,000 CR

# Guarantees

**14 Day Guarantee on Personal Loans.** If for any reason you change your mind after you take out your loan, you can return the amount you borrowed within 14 days, and there'll be no fees, no charges, no hassles. Guaranteed!

**No Prepayment Penalty On Personal Loans.** You can pay off your loan anytime with no fees, no hassles and no red-tape.

**No Obligation.** Apply today for your free, no obligation customized loan proposal.

**Guaranteed Fixed Interest Rates.** CitiFinancial interest rates are fixed and will not change during your loan repayment no matter what happens to interest rates in general.

**An Answer In Five Minutes.** In most cases, when you apply for a larger loan we can give you an answer in 5 minutes.

**Money The Same Day.** If you get an approval for a larger loan by noon, you can stop by our office and pick up your check the same day.

## About CitiFinancial...

CitiFinancial is a leading provider of personal and home equity loans with more than 1,800 offices across the country. This year CitiFinancial is lending more than \$4 billion to individuals and families. CitiFinancial is a member of Citigroup, a \$716 billion family of financial services companies.

## Terms of Pre-Selected Offer

Information contained in your consumer credit report with a credit reporting agency was used by us in connection with this offer of credit. You received this offer because that credit report indicated that you satisfied the criteria for creditworthiness used to select consumers to receive this offer. Among other criteria to qualify for this offer, you must in fact have the credit qualifications on which the offer was based, you must be the owner of residential real estate property in which you live, payments must be current on any first mortgage loan secured by your residential real property, and you must have a minimum verifiable annual income of \$20,000. The credit may not be extended, if, after you respond to the offer, we determine that you do not meet the criteria used to select your name for this offer, or any applicable criteria bearing on creditworthiness, or you have opened any loan account with us in the last 75 days.

You have the right to prohibit the use of information contained in your credit file with any credit reporting agency from being used in connection with any credit transaction that is not initiated by you. You may exercise this right by calling the Association of Credit Bureaus at (888) 567-8688 or writing to the following credit reporting agencies: Experian Inc., PO Box 919, Allen, TX 75013; Trans Union, PO Box 97328, Jackson, MS 39288-7328; Equifax, PO Box 740123, Atlanta, GA 30374-0123.

A consumer report is usually obtained and reviewed in the evaluation of an application. Upon request, you will be informed whether a consumer report was requested and of the name and address of the credit reporting agency furnishing any such report. Subsequent consumer reports may be requested and used in connection with an update, renewal or extension of credit.

**Notice to Married Wisconsin Residents:** No provision of a marital agreement, unilateral statement, or court decree under Wisconsin's Marital Property Act adversely affects our rights with respect to your account, unless, before we extend credit to you, you provide us with a copy of it, or we have actual knowledge of the adverse provision when the obligation is incurred. You must provide the following information because we must inform your spouse when credit is granted and your spouse is not a co-applicant:

Name and address of spouse: \_\_\_\_\_

CitiFinancial, Inc.: AZ, CT, DE, HI, ID, IA, KS, KY, ME, MD, MI, MS, MT, NE, NV, NM, NY, NC, ND, OH, OR, PA, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY, AZ: Mortgage Banker License No. BK 15448.

CitiFinancial Corporation: AL, CO.

CitiFinancial Company: NY, NY: Licensed Mortgage Banker - N.Y.S. Banking Department.

CitiFinancial Services, Inc.: CA, CT, FL, GA, IL, IN, KY, MA, MN, MO, NY, NJ, NC, OK, PA, UT, VA. CA: Loans made or arranged pursuant to Department Corporations California Finance Lenders License. GA: Georgia Residential Mortgage Licensee. NJ: Licensed Mortgage Banker - N.J. Department of Banking; principal office, 1701 U.S. Highway 22, Watchung, NJ 07060, Telephone: 908/322-5786.

CitiFinancial Equity Services, Inc.: FL.

CitiFinancial Consumer Services, Inc.: LA, NH, RI, NH: Mortgage Banker License Nos. 7036, 5812, 5818, 5817, 5816, and 5814.

RI: Licensed as a Lender and Small Loan Lender by Department of Business Regulation

CitiFinancial of Mississippi, Inc.: MS.

CitiFinancial of Virginia, Inc.: VA.





Consumer Information System  
Complaint Detail Report

02/28/2002

KMILTON

**Transaction**

Ref No.: 1584569 Contact Type: Complaint Source: Congress TCS? N

Comments:

Created By: GREESE Created Date: 09/25/01

Updated By: CMUNGO Updated Date: 10/30/01

Org Name: Office of the Secretary

Amt Requested:

Amt Paid: Payment Method:

Initial Response:

Product/Service: Mortgage Lender

Statute/Rule:

Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: Ravenna State: OH Zip: [REDACTED]

Country: UNITED STATES

Work phone ( ) Ext:

Fax Number: ( )

Home Number: ( )

Email:

Age Range:

**Company**

Company: Citifinancial

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: ( ) Ext:

Company Representative

Associated Company





UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Office of the Secretary

OCT 30 2001

The Honorable Stephanie Tubbs Jones  
U.S. House of Representatives  
Washington, D.C. 20515

Re: FTC Ref. No. 1584569

Dear Representative Jones:

Thank you for your letter on behalf of your constituent, [REDACTED], regarding her problems with a second mortgage that she obtained from City Loan Financial Services, Inc., Kent, Ohio.

As you know, the Federal Trade Commission has been directed by Congress to act in the interest of all consumers to prevent deceptive or unfair acts or practices, pursuant to the Federal Trade Commission Act, 15 U.S.C. §§ 41-58. In interpreting Section 5 of that statute, 15 U.S.C. § 45, the Commission has determined that a representation, omission, or practice is *deceptive* if (1) it is likely to mislead consumers acting reasonably under the circumstances; and (2) it is material; that is, likely to affect consumers' conduct or decisions with respect to the product at issue.<sup>1</sup> In a statute that became effective in August 1994, Congress amended Section 5 of the FTC Act to provide that an act or practice is *unfair* if the injury to consumers it causes or is likely to cause (1) is substantial; (2) is not outweighed by countervailing benefits to consumers or to competition; and (3) is not reasonably avoidable by consumers themselves.<sup>2</sup>

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<sup>1</sup> *Stouffer Foods Corp.*, 118 F.T.C. 746 (1994); *Kraft, Inc.*, 114 F.T.C. 40, 120 (1991), *affirmed and enforced*, 970 F.2d 311 (7th Cir. 1992), *cert. denied*, 113 S. Ct. 1254 (1993); *Removatron Int'l Corp.*, 111 F.T.C. 206, 308-09 (1988), *citing, e.g., Southwest Sunsites, Inc. v. FTC*, 785 F.2d 1431, 1436 (9th Cir.), *cert. denied*, 107 S. Ct. 109 (1986); *International Harvester Co.*, 104 F.T.C. 949, 1056 (1984); *Cliffdale Assocs.*, 103 F.T.C. 110, 164-65 (1984); *see generally Federal Trade Commission Policy Statement on Deception, appended to Cliffdale Assocs.*, 103 F.T.C. at 174-83.

<sup>2</sup> Section 5(n) of the FTC Act, 15 U.S.C. § 45(n), *added by The Federal Trade Commission Act Amendments of 1994, Pub. L. No. 103-312*. The Commission previously relied on similar criteria to define the scope of its authority to prohibit unfair acts or practices pursuant to Section 5(a) of the FTC Act. *See, e.g., Orkin Exterminating Co., Inc.*, 108 F.T.C. 263, 362 (1986); *International Harvester Co.*, 104 F.T.C. at 1061; *see generally Federal Trade Commission Policy Statement on Unfairness, appended to International Harvester Co.*, 104 F.T.C. at 1070-76.

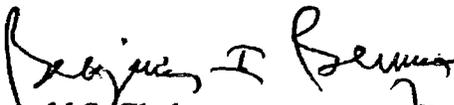
In determining whether to take enforcement or other action in any particular situation, the Commission may consider a number of factors, including the type of violation alleged; the nature and amount of consumer injury at issue and the number of consumers affected; and the likelihood of preventing future unlawful conduct and securing redress or other relief. As a matter of policy, the Commission does not generally intervene in individual disputes. However, letters from your constituents provide valuable information that is frequently used to develop or support Commission enforcement initiatives. I should also note that more than 150 consumer and business education brochures and other materials are available online in the FTC Consumer Line and FTC Business Line sections of our Home Page, located at [HTTP://WWW.FTC.GOV](http://www.ftc.gov). In addition, your constituent should feel free to contact our Consumer Response Center, if additional information is needed, at the following address and toll-free telephone number:

Consumer Response Center  
Room 240-H  
Federal Trade Commission  
Washington, D.C. 20580  
1 (877) FTC-HELP  
1 (877) 382-4357

As noted in an earlier (June 22, 2001) letter from the FTC to your constituent, on March 6, 2001, the FTC sued Associates First Capital Corporation and Associates Corporation, Citigroup, Inc., and CitiFinancial Credit Company, alleging that these companies engaged in deceptive and other illegal lending practices. This case is currently at an early stage, and the FTC may be contacting your constituent at some point in the future. In the meantime, your constituent is free to pursue any individual legal course of action that is available to her.

I appreciate your interest in this matter, and I hope that your constituent will find the above information helpful in addressing the problem at issue. Please let us know whenever we can be of service.

