

The Honorable Elizabeth A. Warren Ranking Member, Senate Banking Subcommittee on Financial Institutions and Consumer Protection SH-317 Hart Senate Office Building Washington, DC 20510

The Honorable Elijah E. Cummings Ranking Democrat, House Oversight and Government Reform Committee 2163 Rayburn House Office Building Washington, DC 20515

The Honorable Thomas R. Carper Ranking Democrat, Senate Homeland Security and Governmental Affairs Subcommittee on Investigations SH-513 Hart Senate Office Building Washington, DC 20510

The Honorable Gary C. Peters

Member, Senate Homeland Security and Governmental Affairs Subcommittee on Investigations
SH-724 Hart Senate Office Building
Washington, DC 20510

March 20, 2018

Dear Senators Warren, Carper, Peters and Ranking Member Cummings,

I am writing in response to your letter regarding Citi's relationship with the Kushner Companies and to provide you with factual information demonstrating that our DUMBO Heights mortgage loan transaction was completely appropriate.

The Kushner family has been a client of Citi for decades. Citi has worked with the real estate companies associated with the Kushner family (known as the "Kushner Companies") as a potential source of commercial mortgage loans and has offered loans to and transacted with the Kushner Companies over the years. In January 2017, we purchased an approximate \$80 million portion of a loan originated by another bank to the Kushner Companies for the former *New York Times* building on 43rd Street, which was ultimately securitized in a Commercial Mortgage-Backed Securities (CMBS) transaction. We have also recently completed a mortgage financing for a property in which the Kushner Companies hold a 12.5% stake, which includes a passive 2% stake that Jared Kushner owns via a trust.

With regard to DUMBO Heights, Citi was approached by RFR Realty, a longtime client, to provide a \$425 million loan to a joint venture consisting of three parties: RFR Realty, the Kushner Companies and another real estate company. Citi agreed to provide \$325 million of the loan and contacted Apollo Global Management, who alongside Rockwood Capital, provided the remaining \$100 million of financing, known as "mezzanine debt" in this structure, to the joint venture. Apollo is one of our preferred, frequent providers of mezzanine debt. RFR Realty and the Kushner Companies each own about 47.5% of the property. Included in the 47.5% owned by the Kushner Companies, are passive interests owned by Jared Kushner totaling 6.5% in aggregate. The remaining approximately 5% of the joint venture is owned by the other real estate company.

While the DUMBO Heights mortgage loan ultimately closed on March 31, 2017, transactions of this nature take a long time to come to fruition and Citi had begun exploring this loan in late 2016. By the time of the March 3, 2017 meeting between Mr. Corbat and Mr. Kushner, the loan was far along the standard process and it had already received the preliminary credit, risk and business approvals. The transaction did not require Mr. Corbat's knowledge or approval, which is not unusual for loans of this type, and he was unaware of the transaction until *The New York Times* inquired about it a few weeks ago.

In regard to Mr. Corbat's meeting with Mr. Kushner, Mr. Corbat's office requested the meeting on February 22, 2017 as part of a series of meetings he planned during an upcoming trip to Washington, D.C. Mr. Corbat goes to Washington regularly and met with others in the White House and regulatory agencies during his March 3 trip. The primary purpose of the meeting with Mr. Kushner was to discuss U.S. trade policy and NAFTA, given Mr. Kushner's leadership role in the NAFTA negotiations. Nothing related to the DUMBO loan or any other personal business with Mr. Kushner or the Kushner Companies was discussed at that meeting.

This transaction was done in the normal course of Citi's commercial real estate lending business, received the necessary credit and risk approvals without input from Mr. Corbat, and was unrelated to any discussions with Mr. Kushner, who played no role in the loan origination or negotiation process with Citi for the DUMBO Heights transaction.

Should you have any additional inquiries, please feel free to contact Candida Wolff, Citi's Head of Global Government Affairs.

Sincerely,

Rohan Weerasinghe General Counsel

AL Weyl