

Memo

Date March 11, 2009

From Paul Bossidy, President

To All RFG Employees

Regarding U.S. Lending

Message

As the newest member of the RFG, I wanted to take a moment to share with you my initial impressions of where we are, as well as offer a clear set of goals and objectives to strive for in 2008.

It is clear to me that this company has a rich and successful history, a reputation second to none, and most importantly, talented associates who have made it a strong force in the industry. Despite facing unheard of challenges this past year, you have all remained loyal to the company. You have begun building a culture on accountability and execution, while maintaining your focus on the customer. My goal is to build on this foundation so that we can all share in the rewards that will come from our success.

We have a plan in place to restore the RFG to profitability and to remain a significant player in the industry. To get there, we must meet three objectives:

- **Net Income** - Our goal is to continue to move towards profitability despite market turmoil. In 2007, we lost \$4 billion, but it was portfolio-related and mostly out of our control. Our plan for 2008 is to aim for a loss of \$326 million, with a target plan of breaking even.
- **Operating Expense/People Metrics** - With the restructuring behind us, we are leaner and stronger than we were a year ago. Our leaders and associates must continue to remove unnecessary expenses from our operations and continue to lower our costs to make us more profitable.
- **Performance Culture** - We will set objectives and metrics that are vertically and horizontally integrated with mid- and year-end reviews so that there is a clear line between what you do and how you are paid.

We are on plan for the first two months of 2008 and the road ahead, although not without bumps, looks bright as we continue to shape our business to meet the demands of the changing marketplace. While some of our major competitors have closed their doors or have been acquired by others, we remain a major player and we plan to keep it that way.

We will succeed in meeting the objectives above only if we have an engaged workforce. It is not going to be easy, but I am confident we are up to the challenge. There is no limit to what we can accomplish and there will be ample reward for those who help us get there. My promise to you is to communicate often and to let you know exactly where we stand. We are off to a good start in 2008 and I look forward to working with all of you in the months and years ahead.