Sincerely,

  
Donald S. Clark  
Secretary of the Commission

COMMITTEE ON  
FINANCIAL SERVICES

SUBCOMMITTEES

CAPITAL MARKETS, RESOURCES AND  
GOVERNMENT SPONSORED ENTERPRISES  
HOUSING AND COMMUNITY DEVELOPMENT  
OVERSIGHT AND REFORM

COMMITTEE ON SMALL BUSINESS

SUBCOMMITTEES

WORKFORCE, ENTREPRENEURSHIP, AND  
GOVERNMENT PROGRAMS

COMMITTEE ON  
STANDARDS OF OFFICIAL CONDUCT



Stephanie Tubbs Jones  
Congress of the United States

11th District, Ohio  
September 19, 2001

Mr. David Thomas  
Director, Office of Congressional Relation 158 4569  
Federal Trade Commission  
600 Pennsylvania Avenue  
Washington, DC 20580

Dear Mr. Thomas:

I am writing this letter on behalf one of my constituents, [REDACTED] stated in a letter to our office that she has been a victim of predatory lending. I would appreciate it if you could further research this incident. Attached you will find a copy of the packet of information that she forwarded to our office. Please forward a copy of your response to [REDACTED] and to our office. If you have any questions concerning this matter please contact Rodney Pulliam in my office at (202) 225-7032.

Contact Information:

Vanessa Morris  
324 Ohio Avenue  
Ravenna, OH 44266

Thank you for your attention to this matter. I look forward to working with you on future endeavors.

Sincerely,

Stephanie Tubbs Jones  
Member of Congress

WASHINGTON OFFICE  
 1516 LONGWORTH HOUSE OFFICE BLDG  
HOUSE OF REPRESENTATIVES  
WASHINGTON, DC 20515  
(202) 225-7032  
FAX: (202) 225-1339

DISTRICT OFFICE  
 3645 WARRENSVILLE CENTER ROAD  
SUITE 204  
SHAKER HEIGHTS, OH 44122  
(216) 522-4900  
FAX: (216) 522-4908

August 28, 2001

Fair Housing  
U.S. Department of Housing and Urban Development  
Ralph H. Metcalfe Federal Building  
77 West Jackson Boulevard Room 2101  
Chicago, Ill 60604-3507

SEP 05 2001

Attn: Intake Dept.

This will be my 3rd request for someone from this dept to assist me. I am a victim of predatory lending. Citifinancial gave me a loan at 24.99% in June of 99. I had a perfect credit score. They called me back into their office one week later. Refinanced that same loan at 18.99% and had a check for \$500.00 waiting for me. (The amount of the check may be wrong this happened in 1999) But, this time they told me that I had to use my home as collateral to get the lower interest rate. I was at this point discriminated in financing because my credit rating did not warrant a 24.99% or 18.99% interest rate. I have a first mortgage with Principal Residential Mortgage. I went into foreclosure on that loan in Oct. of 2000. I was making large payments to Principal to bring my mortgage current. I was down to my last foreclosure payment. Citifinancial put through my checking account a check that bounced in July of 2000 and re-deposit it in March of 2001. It caused my mortgage payment to bounce. Even though that happened I made the payment on time to Principal. They put me back into foreclosure. Citifinancial victimized me again. I then made calls to HUD, Local TV, Network TV, NAACP, Rev Al Sharpton, Operation Push, Tom Joyner Morning Show, The Ohio Civil Rights, The Dept of Financial Inst., and newspapers. When I filed the complaint with The Dept. of Financial Inst. that is when I realized that these companies were working together. They both made untrue statements in their response. Principal said, "That I was not making the agreed amounts and missed some payments." Citifinancial said, "That they made every attempt to correct what they had done to my finances." But, I am in a foreclosure and how do you correct my credit rating. This has totally destroyed my life. Re-depositing that check was illegal. I paid for it at the time it bounced. When I wrote that check it was intended to be used during the month of July. No, later that August. It had been through my account twice. The bank should not have accepted it. I feel that because I am a female and black that they did think they could get away with this. Please help me to see that this does not happen to anyone else. Please call me at [redacted] or [redacted] mother phone. I will do whatever it takes to stop these people.

Thank you in advance

[redacted]  
Ravenna, Oh [redacted]

CC: Fair Housing Washington-DC  
National Credit Union  
Rep. Stephanie Tubbs Jones  
Rep. Steven La Tourette  
Senator George Voinovich  
Senator Michael Dewine  
Atty. General Office State of Ohio  
Congressional Black Caucus Foundation  
High Price National Urban League  
League of Women Voters  
AFL-CIO Cleveland Chapter and National Chapter  
National TV News ABC, NBC, CBS

Send copies of this letter to Rep. Tom Sawyer office NAACP National Headquarters, and everyone listed above in letter.

**DISCLOSURE STATEMENT, AUTO AND SECURITY AGREEMENT**

Borrower(s) (Name and mailing address) <b>[REDACTED]</b> REVENUE OH	Lender (Name, address, city and state) CITY LOAN FINANCIAL SERVICES, INC. 154 NORTH DEPEYSTER KENT OH 44240	Account No. <b>[REDACTED]</b> Date of Loan 06/07/1999
---	--	---

<b>ANNUAL PERCENTAGE RATE</b> The cost of Borrower's credit as yearly cost	<b>FINANCE CHARGE</b> The dollar amount the credit will cost Borrower.	<b>Amount Financed</b> The amount of credit provided to Borrower or on Borrower's behalf.	<b>Total of Payments</b> The amount Borrower will pay after Borrower has made payments as scheduled.
24.99%	\$ 5,037.39	\$ 11,452.65	\$ 16,420.04

Payment Schedule	Number of Payments	Amount of Payments	When Payments Are Due
	1	\$ 554.54	07/20/1999
	36	\$ 455.30	MONTHLY BEGINNING 08/20/1999

Security: If checked, Borrower is giving a security interest in:

<input type="checkbox"/> Motor Vehicle	<input type="checkbox"/> Mobile Home
<input type="checkbox"/> Real Property	<input checked="" type="checkbox"/> Other: MISC PERKS

Late Charge: If a payment is more than 10 days after Borrower will pay a late charge of \$ 5.00 or scheduled payment amount or \$ 15.00, whichever is greater.

Prepayment: If Borrower pays off early, Borrower is entitled to a refund of part of the finance charge.

will not  may have to pay a penalty

See the contract document for any additional information about nonpayment, default, required payment in full before the scheduled date, and prepayment refunds and penalties.

Annual Information:	ORIGINATION FEE POINTS	AGREED RATE OF INTEREST	DATE CHARGES BEGAN
\$1,602.65	150.00	24.02%	06/07/1999

**Insurance Disclosure:** Borrower is not required to purchase any type of insurance to obtain Credit, unless Borrower grants Lender a security interest as indicated in this document. In that event, insurance to protect the Lender's interest in the collateral may be required. The decision to grant credit will not be affected by Borrower's decision to purchase or refuse optional insurance products, such as Credit Life, Disability, Voluntary Unemployment Insurance, Credit Property Insurance or any other optional insurance products.

Insurance offered at Lender's office, with the exception of Non-Filing Insurance, will not be provided unless Borrower signs and agrees to a policy endorsement. The terms of coverage and the premium cost of certain types of insurance purchased by Borrower are shown below. Additional terms of policies purchased will have a separate application and will be disclosed in other loan documents. The initial amount of coverage for Credit Life, Disability, and Voluntary Unemployment Insurance set forth in Borrower's insurance certificate may be equal to the Total of Payments stated above, and may exceed the cost of the loan.

The loans with and without my house as collateral. Please see dates of the loans, amounts, terms, and rate of each loan. **LOOK HERE**

Insurance required by real property, automobile/manufactured home, boat, fire, theft, and/or comprehensive casualty insurance is required, naming Lender as loss payee, until the loan is fully paid. The amount of such insurance must be sufficient to satisfy the unpaid balance of the loan, or be equal to the value of the collateral, whichever is less. Insurance may be provided through an existing policy or a policy obtained independently and purchased by Borrower. Borrower may obtain insurance from any insurer that is reasonably acceptable to Lender. If Borrower obtains Automobile Single-Interest Insurance at Lender's office, Borrower acknowledges that such insurance: (1) may cost more than insurance that is available from another insurer; (2) will only protect the lender in the event of a total loss of the vehicle and does not protect Borrower's interest; and (3) does not protect Borrower from claims by other persons. If this insurance is provided by other property, Non-filing insurance may be required.

**Termination of Insurance:** Borrower may cancel any of the optional insurance products obtained at Lender's office at any time. Additional insurance terminates before the loan is repaid. Borrower promises to obtain acceptable substitute insurance. If Borrower is in default, Lender demands that Borrower immediately repay the loan in full, Borrower authorizes the Lender for any and/or all optional insurance products and policies or coverages upon request of Lender. If any insurance purchased at Lender's office is terminated for any reason, more than 30 days after the date of the loan, Borrower authorizes and directs that the insurer deliver the premium refund, if any, to the Lender which may be applied to the unpaid balance of the loan or return it to Borrower. Any such application of premium refund will not affect the amount of the subsequent payments on the loan, but may reduce the number of such payments.

Borrower should refer to the terms contained in the applicable certificate or policy issued for the exact description of benefits and exclusions. Borrower is encouraged to inquire about coverage and refund provisions.

Regular monthly loan payment without insurance: \$ 410.29

Cost/Premium	Insurance Type:	Insurance Term (in mos.):
233.20	SINGLE CREDIT LIFE	36
583.60	SINGLE CREDIT DISAB.	36
106.40	PROPERTY INS	36

**[REDACTED]**  
First Borrower's Signature / **[REDACTED]**  
Second Borrower's Signature / **[REDACTED]**  
Date / **[REDACTED]**

**TERMS:** In this Disclosure Statement, Note and Security Agreement, the word "Borrower" refers to the persons signing below as Borrower, whether one or more. Where more than one Borrower signs, each will be responsible, individually and together, for all promises made and for repaying the loan.

MEMPHIS, OR

06/21/1999

<b>ANNUAL PERCENTAGE RATE</b> The cost of borrowing is 8.99%	<b>FINANCE CHARGE</b> The dollar amount of credit will cost Borrower \$ 15,435.00	<b>Amount Financed</b> The amount of credit provided to Borrower or on Borrower's behalf \$ 12,478.88	<b>Total of Payments</b> The amount Borrower will have paid after Borrower has made all payments as scheduled \$ 28,013.88
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Payment Schedule	Amount of Payment	When Payment is Due
0	\$ 401.50	06/01/1999
12	\$ 332.65	MONTHLY BEGINNING 05/01/1999

**Security:** If checked, Borrower is giving a security interest in:

Motor Vehicle |  Mobile Home  
 Real Property |  Other:

**Late Charge:** If a payment is more than 10 days late, Borrower will pay a late charge of 5.0 % of the scheduled payment amount or \$ 15.00 whichever is greater.

