

**Statement of Commissioner Mozelle W. Thompson**

***FTC v. Citigroup Inc., et al.***  
**File No. X010026**

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Today, the Federal Trade Commission voted unanimously to settle our case against Citigroup Inc., *et al.*, for alleged fraud in connection with the sale of credit insurance for consumer loans. This settlement is exceptional for a number of reasons. First, the \$215 million in consumer redress amounts to the Commission's largest monetary settlement to date in a consumer protection case. Such redress represents far more for the company than a simple cost of doing business and will allow some two million consumers to recover a significant portion of their losses. Perhaps more importantly, however, the settlement constitutes full and fair notice that the Commission will direct its resources against unscrupulous lenders who would victimize consumers in the subprime market.

Access to capital in the form of credit historically has played an important role in the American economic system. Such access not only provides individuals with the means to manage their lives during periods of need, but also leads to greater investment in their homes as well as in their communities. It is well-recognized that in order to ensure that all segments of our society can participate meaningfully in our economic system, everyone must have access to capital. That includes traditionally under-served people or communities, including individuals with credit problems or those groups that might be less knowledgeable about finance and credit issues.

But access to capital is not "true" access if it is tainted by fraud or deception. In fact, credit that is offered under these circumstances very often victimizes individuals at the times when they are most desperate and therefore most vulnerable. The immediate effects of such fraud and deception can be profound and include personal bankruptcy or even the loss of a family's home. In the longer term, these practices can shred the fabric of our communities.

The alleged conduct of Citigroup's subsidiary would be serious if directed at the most knowledgeable and least needy in our society. The fact that the alleged conduct targeted people who were at the other end of the spectrum is especially troubling. This settlement will go far in assisting those who have been harmed and, I hope, will help to ensure that such practices are not repeated. Indeed, it is my hope that today's settlement will serve as a clarion call to others who might be engaged in unscrupulous lending practices - end them immediately because the Federal Trade Commission is prepared to protect the public by taking any and all appropriate law enforcement actions.