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September 13, 2007

Office of the Comptroller of the Currency  
250 E. Street, SW  
Mail Stop 1-5  
Washington, DC 20219  
Docket ID OCC-2007-0012

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> and Constitution Ave., NW  
Washington, DC 20551  
Docket No. OP-1290

Robert E. Feldman  
Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429  
RIN Number 3064-AC97

Regulation Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G Street, NW  
Washington, DC 20552  
Attention: ID OTS-2007-0030

Re: Interagency Proposal to revise the CRA Q&A. 72 Fed. Reg. 37921 (2007).

Dear Sir or Madam:

Citigroup Inc. ("Citigroup") appreciates this opportunity to comment on the subject interagency proposal to revise the CRA Q&A issued by the bank and thrift federal regulatory agencies (the "Agencies"). Our comments concern only the proposed CRA Question and Answer for section 23(a)-2 (hereinafter, the "Proposed Q&A"). Citigroup supports the Agencies' proposal to accept side letters as evidence of a multi-investor fund's allocation of CRA treatment among its bank investors. As discussed below, we believe that it is important that CRA-related side letters be

accepted in a uniform manner by all of the Agencies to provide equal CRA treatment for all bank and thrift investors and to encourage fund investment.

Citigroup is a financial services holding company with several FDIC-insured subsidiaries that are subject to the CRA, including three national banks, one federal savings bank, and a California-chartered state non-member bank. Our lead retail bank, Citibank, N.A. (“Citibank, N.A.”), is a major investor in community development limited partnership funds, particularly national and regional low-income housing tax credit (“LIHTC”) funds which provide substantial support to the low and moderate income communities in which we operate our businesses. Investment in such funds is an important means for FDIC-insured institutions to support community development in their assessment areas.

National and regional funds compete for both LIHTC projects and investors. To attract bank investors, fund managers need to allocate CRA credit in a manner that creates an incentive for those investors to participate in their funds. Side letters, which are the product of negotiations with their bank investors, give managers a way to allocate CRA credit in an equitable manner. Regardless of which investors provide the most capital or commit to the fund first, side letters give fund managers a way to retain the flexibility to offer adequate CRA credit to each prospective investor. The use of side letters results in an allocation of CRA credit that encourages investors to invest in funds that invest in LIHTC projects in their assessment areas and, if the community development needs of an investor bank’s assessment areas are met, adjoining areas as well.

Citigroup supports the Proposed Q&A because it would standardize the Agencies’ acceptance of side letters for the purpose of allocating CRA credit among investors in LIHTC funds. The Agencies’ consistent acceptance of these letters will stimulate continued investment in LIHTC funds and create certainty as to the CRA treatment of each bank’s fund investments. Through the use of such side letters, each investor bank will know for which projects it will receive CRA credit, and how much credit, at the time it commits capital to make a fund investment and can invest its other funds accordingly.

Thank you for the opportunity to comment on this proposal. If you have any questions, please contact Jeffrey Watiker at 212-559-1864 or Richard Sider at 212-783-6043.

Sincerely,



Carl V. Howard  
General Counsel - Bank Regulatory

cc: Jeffrey Watiker  
Richard Sider  
Viola Spain