**Prepayment:** If Borrower pays off early, Borrower:

will not |  may have to pay a penalty; his will not be entitled to a refund of part of the finance charge.

**Demand Feature:**

Not Applicable |  This obligation has a demand feature.

See the contract documents for any additional information about prepayment, default, and required payments in full before the scheduled date, and prepayment refund and amounts.

**OPTIONAL INSURANCE:**  
 12, 121.45 \$ 242.67 06/21/1999

# EXHIBIT A

**Insurance Disclosure:** Borrower is not required to purchase any type of insurance to obtain credit, unless Borrower grants lender a security interest in real or personal property. In that event, insurance to protect the lender's interest in the collateral may be required. Lender's decision to grant credit will not be affected by Borrower's decision to purchase or refuse optional insurance products, such as Credit Life, Credit Disability, Unemployment Insurance, Credit Property Insurance or any other optional insurance products.

Optional insurance products, with the exception of fire and theft insurance, will not be provided unless Borrower signs and agrees to pay the premium. The amount of coverage and the premium cost of optional types of insurance purchased by Borrower are shown below. Additional insurance coverage purchased will have separate applications and will be disclosed in other loan documents. The total amount of coverage for Credit Life and Credit Property Insurance at any one time may be equal to the Total of Payments stated above, and may exceed the amount available to pay off Borrower's loan at any given time. Any excess coverage amount will be paid to the Borrower or to the designated beneficiary or beneficiaries.

If optional Credit Property Insurance is purchased, Borrower's property coverage under other policies such as homeowner's or renter's insurance may be adversely affected.

Collateral secured by real property, automobile, motor vehicle, or a motor vehicle (including a recreational vehicle), then fire, extended coverage, collision and comprehensive liability insurance is required, naming lender as loss payee, until the loan is fully paid. The amount of such insurance must be sufficient to satisfy the unpaid balance of the loan, to be equal to the value of the collateral, whichever is less. Such insurance may be provided through an existing policy or a policy obtained independently and purchased by Borrower. Borrower may obtain such insurance from any insurer that is licensed and acceptable in Canada. If Borrower obtains Automobile Single Interest Insurance at Lender's office, Borrower is prohibited from such insurance; (1) any one-time insurance that is available from another insurer; (2) will only protect Lender's interest in the motor vehicle and not protect Borrower's interest; and (3) does not protect Borrower from claims by other persons. If this loan is secured by personal property, fire and theft insurance may be required.

**Termination of Insurance:** Borrower may cancel any of the optional insurance products obtained at Lender's office at any time. Additionally, if required insurance terminates before the loan is repaid, Borrower promises to obtain acceptable substitute insurance. If Borrower is in default, and Lender demands that Borrower immediately satisfy the loan in full, Borrower authorizes the insurer for any and all optional insurance products to terminate and agrees to waive any request of Lender. If any insurance purchased at Lender's office is terminated for any reason, Borrower understands and agrees that the insurer will not refund the premium, if any, to the lender which may at its option apply it to the unpaid balance of the loan. The amount of the premium, if any, and application of premium refund will not affect the amount or due date of subsequent payments on the loan, but may affect the amount of credit available.

Borrower is directed to the terms contained in the applicable certificate or policy issued for the exact description of benefits and exclusions. Coverage is not provided for certain types of coverage and refund provisions.

The credit monthly loan payment without insurance: \$ 209.93

How to request the following insurance:

Cost/Premium	Insurance Type	Insurance Term (in months)
\$ 121.45	CREDIT SINGLE LIFE	120
\$ 242.67	CREDIT SINGLE OI/SAB	60

First Borrower's Signature \_\_\_\_\_ Date \_\_\_\_\_

Second Borrower's Signature \_\_\_\_\_ Date \_\_\_\_\_

**TERMS:** In this Disclosure Statement, Note and Security Agreement, the word "Borrower" refers to the persons signing below as Borrower, whether one or more. Lender and Borrower agree, each will be responsible, individually and together, for all promises made and for repaying the loan in full. The word "Lender" refers to the lender, whose name and address are shown above.

**PROMISE TO PAY:** On the date that the Borrower has received, Borrower promises to pay to the order of Lender the Principal amount shown above plus interest on the unpaid Principal balance from the Date Charges Begin shown above at the Rate of Interest of 13.4272 % per annum. On the M/A maturity date of the Loan shown above, the Rate of Interest applicable to the remaining unpaid Principal balance shall be 13.4272 % per annum until the balance is fully paid.

Any amount shown above as a Prepaid Fee or Points or has been paid by Borrower as a prepaid charge and is in addition to the above Rate(s) of Interest. Any such fee or amount, prior to any other interest on the loan balance. These amounts will not be refundable to Borrower in the event of prepayment of the loan.

Principal and interest shall be payable to the lender in installments shown above, except that any appropriate adjustments will be made as the first and last payments, beginning on the first payment due date and continuing on the same day in each following month until paid in full unless this loan is repaid or all payments satisfied, in which event the final payment due may be accelerated. Upon the final payment date or the acceleration thereof, the entire outstanding balance of Principal and Interest evidenced by this Disclosure Statement, Note and Security Agreement shall be due and payable. Any payment which Lender accepts after the first payment date or the acceleration thereof do not constitute a renewal or extension of this obligation unless so stated.

**citi financial**

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P.O. Box 52  
962 E. Main Street  
Ravenna, OH 44266  
Tel 330 296 7006  
Fax 330 297 9718

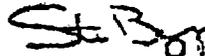
5/11/01

23

To whom it may concern,

This letter is to inform concerned parties that Citifinancial did deposit an NSF check in the amount of \$465.00 written to Citifinancial by [REDACTED] in July 2000 a second time on February 28, 2001 when it was determined that funds were available. We did not notify [REDACTED] that the check would be re-deposited. We did not anticipate any problems and are sorry for any inconvenience this has caused.

Sincerely,



Steve Boggs  
Branch Manager

When I got home. I found this letter and checks in my door. This was after I called The Division of Finance State of Ohio.

Member of Citigroup

**citi financial**

(5)

CitiFinancial  
P.O. Box 52  
962 E. Main Street  
Ravenna, OH 44266  
Tel 330 296 2006  
Fax 330 297 2118

33

**citi financial**

602 E. MAIN STREET  
RAVENNA, OH 44266

Date 05/11/2001 No [REDACTED]

**\$465.00**

Pay to: [REDACTED]

The  
AMOUNT OF FOUR HUNDRED SIXTY-FIVE DOLLARS

Mellon Bank, N.A., Pittsburgh, Pennsylvania

By: [Signature]  
AUTHORIZED SIGNER  
By: [Signature]  
AUTHORIZED SIGNER

MEMO: RETRACTION OF PAYMENT FROM 2 28 01

**citi financial**

602 E. MAIN STREET  
RAVENNA, OH 44266

Date 05/11/2001 No [REDACTED]

**\$300.00**

Pay to: [REDACTED]

The  
AMOUNT OF THREE HUNDRED DOLLARS

Mellon Bank, N.A., Pittsburgh, Pennsylvania

By: [Signature]  
AUTHORIZED SIGNER  
By: [Signature]  
AUTHORIZED SIGNER

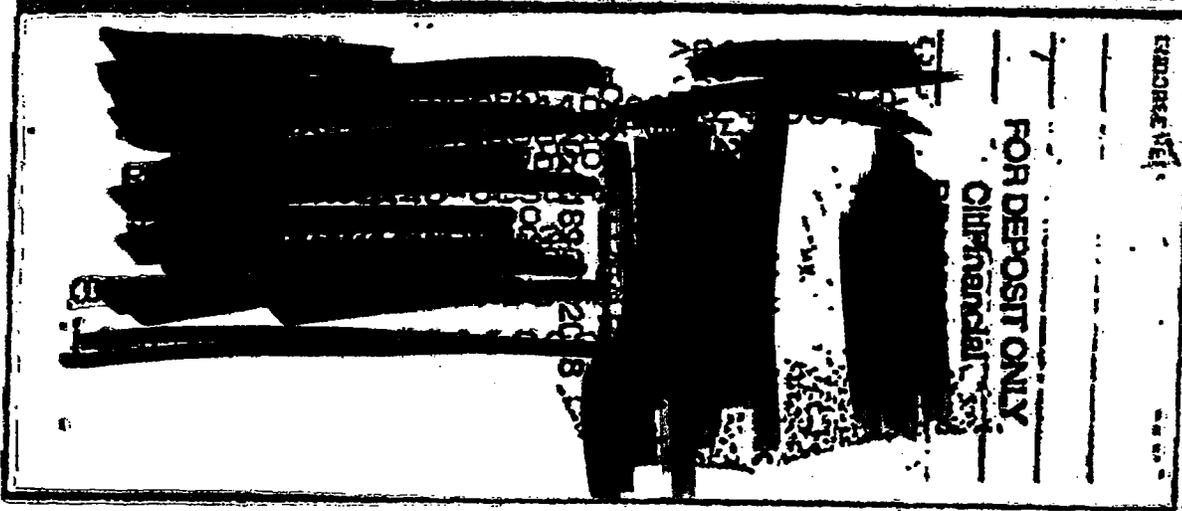
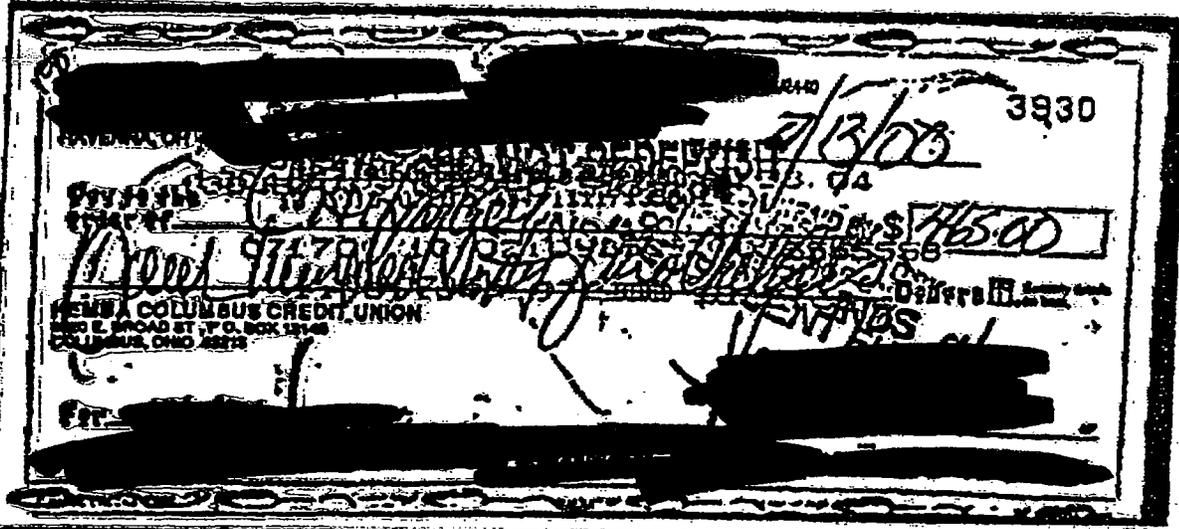
MEMO: REIMBURSEMENT FOR NSF FEES

