

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FILED

MAR 17 1995

U.S. District Court
U.S. District Court Clerk

HELEN LATIMORE,)
)
Plaintiff,)
)
vs.)
)
CITIBANK, F.S.B., a Federal)
Savings Institution, MARCIA)
LUNDBERG and, ED KERNBAUER,)
)
Defendants.)

Civil Action No. 95 C 0436

Judge Elaine Bucklo

DOCKETED

MAR 20 1995

DEFENDANTS' ANSWER TO PLAINTIFF'S ORIGINAL COMPLAINT

Defendants Citibank, Federal Savings Bank ("Citibank"), Marcia Lundberg and Ed Kernbauer (collectively referred to as "Defendants"), by and through their attorneys, Mayer, Brown & Platt, answer Plaintiff's Complaint as follows:

NATURE OF THE ACTION

Paragraph 1 of the Complaint alleges:

"1. This is a civil action arising out of Citibank's refusal to provide a mortgage loan to Plaintiff because of discriminatory practices and reasons."

ANSWER:

Defendants admit that this is a civil action arising out of Citibank's rejection of plaintiff Helen Latimore's application for a mortgage loan. Defendants deny that Citibank rejected plaintiff's loan application because of discriminatory practices and/or reasons.

Defendants deny the remaining allegations in this paragraph.

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JURISDICTION AND VENUE

Paragraph 2 of the Complaint alleges:

"2. This action is brought pursuant to 42 U.S.C. §§1981 and 1982; 42 U.S.C. §3605; 15 U.S.C. §1691 (1); and 815 ILCS 505/1 et seq. Jurisdiction is conferred on this court by 28 U.S.C. §1343(a)(4), 28 U.S.C. §1367, 42 U.S.C. §3613(a), and 15 U.S.C. §1691e(f)."

ANSWER:

Defendants admit that plaintiff seeks to invoke the Court's jurisdiction on the bases alleged, but denies that they have committed any violation of federal law.

Paragraph 3 of the Complaint alleges:

"3. Venue is proper in this court pursuant to 28 U.S.C. §1391(b). Citibank has offices in Cook County, Illinois, and the occurrences giving rise to the cause of action occurred in Cook County."

ANSWER:

Defendants admit that venue is proper in the Northern District of Illinois, but deny that they have committed any violation of federal law.

FACTS

Paragraph 4 of the Complaint alleges:

"4. Plaintiff, Helen Latimore, is an African American citizen of the United States who resides in the County of Cook, City of Chicago, Illinois."

ANSWER:

Defendants admit the allegations in this paragraph.

Paragraph 5 of the Complaint alleges:

"5. At all pertinent times, Defendant, Citibank, F.S.B., ("Citibank"), was and is a Federal Savings Bank, organized under the laws of the United States, with its headquarters at 1 South Dearborn Street, Chicago, Illinois 60603, and with branch locations in Cook County and other counties in Illinois."

ANSWER:

Defendants deny that Citibank has its headquarters at 1 South Dearborn Street, Chicago, Illinois 60603. Defendants admit that Citibank is a Federal Savings Bank, organized under the laws of the United States with branch locations in Cook County and other counties in Illinois. Defendants are without knowledge or information sufficient to form a belief as to how plaintiff defines "at all pertinent times," and therefore are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in this paragraph.

Paragraph 6 of the Complaint alleges:

"6. At all pertinent times, Defendant, Ed Kernbauer, was and is a certified residential appraiser licensed by the State of Illinois Department of Professional Regulation pursuant to the Real Estate License Act of 1983 (225 ILCS 455/1 et seq.)"

ANSWER:

Defendants admit that Mr. Kernbauer is and has been a State certified real estate appraiser pursuant to the Real Estate License Act of 1983 (225 ILCS 455/1 et seq.) since September 30, 1993. Further answering, Defendants admit that prior to September 30, 1993, Mr. Kernbauer was a State licensed real estate appraiser pursuant to the Real Estate License Act of 1983. Defendants are without knowledge or information sufficient to form a belief as to how plaintiff defines "at all pertinent times," and therefore are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in this paragraph.

Paragraph 7 of the Complaint alleges:

"7. At all pertinent times, Defendant, Marcia Lundberg, was an account executive of defendant Citibank."

