

Citigroup Inc.
153 East 53rd Street
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June 28, 2004

Office of the Comptroller of the Currency
Public Information Room, Mailstop 1-5
250 E Street, S.W.
Washington, DC 20219
Attention: 1557-0081

Steven F. Hanft
Clearance Officer, Legal Division
Federal Deposit Insurance Corporation
Room MB-3046
550 17th St, N.W.
Washington, DC 20429

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the
Federal Reserve System
20th and C St, N.W.
Washington, DC 20551

Office of Thrift Supervision
Information Collection Comments
Chief Counsel's Office
1700 G St, N.W.
Washington, DC 20552
Attention: 1550-0023

Re: "Consolidated Reports of Condition and Income" 7100-0036 (Board)
"Consolidated Reports of Condition and Income" 3064-0052 (FDIC)

Dear Ladies and Gentlemen:

Citigroup appreciates the opportunity to comment on the proposal issued on April 29, 2004 by the Office of the Controller of the Currency, (the "OCC"), the Board of Governors of the Federal Reserve System, (the "Board"), the Federal Deposit Insurance Corporation, (the "FDIC"), and the Office of the Thrift Supervision, (the "OTS"), to change and clarify the reporting requirements for certain securitized

loans that are 90 days past due and subject to seller buyback provisions under the Government National Mortgage Association (GNMA) Mortgage-Backed Securities Program.

Citigroup supports the agencies proposal to record, on the issuer's books, individual loans that meet GNMA's delinquency criteria based on the guidance provided by FAS 140. However, we do not support the inclusion of these assets in the body of the Past Due and Nonaccrual Schedule (RC-N and HC-N) if the process for reimbursement is proceeding normally. Additionally, we do not support the agencies proposal to classify these loans as Other Real Estate Owned, "OREO".

The current instructions to the Call and Y9C reports include a specific exemption for assets repurchased under the GNMA buyout program. Citigroup supports the current reporting requirements and sees no compelling reason to eliminate this exemption. We believe that if this exemption were to be eliminated and these loans classified as past due, the nonperforming schedule would be misleading since it would misrepresent the underlying risks of these assets and their ultimate collectibility by the issuer.

Assuming that the process for reimbursement is proceeding under the contractual guidelines set forth under the GNMA program, any losses on defaulted loans underlying GNMA securities are borne by the FHA and VA, not the issuer. Consistent with this view, Citigroup believes GNMA loans subject to the buyback provisions, which are wholly insured or partially guaranteed by the U.S. Government, should be presented separately from other defaulted loans on Schedules RC-N and HC-N. To this end, we believe that the memoranda section of Schedules RC-N and HC-N should be modified to include those loans that are past due and wholly or partially guaranteed by the U.S. Government and that they should not be included in the body of RC-N and HC-N. We believe this presentation would more accurately reflect the true nature of these loans.

Citigroup classifies property on which it has foreclosed on as OREO. The costs and risks of working through the disposal of these properties are implicit to the users of our financial statements. OREO is also subject to scrutiny from both regulators and the investing public. The inclusion of properties acquired and held by Citigroup under the GNMA buyout program would misrepresent the inherent risks of this particular asset class, given the guarantee received under the

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program. Based on the above, we do not support the proposal to include these properties as OREO, but instead to classify them as other assets.

Thank you again for the opportunity to allow us to express our view on this important matter. Please feel free to contact us if you have any questions or need additional information.

Sincerely,



William Gonska
Deputy Controller