(6)



Providing Financial Services to Members Since 1933

# Share Draft Image



1510

00.52

**Principal**

**Residential  
Mortgage, Inc.**  
A member of The Principal  
Financial Group

WE UNDERSTAND WHAT YOU'RE WORKING FOR™

June 12, 2001

[REDACTED]  
Ravenna, OH: [REDACTED]

RE: PRMI Loan No. [REDACTED]

Dear Ms. Morris:

I am writing in reply to the letter you sent to the Iowa Division of Banking. Your letter has been forwarded to me for special handling, and I appreciate the opportunity to do so.

Detailed below is the repayment plan you made with Principal Residential Mortgage, Inc.:

<u>Payment Due Date</u>	<u>Amount Due</u>
November 20, 2000	\$3,191.11
December 20, 2000	1,384.67
January 20, 2001	1,384.67
February 20, 2001	1,384.67
March 20, 2001	1,384.67

In November when this repayment plan was set up, your loan was due for May 2000. This repayment plan would have brought your loan completely current in March 2001, if all payments and payment amounts were made as noted above. Following is a list of payments and amounts we received:

<u>Date Payments Received</u>	<u>Amount Received</u>
November 21, 2000	\$3,164.27
December 28, 2000	1,183.56
January 31, 2001	1,178.67
February 9, 2001	NSF
February 23, 2001	NSF
March 21, 2001	NSF
March 26, 2001	562.98
May 02, 2001	524.89

SEE THESE AMOUNTS  
IF WAS PAYING  
\$1394.67  
THEY GOT ALL OF THE  
PAYMENTS. SEE  
THEIR STATEMENTS

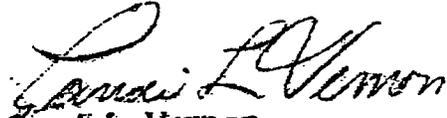
[REDACTED]  
June 12, 2001

Page 2

As you can see from above, all payments were not made nor were the correct amounts sent in. Presently, your loan is due for the December 2000 payment.

If you wish to bring your loan current, please contact our Loss Mitigation Department at 1-800-962-4450. If you have any questions about the above, please feel free contact me.

Sincerely,



Candi L. Vernon

Paralegal Analyst

(SIS) 247-0982

(SIS) 248-2033 (Fax)

[vernon.candi@principal.com](mailto:vernon.candi@principal.com)

CLV/jrv

VPS0100611 morris

cc: ✓ Al Jackson  
Stuart W. McKee



Plan Ahead. Get Ahead.

Principal  
Residential Mortgage  
A member of the Home  
Financial Group

Return To: [REDACTED]

01-01-2001

Loan Number [REDACTED]  
Social Security [REDACTED]  
[REDACTED]  
RAVENNA OH [REDACTED]

**Substitute 1098 Mortgage Interest Statement** - This is a history of the payments credited to this loan in 2000. Also shown are amounts paid from the escrow account for items shown under the Transaction Description column. (Please note, funds submitted for optional products such as mortgage life insurance or disaster mortgage insurance are remitted to the optional product provider and are not reflected on this history.)

Paid Date	Due Date	Transaction Description	Principal	Interest	Late Charge	Escrow
		Beginning Balance	\$70,874.19			
02-10	01-01	Payment	64.85	413.43	23.91	\$367.79
02-10	02-01	Payment	65.23	413.05		89.59
02-10		Deposit to Escrow				89.59
02-10		1st Half County Tax				7.03
03-28	03-01	Payment	65.61	412.67	23.91	\$62.39
03-28		Deposit to Escrow				91.74
05-23	04-01	Payment	65.99	412.29	23.91	.06
05-23	04-01	Returned Check	65.99-	412.29-	23.91-	82.75
05-23		2nd Half County Tax				82.75
05-30	04-01	Payment	65.99	412.29	23.91	\$62.39
05-31		Insurance Premium				89.59
11-01	05-01	Payment	66.37	411.91	23.91	\$99.00
11-01		Late Charge			167.37	89.59
12-28	06-01	Payment	66.76	411.52	23.91	89.59
12-28	07-01	Payment	67.15	411.13	23.91	89.59
12-31-2000		Balances	\$70,412.23			\$80.38

Total Interest Paid During 2000	\$2,886.00	
Total Taxes Paid During 2000	\$524.78	See Itemizations Above

We are required by the Internal Revenue Service to provide the following statement. If you have questions regarding this statement please consult a professional tax advisor or the IRS.

"This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest on your return."

"The amount shown may not be fully deductible by you on your federal income tax return. Limitations based on the cost and value of the secured property may apply. In addition, you may only deduct an amount of mortgage interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person."

Customer Service  
1-800-357-6148

Principal Residential Mortgage  
Federal Tax [REDACTED]

Plan Ahead. Get Ahead.™

Principal  
Residential  
Mortgage  
A MEMBER OF THE PRINCIPAL  
FINANCIAL GROUP

10

05-11-01

RAVENNA OH

RAVENNA OH

This is a history of the payments credited to this loan from 01-01-01 to 05-10-01. Also shown are amounts paid from the escrow account for items shown under the transaction description column.

Paid Date	Due Date	Transaction Description	Principal	Interest	Late Charge	Escrow
		Beginning Balance	\$70,412.23			\$80.38
01-22		1st Half County Tax				236.25
01-31	08-01	Payment	67.54	410.74	23.91	84.70
01-31	09-01	Payment	67.94	410.34	23.91	84.70
02-09	10-01	Payment	68.33	409.95	23.91	84.70
02-09	11-01	Payment	68.73	409.55	23.91	84.70
02-09	12-01	Payment	69.13	409.15	23.91	84.70
02-23	01-01	Payment	69.54	408.74	23.91	84.70
02-23	02-01	Payment	69.94	408.34	23.91	84.70
03-07	02-01	Returned Check	69.94	408.34	23.91	84.70
03-07	01-01	Returned Check	69.54	408.74	23.91	84.70
03-07	12-01	Returned Check	69.13	409.15	23.91	84.70
03-20	11-01	Returned Check	68.73	409.55	23.91	84.70
03-20	10-01	Returned Check	68.33	409.95	23.91	84.70
03-23	10-01	Payment	68.33	409.95	23.91	84.70
03-21	11-01	Payment	68.73	409.55	23.91	84.70
03-21	12-01	Payment	69.13	409.15	23.91	84.70
03-25	01-01	Payment	69.54	408.74	23.91	84.70
04-05	01-01	Returned Check	69.54	408.74	23.91	84.70
04-06	12-01	Returned Check	69.13	409.15	23.91	84.70
04-06	11-01	Returned Check	68.73	409.55	23.91	84.70
05-02	11-01	Payment	68.73	409.55	23.91	84.70
05-10-01		Balances	Principal \$70,139.69		Escrow	\$139.82

BOUNCE CHECKS BECAUSE OF CITI FINANCIAL

Customer Service

1-800-367-6448  
www.principal.com

JL

I got this printout when this started. I do not think that they know that I have it. Their printout shows that I made all of the payments.



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NUMBER	FROM	TO
STATEMENT DATE	12/01/00	12/31
PAGE	2	

### statement of account

REGULAR SHARE ACCOUNTS ARE NOT TRANSFERABLE EXCEPT ON THE RECORDS OF THIS CREDIT UNION

The annual percentage rate (APR) for ANNUAL PERCENTAGE RATE used to compute the FINANCE CHARGE for each open and loan is printed above the transaction. The FINANCE CHARGE for open and loan is computed by applying the periodic rate to each unpaid balance for the exact number of days each balance is outstanding. DEBITS: New Loans, Advances or other charges are added.

