



March 18, 2009

Mr. Neil M. Barofsky  
Special Inspector General  
Troubled Asset Relief Program  
1500 Pennsylvania Avenue, Suite 1064  
Washington, D.C. 20220

**Re: OneUnited Bank; SIGTARP Information Request**

Dear Mr. Barofsky,

OneUnited Bank ("OneUnited" or the "Bank") hereby submits this narrative in response to the request from the Office of the Special Inspector General, Troubled Asset Relief Program ("SIGTARP") with respect to the Bank's receipt of TARP Funds.

OneUnited Bank ("OUB") is a Massachusetts chartered bank, the only black-owned bank in Massachusetts and the largest black-owned company in the state. It is the nation's first black-owned interstate bank and the only functional black internet bank. The Bank is a U.S. Treasury certified Community Development Financial Institution with assets of approximately \$635 million. OneUnited was well capitalized as of June 30, 2008; however, the decline in the value of the Bank's GSE Preferred Stock effectively erased the Bank's capital with the attendant result being a drop of more than one capital level.

Although the Bank did not segregate the \$12 million in TARP funds received, this capital, in addition to private capital raised by the Bank, has since returned the Bank to adequately capitalized levels. This, in turn, has allowed the Bank resume its lending operations and to return its focus to its mission of service to distressed and under-served communities nation-wide.

To date, OneUnited has already originated over \$1 million in new loans, all of which are located within these same distressed communities. In 2009, (b) (4)

(b) (4)

With respect to executive compensation, OneUnited Bank is committed to abiding by the guidelines dictated by Treasury. (b) (4)

(b) (4)

Further, OneUnited has revised its

business travel and expense policies along the TARP guidelines and executive compensation for all Bank officers is currently under review at the direction of the Board of Directors.

We trust that this narrative has satisfied the Office of SIGTARP's request. Should you have any additional information, please do not hesitate to contact (b) (6) Senior Counsel, directly at (b) (6), or via email at (b) (6)

OneUnited Bank hereby requests confidential treatment of this document and its contents to the fullest extent permissible by applicable law and regulation.

Sincerely,



John A. Trotter  
Chief Financial Officer

I, John A. Trotter, CFO, hereby certify that the foregoing statements are true and accurate.

Signed: \_\_\_\_\_



John A. Trotter  
Chief Financial Officer