ANSWER:

Defendants admit that from April, 1993 to the present, Ms. Lundberg has been employed by Citibank as a Relations Account Executive. Defendants deny the remaining allegations in this paragraph.

Paragraph 8 of the Complaint alleges:

"8. Defendant, Citibank, from sometime before 1993 and thereafter, offered and offers real estate mortgage loans to people residing in Chicago and in communities surrounding Chicago."

ANSWER:

Defendants admit the allegations in this paragraph.

Paragraph 9 of the Complaint alleges:

"9. In 1993, Plaintiff resided in and owned a townhouse at 6150 South Ingleside, Chicago, Illinois 60637; having purchased the building in 1988 from her family, who has resided in it since about 1950."

ANSWER:

Defendants admit that in 1993, plaintiff resided in and owned a townhouse at 6150 South Ingleside, Chicago, Illinois 60637. Defendants are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in this paragraph.

Paragraph 10 of the Complaint alleges:

"10. The racial population of the neighborhood within which the townhouse at 6150 South Ingleside is and was located in 1993 is and was over 90% African American."

ANSWER:

Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

Paragraph 11 of the Complaint alleges:

"11. Since about 1985, and until the present, Plaintiff has been and is a customer of Citibank in good standing having maintained checking and money-market accounts."

ANSWER:

Defendants admit that plaintiff has maintained a checking account with Citibank from July 1995 to the present and that plaintiff has maintained a money market account with Citibank from May 1987 to the present. Defendants are without knowledge or information sufficient to form a belief as to how plaintiff defines "customer in good standing," and therefore are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in this paragraph.

Paragraph 12 of the Complaint alleges:

"12. In or about August, 1993, Plaintiff read advertisements by Citibank in the Chicago Sun-Times and which advertised home equity loans at 6% Annual percentage Rates."

ANSWER:

Defendants admit that in or about August, 1993, Citibank advertised home equity loans in the Chicago Sun Times. Defendants are without knowledge or information sufficient to form a belief as to whether or when plaintiff read these advertisements. Defendants deny the remaining allegations in this paragraph.

Paragraph 13 of the Complaint alleges:

"13. After reading the advertisements, and on or about August 10, 1993, Plaintiff telephoned Citibank, discussed a refinancing loan to pay two loans then secured by mortgage liens on her townhouse and set up an appointment with a representative of Citibank."

ANSWER:

Defendants admit that on August 10, 1993, Plaintiff telephoned Citibank to discuss refinancing her first and second mortgages and to set up an appointment with a representative of Citibank. Defendants are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in this paragraph.

Paragraph 14 of the Complaint alleges:

"14. After the telephone call, Citibank mailed a letter and a package with a loan application to Plaintiff, Helen Latimore."

ANSWER:

Defendants admit the allegations in this paragraph.

Paragraph 15 of the Complaint alleges:

"15. On August 16, 1993, Plaintiff completed the loan application she received, appeared at the Citibank branch at 100 South Michigan Avenue, Chicago, Illinois 60603, and met with and presented the application to Marion Rosales, an employee of Citibank."

ANSWER:

Defendants admit that Citibank employee Marion Rosales took plaintiff's application for a mortgage loan during a face-to-face interview on August 16, 1993 at the Citibank branch at 100 South Michigan, Chicago, Illinois 60603. Defendants deny the remaining allegations in this paragraph.

Paragraph 16 of the Complaint alleges:

"16. At the meeting, Ms. Rosales requested some information in addition to the information in the loan application, and gave Plaintiff indications that the loan application would be accepted if the information was favorable."

ANSWER:

Defendants deny that Ms. Rosales had express, implied or apparent authority to approve loan applications on behalf of Citibank. Defendants admit that on August 16, 1993, Ms. Rosales requested information from plaintiff in addition to the information in the loan application. Defendants deny the remaining allegations in this paragraph.

Paragraph 17 of the Complaint alleges:

"17. During the meeting, Helen Latimore paid Citibank the amount of \$810.00 (\$300.00 for the application fee plus \$510.00 for the prepaid portion of the origination fee [60 day Rate Lock]), by transfer from her Citibank checking account."

ANSWER:

Defendants admit the allegations in this paragraph except that through reasonable effort at this time, Citibank can only confirm that the above payment was made with a Citibank cashier's check; Citibank is without knowledge or information sufficient to form a belief as to the source of the funds for the payment.