Posting Date	Transaction Description	Payment Credits or Debits	FINANCE CHARGE	Fees or Charges	Transaction Amount	Balance
12/21					77.16	152
12/21					8.38	143
12/22					27.00	116
12/22					9.44	106
12/26	12/25				82.00	149
12/27					100.00	159
12/27					57.97	153
12/28					10.00	152
12/28					94.83	143
12/29					1075.3	251
12/29					52.00	245
12/29					1394.15	106
12/31						106
12/31					500.00	156
12/31					140.00	170
12/31					0.00	170



*See they*  
*100.00*  
*this is*  
*What I want*

Drafts Cleared					
Number	Amount	Number	Amount	Number	Amount
004076	500.00	004085	61.33	004093	180.00
004077	174.16	004086	50.00	004094	66.16
004079*	65.00	004087	400.00	004095	167.00
004080	36.83	004088	300.00	004096	350.00
004081	150.00	004089	77.16	004097	10.00
004082	120.00	004090	4.26	004098	3.71
004083	150.00	004091	40.00	004099	14.49
004084	50.00	004092	55.69	004100	10.57
				004101	400.00
				004102	25.00
				004104*	79.00
				004106*	1394.15
				004107	57.97
				004108	52.00
				004109	57.97
				004110	94.83

\* Asterisk next to number indicates skip in number sequence  
 32 Drafts Cleared for 5,166.92

ATM Deposits and Other Credits					
Date	Amount	Description	Date	Amount	Description
12/05	200.00	Deposit-Thank You, at AT	12/21	8.38	Deposit-Thank You, at AT
12/11	4.95	Deposit-Thank You, at AT	12/22	9.44	Deposit-Thank You, at AT
12/11	126.26	Deposit-Thank You, at AT	12/26	82.00	Deposit-Thank You, at AT
12/12	400.00	Deposit-Thank You, at AT	12/27	100.00	Deposit-Thank You, at AT
12/18	1500.00	Deposit-Thank You, at AT	12/31	5.38	Deposit-Thank You, at AT
12/18	920.00	Deposit-Thank You, at AT	12/31	500.00	Deposit-Thank You, at AT
12/20	50.00	Deposit-Thank You, at AT	12/31	140.00	Deposit-Thank You, at AT

ATM Deposits and Other Credits for 4,046.41  
 Total Dividends Paid Year to Date 0.28

Mortgage, Inc.  
P.O. Box 711  
Des Moines, Iowa 50303-0711

April 27, 2001

*My bills are covered. Here are copies of my last two.*

[Redacted]  
Ravenna OH

[Redacted]  
Ravenna OH

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*This check was forwarded in March which was sent*

Enclosed you will find your check number 4260 in the amount of \$1304.87. These funds are being returned to you because the amount is insufficient to bring your loan current and you have not made other arrangements with us. The total payments and late charges due on your account as of the date of this letter is \$4,084.52.

Please contact our Loss Mitigation Department today at the number listed below. We have helped many borrowers through a financial setback by helping them qualify for programs to save their home or other alternatives to help them avoid foreclosure.

The most important step you can take today is to contact us.

Sincerely,

Loss Mitigation Department  
Toll Free Number 1-800-962-4450, ext 74944  
Local Number 515-248-4645

Enclosure

*They sent my April payment*





UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

600 Pinsky/Veniro  
One  
N.W.

Bureau of Consumer Protection

June 22, 2001

[Redacted]  
Ravenna, OH [Redacted]

Dear [Redacted]

On March 6, 2001, the Federal Trade Commission ("FTC") sued Associates First Capital Corporation and Associates Corporation of North America ("The Associates"), Citigroup Inc. and CitiFinancial Credit Company, alleging that The Associates (now owned by Citigroup) engaged in deceptive and other illegal lending practices. The FTC is seeking certain remedies, including the return of money to consumers injured from the alleged practices. The FTC's lawsuit is pending in federal court and there has been no finding of wrongdoing by the above defendants.

As part of the litigation, the FTC was required to provide the defendants with the names and contact information for certain consumers who have had loans with the defendants, including you. Your name was contained on that list either because we have spoken with you in the past or because we may want to speak with you in the future. The purpose of this letter is simply to inform you that we provided your name on the list.

This case is at an early stage and we may contact you to obtain information for the FTC's case. We have found that consumers can provide valuable information about how businesses operate and the ways in which they interact with consumers. You are not required to speak with us informally, and you also are not obligated to speak with anyone who calls you on behalf of The Associates, Citigroup or CitiFinancial.

If you have any questions or would like to share any information with us, please call our toll-free number at 1-877-862-0886. Please keep in mind that the FTC is not able to represent you in an individual dispute with the Associates, CitiFinancial, or any related company.

Sincerely,

Lisa Page  
Paralegal

July 23, 2001

HOUSING DISCRIMINATION COMPLAINT

CASE NUMBER: [REDACTED]

1. Complainants

[REDACTED]  
Ravenna, OH [REDACTED]

2. Other Aggrieved Persons

None

3. The following is alleged to have occurred or is about to occur:

Discriminatory financing (includes real estate transactions).

4. The alleged violation occurred because of:

Race and sex

5. Address and location of the property in question (or if no property is involved, the city and state where the discrimination occurred):

[REDACTED]  
Ravenna, OH [REDACTED]

6. Respondent(s)

Steve Boggs  
Citifinancial, Inc.  
P.O. Box 32  
962 E. Main Street  
Ravenna, OH

Principal Residential Mortgage, Inc.

Initial Complaint [redacted]

Des Moines, IA [redacted]

Kemba Financial Credit Union, Inc.  
#220 East Broad Street  
Columbus, OH 43213

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7. The following is a brief and concise statement of the facts regarding the alleged violation:

[redacted] is an [redacted] female. She alleges that she has been discriminated against in the handling of loan payments by several different mortgage companies. In October of 2000 she went on a payment plan with Principal. They did not properly credit her account with all payments that she made. In March 2001 Citifinancial put through a check on her account at [redacted] that was 8 months old. As a result, her payment to Principal did not go through and they began foreclosure. Citifinancial and [redacted] have refused to take any responsibility for their actions. In addition, she believes that Principal should have worked with her on her repayment plan when it was determined that the error was not her fault. She believes that Caucasians and males are not so treated.

8. The most recent date on which the alleged discrimination occurred:

June 25, 2001.

9. Types of Federal Funds identified:

None.

10. The acts alleged in this complaint, if proven, may constitute a violation of the following:  
Section 805 of Title VIII of the Civil Rights Act of 1968 as amended by the Fair Housing Act of 1988.

Please sign and date this form:

I declare under penalty of perjury that I have read this complaint (including any attachments) and that it is true and correct.

7/23/01  
(Date)

NOTE: HUD WILL FURNISH A COPY OF THIS COMPLAINT TO THE PERSON OR ORGANIZATION AGAINST WHOM IT IS FILED.

7-23-01

Mr. Thomas,

I am writing this letter on behalf one of my constituents, [REDACTED] [REDACTED] stated in a letter to our office that she has been a victim of predatory lending. I would appreciate it if you could further research this incident. Attached you will find a copy of the packet of information that she forwarded to our office. If you have any questions concerning this matter please contact Rodney Pulliam in my office at (202) 225-7032.

Thank you for your attention to this matter. I look forward to working with you on future endeavors.

Contact Information:

[REDACTED]  
Ravenna, OH [REDACTED]



Consumer Information System  
Complaint Detail Report

02/26/2002

KMILT:00

Transaction

Ref No.: 1486238 Contact Type: Complaint Source: Consumer TCS? N

Comments: Consumer rec'd home improvement loan in May, 1998. The payments were \$427 a month. When consumer's mother passed away, consumer was given a hardship loan, which would cut payments in half for 3 years. Consumer was suppose to paid \$215 a month to pay for the loan. Consumer states \$427 is now her payments for her mortgage. Consumer house is non is probate. Consumer states she is being charged interest on top of interest. Consumer states that Citifinancial did not care of what means to repay the loan.

Created By: ABANKS Created Date: 07/19/01

Updated By: ABANKS Updated Date: 07/19/01

Org Name: Planning and Information- BCP

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Phone Complaint Date: 07/19/01

Initial Response:

Product/Service: Mortgage Lender

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Misrepresentations/Deception (note in comments)

Consumer

Complaining Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: Oklahoma City State: OK Zip: [REDACTED]

Country: UNITED STATES

Work phone [REDACTED] Ext:

Fax Number: [REDACTED]

Home Number: ()

Email:

Age Range:



Complaint Information Sheet  
Complaint Detail Report

02/26/2002

KMILL

**Company**

Company: CitiFinancial Credit Company

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: --- ( )

Ext:

Company Representative

Associated Company



**Transaction**

Ref No.: 1435051 Contact Type: Complaint Source: Consumer TCS? N

Comments: Consumer is writing on behalf of her sister [REDACTED]. [REDACTED] has a mortgage loan or what is called a secured loan with Citifinancial Corp. Consumer just became aware of recent financial difficulties, her sister has been experiencing. When consumer looked at the loan papers, it just didn't look right to consumer. Consumer's sister was issued a check for about \$3,000 and the remaining amount of this \$10,000 was used for various fees. The papers also indicated that they had paid monies to various creditors on her behalf. Consumer feels the creditors were never paid. Consumer's sister has requested copies of these canceled checks, which they have failed to send her. Consumer's sister receives a social security disability check of \$1100. Consumer states her sister is not able to read,

Created By: ABANKS Created Date: 06/12/01  
Updated By: ABANKS Updated Date: 06/12/01  
Org Name: Planning and Information- BCP

Amt Requested:

Amt Paid: Payment Method:

Agency Contact: Mail Complaint Date:

Initial Response:

Product/Service: Mortgage Lender

Statute/Rule: FTC Act Sec 5 (BCP)

Law Violation: Misrepresentations/Deception (note in comments)

**Consumer**

Complaining  
Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: Baltimore State: MD Zip: [REDACTED]

Country: UNITED STATES

Work phone: () Ext:

Fax Number: ()

Home Number: [REDACTED]

Email:

Age Range:



**Company**

Company: CitiFinancial Credit Corporation

Address: 6630 Security Blvd

City: Baltimore

State: MD Zip: 21207

Country: UNITED STATES

Email:

URL:

Phone: ( )

Ext:

Company Representative

Associated Company



Consumer Information System  
Complaint Detail Report

02/26/2002

KMILT01

**Transaction**

Ref No.: 1811629 Contact Type: Complaint Source: Congress TCS? N

Comments:

Created By: GREESE Created Date: 02/13/02

Updated By: EFOSTER Updated Date: 02/22/02

Org Name: Office of the Secretary

Amt Requested:

Amt Paid: Payment Method:

Initial Response:

Product/Service: Credit Practices

Statute/Rule:

Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: Bloomington State: IN Zip: [REDACTED]

Country: UNITED STATES

Work phone ( ) Ext:

Fax Number: ( )

Home Number: ( )

Email:

Age Range:

**Company**

Company: Associates First Capital Corp.

