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Fact Sheet: OneWest Bank Expected to Receive Over \$2.4 billion from the FDIC

Background: When the Federal Deposit Insurance Corporation (FDIC) sold IndyMac in 2009 and La Jolla Bank in 2010, it agreed to share losses from bad loans with the billionaire investors who bought the two banks. Under the **shared loss agreements**, once a certain threshold of loans goes bad, the FDIC agrees to share in the costs of future losses. In July of 2014, OneWest Bank, which has the IndyMac and La Jolla shared loss agreements, announced plans to merge with CIT Group, creating a Systemically Important Financial Institution (SIFI). While executives from the two banks told community leaders they would answer *any* questions about the proposed merger, they later refused to answer questions about the shared loss agreements. The California Reinvestment Coalition (CRC), a non-profit coalition of over 300 member organizations, was forced to submit a Freedom of Information Act (FOIA) request to the FDIC to obtain the information.

FDIC has Already Paid to OneWest	
under IndyMac Shared Loss	\$670,754,214
under La Jolla Bank Shared Loss	\$357,650,183
Total	\$1,028,404,397
FDIC Estimate of Future Payments	
under IndyMac Shared Loss	\$1,335,407,190
under La Jolla Bank Shared Loss	\$94,615,970
Total	\$1,430,023,160
Total estimated amount FDIC will pay to OneWest Bank	\$2,458,427,557*

Note: This \$2.4 billion figure should not be confused with the \$2.3 billion that CIT Group received from the US Government under TARP in 2008. When CIT filed bankruptcy in 2009, the \$2.3 billion became a free gift from taxpayers, never to be repaid. **Total government subsidy between the two banks is almost \$5 billion, yet both banks claim they are prepared to merge and become a Systemically Important Financial Institution if the proposed merger is approved by the Federal Reserve and the Office of the Comptroller of the Currency. **CRC and more than fifty other organizations are [opposing the merger](#)** until a robust, transparent Community Reinvestment and Benefit plan is created by the banks. CRC is urging the Federal Reserve and the Office of the Comptroller of the Currency to hold public hearings in Los Angeles about the proposed merger to facilitate community input.*

Additional Background Information

1. [LINK](#) to CRC's original FOIA request to the FDIC
2. [LINK](#) to the FDIC's FOIA response letter to CRC
3. [LINK](#) to the IndyMac Loss Share Agreement.
4. Note: The amounts already paid out were calculated using the Receiver Income Statements, using the line item "Payments on Loss Share and Other Asset Claims." The amount the FDIC estimates it may still pay out under the loss shares was calculated from the balance sheets, using the line item "Estimated Loss Share and Other Reserves.

[Link:](#) IndyMac Receiver Balance Sheets

[Link:](#) IndyMac Receiver Income Statements

[Link:](#) La Jolla Receiver Balance Sheets

[Link:](#) La Jolla Receiver Income Statements