Paragraph 18 of the Complaint alleges:

"18. On or about August 16, 1993, Plaintiff furnished Citibank with the additional information it requested."

ANSWER:

Defendants deny the allegations in this paragraph. Further answering, defendants state that plaintiff had furnished Citibank with the additional information that it had requested prior to a final underwriting decision on plaintiff's loan application.

Paragraph 19 of the Complaint alleges:

"19. On August 18, 1993, Ms. Rosales wrote a letter to Helen Latimore thanking her for applying for refinancing and enclosed a Truth-in-Lending Statement for a loan with an Annual Percentage Rate of 6.990%, Finance Charge of \$30,553.23, Amount Financed of \$48,784.40, Total of Payments of \$79,337.93 (or 180 monthly payments of approximately \$440.77 starting on November 1, 1993 and ending on October 1, 2008 [15 years])."

ANSWER:

Defendants admit that Citibank mailed a letter to plaintiff on August 18, 1993 enclosing information in compliance with the Real Estate Settlement Procedures Act and the Truth in Lending Act, including a Truth in Lending Statement. The letter and the Truth in Lending Statement speak for themselves and Defendants deny the allegations in this paragraph to the extent that they are inconsistent with the letter and the Truth in Lending Statement. Defendants deny the remaining allegations in this paragraph.

Paragraph 20 of the Complaint alleges:

"20. On August 26, 1993, Plaintiff, at the request of Citibank, met Defendant, Ed Kernbauer, who had scheduled an appointment, at her townhouse, and Mr. Kernbauer inspected it and the lot for approximately one-half hour."

ANSWER:

Defendants admit the allegations in this paragraph.

Paragraph 21 of the Complaint alleges:

"21. In early September, 1993, Defendant, Marcia Lundberg, telephoned Plaintiff and said there was a problem confirming the lot size of Plaintiff's property which appeared to be 16' x 125'; she said that the debt-to-income ratio was good and that Plaintiff's credit reports were excellent and that Citibank was still waiting for the report of the appraiser before it could decide on the loan application."

ANSWER:

Defendants deny the allegations in this paragraph.

Paragraph 22 of the Complaint alleges:

"22. In mid-September, 1993, Defendant, Marcia Lundberg, telephoned Plaintiff and informed her that the appraised value of the townhouse appears to be approximately \$40,000.00 and that it will not support the refinancing loan; Plaintiff explained that two previous appraisals when she wanted to refinance were respectively \$57,000.00 in 1989 loan and \$82,000.00 in 1992 and that Citibank was mistaken on the lot size as it is actually 170 feet deep, not 125 feet. Ms. Lundberg promised to look into Plaintiff's application after receiving the other appraisals."

ANSWER:

Defendants admit that Ms. Lundberg telephoned plaintiff on September 3, 1993; that during this conversation, Ms. Lundberg informed plaintiff that the appraised value of plaintiff's townhouse was \$45,000; that plaintiff informed Ms. Lundberg that plaintiff's townhouse had been appraised in November 1992 for about \$89,000; and that plaintiff promised to fax a copy of that appraisal to Ms. Lundberg. Defendants deny the remaining allegations in this paragraph.

Paragraph 23 of the Complaint alleges:

"23. Soon after the telephone conversation, Plaintiff mailed copies of the respective 1989 and 992 [sic] appraisal reports to Defendant, Marcia Lundberg."

ANSWER:

Defendants admit that Ms. Lundberg received a copy of an October 8, 1992 appraisal on plaintiff's residence at 6150 S. Ingleside via facsimile on September 13, 1993.

Defendants deny the remaining allegations in this paragraph.

Paragraph 24 of the Complaint alleges:

"24. In late September, 1993, Defendant, Marcia Lundberg, called again and said that Citibank had taken another look at the application and that the highest amount it could appraise Plaintiff's property for was \$45,000.00, which was still insufficient to support the loan application; Ms. Lundberg said that she would send the application to a review board within Citibank for an additional review."

ANSWER:

Defendants deny the allegations of this paragraph.