Address:

City: State: NR Zip:

Country: LOCATION NOT REPORTED

Email: URL:

Phone: ( ) Ext:

**Company Representative**

**Associated Company**



EVAN BAYH

INDIANA

463 RUSSELL SENATE OFFICE BUILDING  
WASHINGTON, DC 20510-1404  
(202) 224-6623

# United States Senate

WASHINGTON, DC 20510-1404

January 23, 2002

1811629

David Thomas  
Director, Office of Congressional Relations  
Federal Trade Commission  
600 Pennsylvania Ave. NW, Room 404  
Washington, D.C. 20580

Dear David:

Enclosed is a letter I received from [REDACTED] in regard to some difficulties he has been experiencing with Associates First Capital Corporation in the State of Indiana.

I trust the enclosed letter is self-explanatory and would appreciate a response addressing my constituent's concerns. Please mail any correspondence to my state office:

10 West Market Street, Suite 1650  
Indianapolis, Indiana 46204

Thank you for your time and consideration. If you have any questions, please feel free to contact my Constituent Services Representative, Tamara Hurley, at (317)554-0750. I look forward to hearing from you.

Best wishes,



Evan Bayh

EB/th

Enclosure

COMMITTEES:

BANKING, HOUSING, AND URBAN AFFAIR

ENERGY AND NATURAL RESOURCES

SPECIAL COMMITTEE ON AGING

SELECT COMMITTEE ON INTELLIGENCE

FEDERAL TRADE COMMISSION

F2 FEB 12 20 4: 28

IND. DISTRICT BRANCH

# [REDACTED]

---

From: [REDACTED]  
Date: 01/19/2002 9:15:02 AM  
To: [REDACTED]  
Subject: www\_email

---

Dear Senator Bayh:

I am an attorney representing some people who claim to be victims of predatory lending practices. We are suing Associates First Capital Corp. in Monroe County Circuit Court, in Bloomington. In our case, we are alleging that Associates worked with an outside scam artist [who was later convicted on 25 counts of check kiting] to trick victims into the asset-stripping lending schemes run by Associates.

The FTC has filed a significant, and broadly similar, case, in the ND of Georgia. I have been trying, without success, to bring our case to the attention of the FTC, because in our case the use of an outside scam artist will be, if proven by us, a new and very troubling tactic. It may be a way that predatory lenders have developed to avoid some of the more onerous legal consequences of their behavior.

However, no one at the FTC ever returns my calls, and I have, over the last four months, called everyone who signed the FTC complaint.

The case web page is - <http://www.ftc.gov/opa/2001/03/associates.htm>

The attorneys on the complaint are -

Debra A. Valentine  
General Counsel

[no phone number or other identifying information is given on the Complaint for Valentine.]

Lucy E. Morris  
Washington State Bar #16510  
(202) 326-3295 (direct)

Alys I. Cohen  
New York State Bar  
(202) 326-2185 (direct)

Ricardo A. Gonzalez  
Maryland State Bar  
(202) 326-2040 (direct)

Attorneys for Plaintiff  
Federal Trade Commission  
600 Pennsylvania Avenue, N.W.  
Room S-4429  
Washington, D.C. 20580  
(202) 326-3224 (general)  
(202) 325-2558 (facsimile)

Local Counsel:

Valerie M. Verduce  
Georgia State Bar #727066 r  
(404) 656-1355 (direct)  
Southeast Region  
Federal Trade Commission  
60 Forsyth Street, S.W.  
Suite 5M35  
Atlanta, Georgia  
(404) 656-1390 (general)  
(404) 656-1379 (facsimile)

My co-counsel, under the division of labor we have worked out, is responsible for the trial, and I am responsible for appellate matters and preliminary factual research. My law partner [and wife] works full-time as in-house counsel for an Indiana coal company [Solar Sources] and so has little time to assist me. Associates [now Citicorp] has hired one of those firms that specialize in arguing over the number of angels that can dance on the head of a pin. As you know, when this is carried too far the courts can involuntarily act as a shield for the wrongdoer, and not as a sword for the aggrieved. So, if you could just get the attention of these people at the FTC, and get one of them to pay attention to me, it might some way toward evening the scales just a little bit.

My number is :

  
Bloomington, IN  


As I have said on their voicemail on a number of occasions, they can call me anytime.  
Thank you.

==== Original Formatted Message Starts Here =====

<APP>SCCMail  
<PREFIX>Mr</PREFIX>  
<FIRST>Robert</FIRST>  
<LAST>Price</LAST>  
<ADDR1>1329 South High Street</ADDR1>  
<ADDR2></ADDR2>  
<CITY>Bloomington</CITY>  
<STATE>IN</STATE>  
<ZIP>47401</ZIP>  
<EMAIL>robertcprice@home.com</EMAIL>  
<ISSUE>Other</ISSUE>  
<MSG>Dear Senator Bayh:



Consumer Information System  
Complaint Detail Report

02/28/2002

KMILTON

**Transaction**

Ref No.: 1623758 Contact Type: Complaint Source: Congress TCS? N  
Comments: Send to Lucy Morris for response  
Created By: GREESE Created Date: 10/24/01  
Updated By: CMUNGO Updated Date: 01/08/02  
Org Name: Office of the Secretary  
Amt Requested:  
Amt Paid: Payment Method:  
Initial Response:  
Product/Service:  
Statute/Rule:  
Law Violation:

**Consumer**

Complaining  
Company/Org.:

Last name:

First:

Address:

City: Enid

State: OK Zip:

Country: UNITED STATES

Work phone ( ) Ext:

Fax Number: ( )

Home Number: ( )

Email:

Age Range:

**Company**

Company: Associastes Financial Service

Address:

City:

State: NR Zip:

Country: LOCATION NOT REPORTED

Email:

URL:

Phone: ( ) Ext:

**Company Representative**

**Associated Company**



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

JAN 8 2002

Office of the Secretary

The Honorable James Inhofe  
United States Senate  
1924 S. Utica Street - Suite 530  
Tulsa, OK 74104

Re: FTC Ref. No. 1623758

Dear Senator Inhofe:

Thank you for your letter on behalf of your constituents, [REDACTED] (hereinafter, the [REDACTED]), concerning a problem they have encountered with Associates Financial Services Company. As you know, the Federal Trade Commission has been directed by Congress to act in the interest of all consumers to prevent deceptive or unfair acts or practices, pursuant to the Federal Trade Commission Act, 15 U.S.C. §§ 41-58. In interpreting Section 5 of that statute, 15 U.S.C. § 45, the Commission has determined that a representation, omission, or practice is *deceptive* if (1) it is likely to mislead consumers acting reasonably under the circumstances; and (2) it is material; that is, likely to affect consumers' conduct or decisions with respect to the product at issue.<sup>1</sup> In a statute that became effective in August 1994, Congress amended Section 5 of the FTC Act to provide that an act or practice is *unfair* if the injury to consumers it causes or is likely to cause (1) is substantial; (2) is not outweighed by countervailing benefits to consumers or to competition; and (3) is not reasonably avoidable by consumers themselves.<sup>2</sup>

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<sup>1</sup> *Stouffer Foods Corp.*, Docket No. 9250 (Sept. 26, 1994), slip op. at 3; *Kraft, Inc.*, 114 F.T.C. 40, 120 (1991), *affirmed and enforced*, 970 F.2d 311 (7th Cir. 1992), *cert. denied*, 113 S. Ct. 1254 (1993); *Removatron Int'l Corp.*, 111 F.T.C. 206, 308-09 (1988), *citing, e.g., Southwest Sunsites, Inc. v. FTC*, 785 F.2d 1431, 1436 (9th Cir.), *cert. denied*, 107 S. Ct. 109 (1986); *International Harvester Co.*, 104 F.T.C. 949, 1056 (1984); *Cliffdale Assocs.*, 103 F.T.C. 110, 164-65 (1984); *see generally Federal Trade Commission Policy Statement on Deception, appended to Cliffdale Assocs.*, 103 F.T.C. at 174-83.

<sup>2</sup> Section 5(n) of the FTC Act, 15 U.S.C. § 45(n), *added by The Federal Trade Commission Act Amendments of 1994, Pub. L. No. 103-312*. The Commission previously relied on similar criteria to define the scope of its authority to prohibit unfair acts or practices pursuant to Section 5(a) of the FTC Act. *See, e.g., Orkin Exterminating Co., Inc.*, 108 F.T.C. 263, 362 (1986); *International Harvester Co.*, 104 F.T.C. at 1061; *see generally Federal Trade*

(continued...)

In determining whether to take enforcement or other action in any particular situation, the Commission may consider a number of factors, including the type of violation alleged; the nature and amount of consumer injury at issue and the number of consumers affected; and the likelihood of preventing future unlawful conduct and securing redress or other relief. As a matter of policy, the Commission does not generally intervene in individual disputes. However, letters from your constituents provide valuable information that is frequently used to develop or support Commission enforcement initiatives. I should also note that more than 150 consumer and business education brochures and other materials are available online in the FTC Consumer Line and FTC Business Line sections of our Home Page, located at [HTTP://WWW.FTC.GOV](http://www.ftc.gov). In addition, your constituent should feel free to contact our Consumer Response Center, if additional information is needed, at the following address and toll-free telephone number:

Consumer Response Center  
Room 240-H  
Federal Trade Commission  
Washington, D.C. 20580  
1 (877) FTC-HELP  
1 (877) 382-4357

On March 6, 2001, the FTC filed a complaint in federal court against Associates First Capital Corporation and Associates Corporation of North America (collectively, "The Associates"). To the best of our knowledge, the company discussed in the [REDACTED] letter – Associates Financial Services Company – is a subsidiary of The Associates corporations named as defendants in the FTC's complaint. The FTC's complaint charges The Associates with systematic and widespread deceptive marketing practices that induced consumers to refinance existing debts into home loans with high interest rates, costs, and fees, and to purchase high-cost credit insurance. The complaint also charges The Associates with violating several other federal laws. In addition to The Associates, the complaint names as defendants Citigroup Inc. and CitiFinancial Credit Company, Citigroup's consumer finance arm, as successor corporations to The Associates.<sup>3</sup> The FTC has asked the court to award redress to all borrowers who were injured as a result of the defendants' practices. Currently, the case is pending in federal district court in Atlanta, Georgia.

