July 21, 2009

Via Regular Mail and E-Mail (Comments@FDIC.gov)

Chairman Sheila Bair
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Re: Proposed Statement of Policy on Qualifications for Failed Bank Acquisitions (RIN # 3064-AD47)

Dear Chairman Bair:

OneWest Bank Group LLC ("OneWest Group") and OneWest Bank, FSB ("OneWest Bank" and, together with OneWest Group, "OneWest") appreciate this opportunity to comment on the Federal Deposit Insurance Corporation's (the "FDIC") proposed Statement of Policy on Qualifications for Failed Bank Acquisitions.[1] As the FDIC is aware, OneWest Bank is a full service thrift institution headquartered in Pasadena, California, chartered by the Office of Thrift Supervision and insured by the FDIC.

As noted in the Proposed Policies, OneWest Bank, which is funded by a consortium of private equity investors, acquired the banking operations of IndyMac Federal Bank, FSB from the FDIC in March 2009, resulting in over $1.5 billion in much needed new capital being invested in the U.S. banking system.

OneWest Bank has 33 retail branches in Southern California with approximately $7 billion in deposits, total assets of $17 billion and mortgage loans managed for third parties of approximately $150 billion.

OneWest's strategic focus is to expand its depository footprint by delivering personalized, relationship-based banking to its customers. We believe that OneWest offers the opportunity to grow a bank platform that can play a crucial role in helping resolve the current mortgage crisis facing borrowers, lenders, and the U.S. economy by deploying our strong capital base and highly-developed mortgage servicing platform.

OneWest fully supports establishing guidelines in order to clarify and maintain transparency in the process of resolving failed institutions. That said, we believe that the Proposed Policies, as drafted, will severely inhibit the flow of capital and managerial resources into the U.S. banking sector and, therefore, will result in significantly greater costs to the Deposit Insurance Fund than are otherwise necessary. With this in mind, we offer the following specific comments on the Proposed Policies:

[1] 74 Fed. Reg. 32931 (July 9, 2009) (the "Proposed Policies").

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Question 1 - Parties to whom the Statement of Policy should apply:

- Comment: The description in the Proposed Policies includes the following parenthetical "(other than a bank or thrift holding company that has come into existence or has been acquired by an Investor at least 3 years prior to the date of this policy statement)". As noted above, OneWest supports establishing a clear set of guidelines going forward; however, we believe existing institutions should be treated equally. As it stands today, the FDIC and the other federal banking agencies are already able to determine whether and under what circumstances it is appropriate for any institution to acquire another institution. It would be inappropriate to retroactively change the rules for existing depository institutions that otherwise have not raised particular concerns in regards to the safety and soundness of their respective institutions.

Question 2 - Previously used investment structures and "silo" structures:

- Comment: We believe the existing approved structure for our purchase of IndyMac including: (i) an approved holding company, (ii) rebuttal of control agreements for certain consortium members, (iii) ownership and board representation limitations for non-controlling investors, and (iv) private disclosure to the regulators is an appropriate structure for future acquisitions.

Question 3 - Capital adequacy:

- Comment: We agree that it is prudent for the FDIC to require enhanced capitalization of de novo institutions to mitigate the risks inherent in any new institution, and we note that the approval of our transaction by the FDIC and the OTS required enhanced levels as well. However, we believe that the 15% leverage ratio standard set forth in the Proposed Policies would, in fact, make private investments in failed banks and thrifts "uncompetitive and uneconomic". Moreover, it is critical to consider case-by-case the specific attributes of any acquisition because a "one size fits all" Tier 1 leverage ratio requirement would not consider the specific risk mitigants that invariably emerge in a particular transaction. We believe it is essential to consider certain factors such as: (1) the purchase price of the assets (*i.e.,* the assets having been marked to market through the disposition and acquisition process) and (2) any assistance provided by the FDIC in connection with the acquisition which may further mitigate the risks associated with the acquired assets. We believe that appropriate capital levels can be determined by stress testing the specific attributes of the transaction at hand. To the extent that the FDIC decides to implement a floor, regardless of the results of any such test, OneWest believes that an 8% Tier 1 leverage ratio requirement provides ample cushion to the "well capitalized" standard. It is also important to note that most de novo structures are capitalized with pure common equity and, therefore, the tangible common equity ratios are substantially higher than other institutions. Finally,

as is suggested in Paragraph 1 of the Proposed Policies, "responsible custodians" of depository institutions will likely capitalize the de novo institutions with excess capital beyond the minimum requirements so there will likely be additional capital cushion for these institutions as well.

Question 4 - Source of Strength:

- Comment: Public or private investors in depository institutions or their holding companies should not be required to provide unlimited levels of support. However, OneWest believes that the depository and/or holding company should be required to raise additional capital or engage in other qualified borrowings in the event the subsidiary depository institution becomes undercapitalized.

Question 7 - Continuity of Ownership:

- Comment: We believe that, while there may be situations where it is inappropriate to sell or transfer ownership of an institution, there are also instances where selling all or part of the ownership could enhance the overall safety and soundness of the institution. For example, if public ownership of a bank or its holding company provides greater access to capital over time, it would seem prudent and in the best interests of the Deposit Insurance Fund to permit such access. 18 months seems to be a reasonable period to allow a de novo institution the time to establish itself and then permit its board of directors to decide what is in the best interests of the institution at that time.

Question 9 - Phase Out Limitations:

- Comment: We believe that any special limitations that are established should be phased out as the FDIC and the primary regulator increasingly gain comfort with a bank's risks and business plan.

We greatly appreciate the opportunity to submit these responses and welcome the opportunity to discuss them further with you.

Sincerely,

Steven T. Mnuchin
Chairman and CEO
OneWest Bank Group LLC

Terrence Laughlin
President and CEO
OneWest Bank, FSB