Paragraph 25 of the Complaint alleges:

"25. In mid-October, 1993, Plaintiff, Helen Latimore, received a letter dated October 12, 1993, from Citibank, signed by Defendant, Marcia Lundberg, and which stated, in part,

. . . we used a combined credit scoring and judgmental system. The credit scoring component assigns numerical values to various items of information we consider in evaluating an application, then totals the values to get your credit score. We reviewed your credit score, and additional information in your application, and found that you did not qualify for the requested loan. Our decision was based on the following principal judgmental reasons:

1. Inadequate collateral (property)."

ANSWER:

Defendants admit that Citibank sent plaintiff a letter dated October 12, 1993 that listed inadequate collateral (property) as the "principal judgmental reason" for the adverse action on plaintiff's loan application. Defendants are without knowledge or information

sufficient to form a belief as to when plaintiff received this letter. Defendants deny the remaining allegations in this paragraph.

Paragraph 26 of the Complaint alleges:

"26. The appraisal report prepared by Defendant, Ed Kernbauer, made negative comments about the condition of the neighborhood generally and about other buildings in the neighborhood, and concluded that the location of the property at 6150 South Ingleside and the surrounding neighborhood would have a negative impact in the marketability of the property."

ANSWER:

Defendants admit that Mr. Kernbauer prepared an appraisal report dated August 26, 1993 on 6150 S. Ingleside. Defendants deny the remaining allegations in this paragraph.

Paragraph 27 of the Complaint alleges:

"27. In 1993, after the rejection by Citibank, and in early 1994, Plaintiff, Helen Latimore, investigated refinancing loans from sources other than Citibank and in April, 1994, her loan application was accepted by Household Mortgage Service, a Division of Household Bank, F.S.B., Wooddale, Illinois."

ANSWER:

Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

Paragraph 28 of the Complaint alleges:

"28. On May 9, 1994, she received a loan from Household with an Annual Percentage Rate of 7.9953%, Finance Charge of \$33,773.49, Amount Financed of \$46,465.68, Total of Payments of \$80,239.17 (or 180 monthly payments of approximately 445.77 starting on July 1, 1994 and ending on June 1, 2009 [15 years])."

ANSWER:

Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

COUNT I

EQUAL CREDIT OPPORTUNITY ACT

Paragraph 29 of the Complaint alleges:

"29. At all pertinent times, the Equal Credit Opportunity Act, 15 U.S.C. §1691 et seq. was in effect. Section 1691(e) of this Act allows a civil action to be brought by an [sic] person damaged under the Act. Section 1691(a)(1) provides as follows:

- (a) It shall be unlawful for any creditor to discriminate against any applicant with respect to any aspect of a credit transaction --
 - (1) on the basis of race, color, religion, national origin, sex or marital status, or age (provided that applicant has capacity to contract)"

ANSWER:

This paragraph states a legal conclusion to which no answer is required; to the extent the allegations in this paragraph are factual, Defendants deny each and every such allegation.

Paragraph 30 of the Complaint alleges:

"30. The size of Plaintiff's lot is approximately 16 feet by approximately 170 feet, and is so shown by public records."

ANSWER:

Defendants admit the allegations in this paragraph.

Paragraph 31 of the Complaint alleges:

"31. Despite all of the Plaintiff's credit information being favorable, as set out in paragraphs 10, 20 through 22, Defendants Citibank, Lundberg and Kernbauer refused to determine that their information on the lot size was

incorrect, did not believe Plaintiff that the lot size was 16' x 170', did not order a survey of the lot, failed to follow the public record, failed to consider the respective 1989 and 1992 appraisals of Plaintiff's property, and misused "its combined credit scoring and judgmental system" to conclude that there was inadequate collateral for the loan."

ANSWER:

Defendants admit that they did not order a survey of the lot at 6150 S. Ingleside and that they did not consider the appraisal allegedly done on 6150 S. Ingleside in 1989 because it was never furnished to Citibank. Defendants deny the remaining allegations in this paragraph.

Paragraph 32 of the Complaint alleges:

"32. Because of the foregoing, Defendant Citibank's reason for refusing to approve Plaintiff's loan application is not due to the reasons stated in its October 12, 1993, letter."

ANSWER:

Defendants deny each and every allegation in this paragraph.

Paragraph 33 of the Complaint alleges:

"33. Defendant Citibank with racially discriminatory intent denied Plaintiff's loan application because of the location of the real estate and/or because of the racial composition of the neighborhood within which it was located."

ANSWER:

Defendants deny each and every allegation in this paragraph.

