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November 29, 2012

SENT VIA FACSIMILE TO (212) 793-0143

Michael Corbat
Chief Executive Officer
Citigroup
399 Park Avenue
New York, NY 10043

Dear Mr. Corbat:

I write to request information about your company's origination, servicing and collection of loans for students seeking a post-secondary education. I also ask for your cooperation in addressing increasing difficulties confronting private student loan customers who struggle to find work and repay their student loans.

As you are aware, the Consumer Financial Protection Bureau's (CFPB) Student Loan Ombudsman recently reported on complaints it received from your customers as well as customers of other companies about the misapplication of student payments, failure to resolve timely servicer errors and failure to connect the appropriate customer service representative with borrowers to explore repayment options in times of economic hardship, among other significant concerns.¹

While the CFPB did not attribute specific complaints to individual companies, CFPB reported that Citibank received a number of complaints from borrowers and the overwhelming concern cited by private student loan customers involved loan repayment. For example, the CFPB reported that a number of borrowers expressed frustration that customer service representatives encouraged these borrowers to pay what they could afford without informing them that despite their "good faith" payments they would still be on a path toward devastating default. Borrowers also reported to the CFPB that different customer service representatives of the same servicer gave conflicting information and borrowers were often left dealing with the wrong representatives when seeking to renegotiate their loan repayments.

I am confident you agree that such student experiences are unacceptable, fixable and preventable going forward.

¹Consumer Financial Protection Bureau, *Annual Report of the CFPB Student Loan Ombudsman* (Oct. 16, 2012).

Mr. Michael Corbat
November 29, 2012
Page 2

As you may be aware, I have asked the Government Accountability Office (GAO) to review the operations of companies (e.g., Sallie Mae) who service both private loans and tens of millions of dollars in federal student loans. Separately, I respectfully request Citibank to address the following questions:

- 1) How does Citibank leadership oversee its customer service processes to identify and correct deficiencies? Please explain.
- 2) Because loan repayment terms and conditions are widely cited by student borrowers as exceedingly important in the current economic environment, what, if any, action is Citibank taking or planning to take to work with its private student loan customers struggling to find work and repay their loans?
- 3) What authorities are available to Citibank to renegotiate loan terms and conditions with its private student loan customers? Has Citibank renegotiated loan terms and conditions with its private student loan customers? Please explain and provide examples of criterion used to assess the approval of modified loan terms and conditions.
- 4) Has Citibank resolved each of the customer complaints identified by the CFPB? If not, please explain why.
- 5) Has Citibank amended any of the company's policies or procedures in response to the customer complaints identified by the CFPB? Please explain.

I appreciate your cooperation with this request and look forward to learning more from you regarding these issues. Please coordinate your response with Julie Peller on my Committee staff who can be reached at (202) 225-3725.

Sincerely,



GEORGE MILLER
Senior Democratic Member

cc: John Kline, Chairman