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<sup>2</sup> (...continued)

*Commission Policy Statement on Unfairness, appended to International Harvester Co., 104 F.T.C. at 1070-76.*

<sup>3</sup> On November 30, 2000, Citigroup consummated its acquisition of The Associates pursuant to an Agreement and Plan of Merger. Subsequently, Citigroup merged the domestic consumer finance business of The Associates into the consumer finance business of CitiFinancial.

However, we note at the outset that the specific acts the ██████ have alleged against the Associates are not directly relevant to any of the FTC's complaint allegations. Based on the information provided in the ██████ letter, it appears that the transaction at issue constitutes a closed-end home mortgage transaction subject to the Truth in Lending Act (the "TILA") and its implementing Regulation Z. With respect to closed-end home mortgages, the TILA and Regulation Z compel creditors to make certain disclosures to consumers before consummation of the mortgage transaction.<sup>4</sup> Included among the terms required to be disclosed for these accounts are the following: amount financed, finance charge, annual percentage rate (APR), payment schedule, and total of payments.<sup>5</sup> However, the type of charges that may be imposed, the amount of such charges, and the conditions for imposition of such charges are generally contractual matters between the consumer and the creditor as well as matters of state law. The ██████ may, therefore, wish to closely review their loan agreement with The Associates as well as any change in terms notices that may have been provided on the account.

With respect to certain closed-end home mortgage transactions, the Home Ownership and Equity Protection Act (the "HOEPA") which, *inter alia*, amended the TILA by adding Section 129 of the TILA, 15 U.S.C. §§ 1639, and is implemented by, *inter alia*, Sections 226.31 and 226.32 of Regulation Z, 12 C.F.R. §§ 226.31 and 226.32, took effect on October 1, 1995 and provides special protections for consumers who obtain high-rate or high-fee loans secured by their principal dwellings by requiring creditors to provide certain material information at least three days before the loan is consummated, prohibiting the use of certain loan terms, and barring specified practices. In loans covered by HOEPA, the lender must give the borrower certain disclosures in writing at least three business days before closing. This information includes a notice that the consumer could lose his/her home and any money put into it, if he/she does not meet his/her obligations under the loan. The notice also requires disclosure of the annual percentage rate, amount of payments and, if applicable, certain variable rate information. The law also bans from high-rate, high-fee loans such terms as balloon payments due in less than five years, increasing the interest rate at default, and most prepayment penalties. Lenders also are prohibited from engaging in a pattern or practice of lending based on home equity without regard to consumers' ability to repay loans ("asset-based lending") and making direct payments to home improvement contractors.

Without reviewing the ██████ loan papers it is impossible to determine whether their loan comes under the strictures of the HOEPA. HOEPA applies only to closed-end, non-purchase money loans consummated after October 1, 1995 that are secured by the borrower's primary residence. In addition, the loan must have an annual percentage rate at consummation that exceeds by more than 10 percentage points the yield on Treasury securities having comparable

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<sup>4</sup> See 12 C.F.R. § 226.17(b).

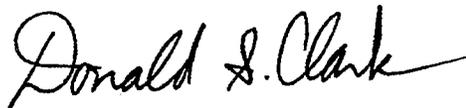
<sup>5</sup> See 12 C.F.R. § 226.18.

periods of maturity as the loan.<sup>6</sup> Alternatively, the total points and fees payable by the consumer at or before loan closing must exceed the greater of 8 percent of the total loan amount, or \$400.<sup>7</sup> The ██████ may wish to review the terms of their loan to determine whether it is subject to the HOEPA. If the loan is a HOEPA loan, the ██████ may next want to determine whether The Associates provided the requisite HOEPA disclosures or violated any of the practices prohibited by the HOEPA. For instance, the ██████ may wish to explore whether The Associates paid B & K Home Improvement from the proceeds of the loan in accordance with the procedures set forth in the HOEPA. Pursuant to the HOEPA, the creditor can pay a contractor from the proceeds of the loan either (1) by an instrument payable to the consumer or jointly to the consumer and the contractor; or (2) at the election of the consumer, through a third-party escrow agent in accordance with the terms established in a written agreement signed by the consumer, creditor, and contractor prior to the disbursement of any funds.<sup>8</sup>

The ██████ may want to consider seeking the advice of an attorney in private practice about the prospect of exercising their rights to obtain any redress available to them in this matter.

I appreciate your interest in this matter, and I hope that your constituent will find the above information helpful in addressing the problem at issue. Please let us know whenever we can be of service.

Sincerely,



Donald S. Clark  
Secretary of the Commission

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<sup>6</sup> See 12 C.F.R. § 226.32(a)(1)(i).

<sup>7</sup> See 12 C.F.R. § 226.32(a)(1)(ii).

<sup>8</sup> See 12 C.F.R. § 226.32(e)(2).





BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

*FOSPA*

FEDERAL TRADE COMMISSION  
01 OCT 17 PM 5:20  
LONG BEACH BRANCH

October 12, 2001

*1623758*

The Honorable James M. Inhofe  
Member of Congress  
1924 South Utica, Suite 530  
Tulsa, Oklahoma 74104

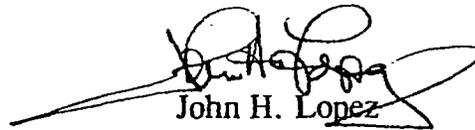
Dear Congressman:

Thank you for your letter of September 28, which was recently forwarded to the Board by the Federal Deposit Insurance Corporation, enclosing correspondence from your constituents, [REDACTED] regarding a problem they have encountered with Associates Financial Services Company, a nonbank subsidiary of Citigroup, Inc.

At the federal level, this financial institution is supervised by the Federal Trade Commission (FTC). I have taken the liberty of forwarding your letter to the appropriate office at the FTC. That address is listed below for your information.

I am sorry that we cannot be of direct assistance to you and your constituent, but I am sure that you will be hearing from the FTC in the near future.

Sincerely,

  
John H. Lopez  
Special Assistant to the Board

cc with incoming to:  
Congressional Liaison Office  
Federal Trade Commission  
Sixth Street & Pennsylvania Ave., NW  
Washington, D.C. 20580



Federal Deposit Insurance Corporation  
550 17th Street NW, Washington, DC 20429

Office of Legislative Affairs

October 2, 2001

CLO: #394  
CCS: 01-5090  
RECVD: 10/12/01  
Away-PTC

Honorable James M. Inhofe  
United States Senator  
1924 South Utica, Suite 530  
Tulsa, Oklahoma 74104

Dear Senator Inhofe:

Thank you for your letter on behalf of [REDACTED]

Our research indicates that Associates Financial Services Company is a nonbank subsidiary of Citigroup, Inc., a holding company regulated by the Federal Reserve System. Therefore, we have taken the liberty of forwarding your inquiry to the Federal Reserve for consideration. The FDIC insures deposits at most of the nation's banks and savings associations and promotes the safety and soundness of these institutions by identifying, monitoring, and addressing risks to which they are exposed. The FDIC also acts as the primary Federal regulator of state chartered banks that are not members of the Federal Reserve System.

Sincerely,

Leanna M. Gouthro  
Senior Writer/Editor  
Office of Legislative Affairs

cc: Mr. Donald Winn  
Congressional Liaison  
Federal Reserve System  
20<sup>th</sup> and C Streets, N.W.  
Washington, D.C. 20551

JAMES M. INHOFE

OKLAHOMA

WASHINGTON OFFICE  
453 RUSSELL SENATE OFFICE BLDG  
WASHINGTON, DC 20510-3603  
202-224-4721

TULSA OFFICE  
1924 S. UTICA, SUITE 530  
TULSA, OK 74104  
918-748-5111

OKLAHOMA CITY OFFICE  
1900 N.W. EXPRESSWAY, SUITE 1210  
OKLAHOMA CITY, OK 73118  
405-608-4381

COMMITTEES:

ARMED SERVICES  
ENVIRONMENT AND  
PUBLIC WORKS  
INDIAN AFFAIR  
INTELLIGENCE

# United States Senate

WASHINGTON, DC 20510-3603

September 28, 2001

Ms. Alice Goodman  
Director  
Office of Legislative Affairs  
Federal Deposit Insurance Corporation  
550 17th Street N.W.  
Washington, D.C. 20429

RE: 

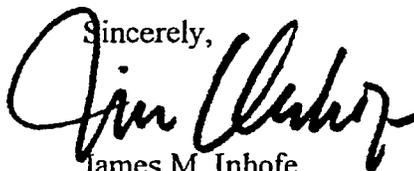
Dear Ms. Goodman:

Because of the desire of this office to be responsive to all inquiries and communications, your consideration of the enclosed information is requested.

Your assistance in this matter is appreciated. Please respond to the attention of my representative, Julia Clay, in my Tulsa office at 1924 South Utica Suite 530, Tulsa, Oklahoma 74104.

Thank you for your cooperation in this matter.

Sincerely,



James M. Inhofe  
United States Senator

JMI:jwc  
Enclosure

(1)

RECEIVED

SEP 27 PM 5

9-24-01

From: [REDACTED]

Enid, OK [REDACTED] Tel. [REDACTED] 5

To: United States Senator Jim Inhofe

RE: Loan obtained from Associated Financial Services Company Inc. Enid, OK (501 W. Broadway) which was sold to Citi Bank 501 W. Broadway. The transfer of loan was done without our knowledge or consent.