Paragraph 34 of the Complaint alleges:

"34. Defendant Citibank with racially discriminatory intent denied Plaintiff's loan application under the pretense that the collateral was inadequate and refused to consider correct information about the lot size and previous appraisals, and used Defendant Kernbauer's report that Plaintiff's property suffers "from external obsolescence" due to the neighborhood, all during a

period in which Citibank made refinancing and other loans for other nearby properties at locations inferior to Plaintiff's. "

ANSWER:

Defendants deny each and every allegation in this paragraph.

Paragraph 35 of the Complaint alleges:

"35. Defendant Ed Kernbauer with racially discriminatory intent prepared the appraisal for Citibank, and undercounted the number of bedrooms in it, reported a smaller than true size for the lot and house, and negatively described the condition of the neighborhood in which it is located, and determined an appraisal value lower than its true market value."

ANSWER:

Defendants deny each and every allegation in this paragraph.

Paragraph 36 of the Complaint alleges:

"36. The actions of Citibank, as alleged above, violated the Equal Credit Opportunity Act, 15 U.S.C. §1691 et seq."

ANSWER:

Defendants deny each and every allegation in this paragraph.

Paragraph 37 of the Complaint alleges:

"37. As a result of all of the above-described actions of Citibank, Ed Kernbauer, and Marcia Lundberg, Plaintiff suffered and continues to suffer embarrassment, emotional distress, a deprivation of her right to equal housing opportunities regardless of race, aggravation and inconvenience in securing another refinancing loan and otherwise, and monetary damages for the greater expenses she incurred while and in eventually obtaining a refinancing loan."

ANSWER:

Defendants deny each and every allegation in this paragraph.

Paragraph 38 of the Complaint alleges:

"38. Plaintiff had adequate income and assets to qualify for the loan she requested, the value of her property was sufficient to serve as collateral for the refinancing loan and even though Plaintiff informed them of information which Defendants reported incorrectly and which resulted in an inadequate appraisal of her property, the Defendants refused to correct the appraised valuation of her property. In refusing the loan and otherwise acting toward the Plaintiff, the Defendant Citibank acted willfully or with reckless disregard or indifference to the Plaintiff's rights."

ANSWER:

Defendants deny each and every allegation in this paragraph.

COUNT II

42 U.S.C. §1981

Paragraph 39 of the Complaint alleges:

Plaintiff realleges the allegations of paragraphs 1 through 28 and paragraphs 30 through 38 of the Complaint and further alleges as follows:

"39. At all pertinent times, 42 U.S.C. §1981 was in effect and it provides:

All persons within the jurisdiction of the United States shall have the same right in every State and Territory to make and enforce contracts, to sue, be parties, give evidence, and to the full and equal benefit of all laws and proceedings for the security of persons and property as is enjoyed by white citizens, and shall be subject to like punishment, pains, penalties, taxes, licenses, and exactions of every kind, and to no other."

ANSWER:

Defendants adopt and incorporate by reference their answers to paragraphs 1 through 28 and 30 through 38 of the Complaint. Further answering, Defendants state that this paragraph states a legal conclusion to which no answer is required; to the extent the allegations in this paragraph are factual, Defendants deny each and every such allegation.

Paragraph 40 of the Complaint alleges:

"40. The actions of Defendants Citibank, Marcia Lundberg, and Ed Kernbauer, as alleged above, violated 42 U.S.C. §1981."

ANSWER:

Defendants deny each and every allegation in this paragraph.

COUNT III

42 U.S.C. §1982

Paragraph 41 of the Complaint alleges:

Plaintiff realleges paragraphs 1 through 28 and paragraphs 30 through 38 of the Complaint and further alleges as follows:

"41. At all pertinent times, 42 U.S.C. §1982 was in effect and it provides:

All citizens of the United States shall have the same right, in every State and Territory, as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold, and convey real and personal property."

ANSWER:

Defendants adopt and incorporate by reference their answers to paragraphs 1 through 28 and 30 through 38 of the Complaint. Further answering, Defendants state that this paragraph states a legal conclusion to which no answer is required; to the extent the allegations in this paragraph are factual, Defendants deny each and every such allegation.

Paragraph 42 of the Complaint alleges:

"42. The actions of Defendants Citibank, Marcia Lundberg and Ed Kernbauer, as alleged above, violated 42 U.S.C. §1982."

ANSWER:

Defendants deny each and every allegation in this paragraph.

COUNT IV

FAIR HOUSING ACT

Paragraph 43 of the Complaint alleges:

Plaintiff realleges paragraphs 1 through 28 and paragraphs 30 through 38 of the Complaint and further alleges as follows:

"43. At all pertinent times, there was in effect a Fair Housing Act, 42 U.S.C. §3601 et seq."

ANSWER:

Defendants adopt and incorporate by reference their answers to paragraphs 1 through 28 and 30 through 38 of the Complaint. Further answering, Defendants state that this paragraph states a legal conclusion to which no answer is required; to the extent the allegations in this paragraph are factual, Defendants deny each and every such allegation.

Paragraph 44 of the Complaint alleges:

"44. Section 3613(a)(1)(A) of this Act allows a civil action to be brought by any person damaged under the Act. Section 3605(a), (b)(1) and (b)(2) provide as follows:

(a) In general

It shall be unlawful for any person or entity whose business includes engaging in residential real estate related transactions to discriminate against any person in making available such a transaction, or in the terms of such a transaction, because or [sic] race, color religion, sex, handicap, family status, or national origin.

(b) Definition

As used in this section, the term "residential real estate related transaction" means any of the following:

- (1) The making . . . of loans . . . -

- (A) for purchasing, constructing, improving repairing or maintaining a dwelling; or
 - (B) secured by residential real estate.
- (2) The . . . appraising of residential real property."

ANSWER:

This paragraph states a legal conclusion to which no answer is required; to the extent the allegations in this paragraph are factual, Defendants deny each and every such allegation.

Paragraph 45 of the Complaint alleges:

"45. The actions of Defendants, Citibank, Marcia Lundberg, and Ed Kernbauer, as alleged above, violated 42 U.S.C. 3601 et seq., particularly 42 U.S.C. §§3605(a), (b)(1) and (b)(2)."

ANSWER:

Defendants deny each and every allegation in this paragraph.

COUNT V

**STATE OF ILLINOIS CONSUMER FRAUD AND DECEPTIVE
BUSINESS PRACTICES ACT**

Paragraph 46 of the Complaint alleges:

Plaintiff realleges paragraph 1 through 28 and paragraphs 30 through 38 of the Complaint and further alleges:

"46. At all pertinent times here was in effect in the State of Illinois, the Consumer Fraud and Deceptive Business Practices Act (the "Act"), 815 ILCS 505/1 et seq. Section 2 of the Act provides:

Unfair methods of competition and unfair or deceptive acts or practices including but not limited to the use or employment of any deception, fraud, false pretense, false promise, misrepresentation or he concealment, suppression or omission of any material fact, with intent that others rely upon the concealment, suppression or omission of such material fact, or the use or employment of any practice described in Section 2 of the "Uniform Deceptive Trade Practices Act", approved August 5, 1965, in the conduct of any trade or

commerce are hereby declared unlawful whether any person has in fact been misled, deceived or damaged thereby. In construing this section consideration shall be given to the interpretations of the Federal Trade Commission and the federal courts relating to Section 5(a) of the Federal Trade Commission Act. (815 ILCS 505/2)"

ANSWER:

Defendants adopt and incorporate by reference their answers to paragraphs 1 through 28 and 30 through 38 of the Complaint. Further answering, Defendants state that this paragraph states a legal conclusion to which no answer is required; to the extent the allegations in this paragraph are factual, Defendants deny each and every such allegation.

Paragraph 47 of the Complaint alleges:

"47. Defendants, Citibank, Lundberg and Kernbauer, committed unfair or deceptive acts or practices, as defined by Section of the Act, in that they did cause their said representations and communications to be made and with the intent to mislead Plaintiff, Helen Latimore, into believing her application for a refinancing loan would be accepted and its advertisements, misrepresentations and other communications were done with the intent that Plaintiff Helen Latimore would rely on them."

ANSWER:

Defendants deny each and every allegation in this paragraph.

Paragraph 48 of the Complaint alleges:

"48. As a direct result of the foregoing, Plaintiff in August and September, 1993, did not pursue any other applications for refinancing loans, thereby losing an opportunity to take advantage of the then existing lower rates and was otherwise damaged as set forth in paragraph 37."

ANSWER:

Defendants deny each and every allegation in this paragraph.

Dated: March 17, 1995

CITIBANK, FEDERAL SAVINGS BANK,
MARCIA LUNDBERG AND ED KERNBAUER

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