We had paid our home loan off in full. Our home address is 702 W. Walnut, Enid, OK. 73701.

The new loan was made 9-15-01. The total of loan was in the amt. of \$24,139.20. This was a rehabilitation loan for our home.

The first problem occurred when we wanted to hire L.E. Clark as

(II.)

Our General Contractor - The loan officer (whose name is Audrey) said that we had to use B & K Home Improvement Inc. as our contractor. We told her that we did not want B & K. We knew Mr. Clark and his work. She said that it was none of our business. She had hired B & K and if my husband called back she would file harassment charges.

The loan was required on 9-11-00. Work? Started in Jan. 2001. From the first the work was positively unacceptable. We called Audrey. She said that the work wasn't finished. To give them time and, for us, to not make snap judgements.

We were supposed to co-sign a check to B & K every  $\frac{1}{4}$  of work approved. Audrey gave B & K  $\frac{1}{4}$  of money up front. This was done without our knowledge or consent.

(III.)

We called Audrey repeatedly and reported absolutely unacceptable and shoddy work. She told us, again, if we didn't quit calling her that she would file harassment charges. We tried the 1-800-number that the bank sent us. This number also was answered by Audrey. We asked to ~~speak~~ to speak to Audrey's supervisor. She stated that she had already talked with her supervisor. She said that she had informed them of the situation, that ~~we~~ we were unreasonable people and could not be pleased. By this time our house had been gutted for at least six months. We called the city code people. They found several code violations. B+K promised to rectify this. They did nothing and seemed to find this comical. - She code people at this time that we hire an attorney. We did this but the attorney that we

IV.

Wend said that he could do nothing other than write a letter. Also the case had/had no precedent. He had to have \$732.52 or he could do nothing else.

Mr. Inhofe, at this time we are desperate. We have already lost our family home (foreclosure)

Citi Bank is threatening to foreclose on our home.

My husband is on Social Security Disability. I work in maintenance at Northwestern University here in Evanston. We have two children who are in school. We are living in our "gutted" house which is actually unlivable but we had no choice. We have borrowed to the max in every area.

Any help that you can give us would be very much

(V)

Appreciated, You are our last  
hope. We have tried everything

Thank You

[REDACTED]

End, OK

Del.

[REDACTED] (6 AM to 3 PM)

A contact # where we can  
receive messages is  
[REDACTED]



Consumer Information System  
Complaint Detail Report

02/26/2002

KMILTON

Transaction

Ref No.: 1606631 Contact Type: Complaint Source: Consumer TCS? N

Comments: I was behind on my mortgage payment and I received a call from an Associates representative telling me I could take care of my arrears and refinance my loan. I was worried about losing the house so I said ok. I did not receive a good faith estimate or disclosure prior to closing. The closing agent came to my house and rushed me through the closing. I had some questions which she could not answer so I called Associates. Associates told me I had to sign everything tonight or I would not get the loan. I needed the money to catch up on my existing loan with them and signed the papers. I am now in the process of paying off the loan and I am faced with a very large prepayment penalty. I was also forced to sign an Arbitration Agreement that I knew nothing about prior to closing, or, per Associates, the loan would not close. I was desperate, so I signed. I never received copies of any signed documents. The closing agent assured me I would, but I never did. Am I obligated to pay the prepayment penalty, even though it was not disclosed to me prior to closing? My payment went up, instead of down after the refinance. I don't even know how I qualified. They told me the only thing I needed to qualify was the fact that I had a prior mortgage. I was in arrears on that mortgage. My husband was not working. What is the next step for me? Will someone contact me. I found that the FTC has filed a complaint against the Associates. How will that effect me and other consumers? Is there a way consumers can join in on the complaint against Associates? Will the Arbitration Agreement I signed prevent me from pursuing an action against Associates and/or Citifinancial. Please, respond as soon as possible as I am attempting to payoff the mortgage at the end of this month. Will I still be able to pursue legal remedies if the loan is paid off? My prior loan was also with Associates. Will the prior loan be included in the Complaint.

Created By: DJOHNSON Created Date: 10/12/01  
 Updated By: Updated Date:  
 Org Name: PUBLIC USERS - CIS  
 Amt Requested:  
 Amt Paid: Payment Method:  
 Agency Contact: Internet Complaint Date: 10/10/01  
 Initial Contact: Phone Transaction Date: 08/01/00  
 Initial Response:  
 Product/Service: Mortgage Lender  
 Statute/Rule: Truth-In-Lending Act



Law Violation: Creditor Fails or Inaccurately Discloses Refinancing Terms

Consumer

Complaining  
Company/Org.:

Last name: [REDACTED] First: [REDACTED]

Address: [REDACTED]

City: Tampa State: FL Zip: [REDACTED]

Country: UNITED STATES

Work phone: [REDACTED] Ext: 3081

Fax Number: ()

Home Number: [REDACTED]

Email: [REDACTED]

Age Range: [REDACTED]

Company

Company: Associates First Capital Corporation and Citifinancial Credi

Address: 1111 Northpoint Dr.

City: Coppell State: TX Zip: 75019

Country: UNITED STATES

Email: Unknown URL: Unknown

Phone: (800) 753-3673 Ext:

Company Representative

Associated Company



Transaction

Ref No.: 1532712 Contact Type: Complaint Source: Consumer TCS? N

Comments: Due to my income, I purchased my home when I was 19 years old for tax purposes (I am now 22). My home is in Sugar Land, TX; my original lender was based out of Connecticut. They coerced me into signing a 12.25% interest rate loan for 90% of the property value. They did not escrow my taxes because it would have skewed the income/debt ratio so I could not qualify for the loan. Instead, they told me that I could refinance the note after two years and use the equity to pay my back taxes. One month after the deal closed the original mortgage company sold my contract to a Texas based mortgage company with the stipulation that I could not refinance until 2 years had passed. Now I cannot refinance my house because TX based mortgage companies cannot refinance less than 20% equity in the home. This leaves me with a 12.25% interest rate and over \$7K in taxes that must be paid. I feel that I have been swindled by two MAJOR financial institutions. Could you please contact me asap regarding this matter so I can surmise whether or not I am wasting my time? After paying in over \$80000 in the past 28 months, I certainly pray that you can help me.□

Thanks and Regards,□



Created By: HBUCKMON Created Date: 08/21/01  
Updated By: Updated Date:  
Org Name: PUBLIC USERS - CIS  
Amt Requested: 175,500.00  
Amt Paid: 51,676.52 Payment Method: Money Order (Not Classified)  
Agency Contact: Internet Complaint Date: 08/16/01  
Initial Contact: Mail Transaction Date: 06/15/99  
Initial Response:  
Product/Service: Mortgage Lender  
Statute/Rule: FTC Act Sec 5 (BCP)



Law Violation: Deception/Misrepresentation

**Consumer**

Complaining  
Company/Org.:

Last name:

First:

Address:

City: Sugar Land

State: TX Zip:

Country: UNITED STATES

Work phone: Ext:

Fax Number: ()

Home Number:

Email:

Age Range:

**Company**

Company: Associates First Capital Corporation

Address: 250 East Carpenter Freeway

City: Irving

State: TX Zip: 75062

Country: UNITED STATES

Email: unknown

URL:<http://www.theassociates.com>

Phone: (800) 217-2000 Ext:

**Company Representative**

Rep Name: Various, Various

Title:

**Associated Company**



Transaction

Ref No.: 1494049 Contact Type: Complaint Source: Consumer TCS? N

Comments: When Associates Financial Services Corporation took over my second mortgage loan from Aetna Finance Company . They encouraged me to refinance my loan to lower my payments. I ended up with an adjustable rate mortgage that escalated above 17% . The loan amount when The associates took over the loan from Aetna Finance was about \$21,000.00. The loan was refinanced about four(4)times and the only time I received around \$5,000.00 cash was when I thought I outsmarted them by rescinding the credit life insurance. I was threatened that if was ever late with a payment they would accelerate the loan and foreclose on my home. The other times I cancelled credit insurance I was told that my principle would be reduced. I was called on my job right after they talked to my wife at home when we were late on payments. After I told them not to call on my job I was threatened with foreclosure. They lied to my supervisors saying it was an emergency in order to get me on the phone.

Starting with the time it was Ford Consumer, I rarely received a statement showing the balance. When I requested a balance they would only give me what was owed including interest. On June 30, 1999 I refinanced my first mortgage and paid off The Associates in the amount of \$29,740.00 at closing. After more than ten years of making payments and receiving bad credit ratings , I still end up with high interest with a company as bad as The Associates. I have some documents that show that I was involved with the companies identified as The Associates/Ford Consumer/Associated Home Equity Services , Aetna Finance Company and My current Mortgage with TCF National Bank Minnesota. Payments were made with money orders, cashier checks, wire transfers through Transouth corp.

Created By: CWALLACE Created Date: 07/24/01

Updated By: Updated Date:

Org Name: PUBLIC USERS - CIS

Amt Requested: 21,000.00

Amt Paid: 85,000.00 Payment Method: Wire Transfer

Agency Contact: Internet Complaint Date: 07/21/01

Initial Contact: In Person Transaction Date: 07/31/88

Initial Response:

Product/Service: Mortgage Lender

Statute/Rule: FTC Act Sec 5 (BCP)



Consumer Information System  
Complaint Detail Report

02/26/2002

KMILTON

Law Violation: Deception/Misrepresentation

Consumer

Complaining  
Company/Org.:

Last name:

First:

Address:

City: Decatur

State: GA Zip:

Country: UNITED STATES

Work phone: ( )

Ext:

Fax Number: ( )

Home Number:

Email:

Age Range:

Company

Company: Associates First Capital/The Associates/Ford consumer et al

Address:

City: Dallas

State: TX Zip:

Country: UNITED STATES

Email:

URL:

Phone: ( )

Ext:

Company Representative

Associated Company