Community Development Finance and Banking

…..Adapting to Change…..

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Capital One at a glance

- **A leading diversified bank with $150.3 billion in managed loans and $121.1 billion in deposits**
  - Top 10 largest banks, based on deposits[1]
  - 4th largest retail depository institution in metro New York[2]
  - Largest consumer and commercial banking institution headquartered in the Washington, DC region
  - 5th largest credit card issuer in the U.S.[3]
  - The 3rd largest issuer of small business Visas in the U.S.
  - The 4th largest independent auto originator
- **Major operations in 8 U.S. cities, Canada, U.K.**
- **Approximately 45 million customer accounts and 30,000 associates**
- **A FORTUNE 500 Company - #145**

1) Deposits ranking as of Q4 2008; Ranking includes domestic deposits.
2) Source: FDIC, June 2008
3) VISA, MasterCard, Amex, Discover reported domestic Outstandings, Q4 2008

We rank among the largest banks in the nation in both loans and deposits

Q1 2009 Managed Loans ($B)		
1.	Bank of America	1,129.4
2.	Wells Fargo	888.7
3.	JPM Chase	807.9
4.	Citigroup	788.2
5.	HSBC	230.8
6.	U.S. Bancorp	188.8
7.	PNC	177.5
8.	Capital One	150.3
9.	SunTrust	130.8
10.	Citizens	109.0
11.	BB&T	100.2
12.	Regions Financial	97.7
13.	Fifth Third	85.2
14.	American Express	80.6
15.	Keycorp	74.8

Q1 2009 U.S. Deposits ($B)		
1.	Bank of America	874.5
2.	Wells Fargo	756.8
3.	JPM Chase	660.9
4.	Citigroup	297.8
5.	PNC	190.5
6.	U.S. Bancorp	152.2
7.	SunTrust	118.8
8.	Capital One	118.7
9.	TD Commerce	101.1
10.	Citizens	97.7
11.	Regions Financial	92.2
12.	BB&T	89.5
13.	HSBC	83.9
14.	Fifth Third	78.3
15.	ING	75.7

Note: Based upon total aggregated domestic deposits for parent company
Sources: SNL, FDIC, company reports

Capital One's Commitment to Community Development

Capital One invests in programs that encourage education, community revitalization, and financial literacy in each of the communities we serve

CRA Low Income Housing Tax Credit*
FINANCING and INVESTMENT

Since 2007 Capital One Bank:

- **FINANCED $223 million in construction to perm loans.**
- **INVESTED over $655 million in LIHTC.**
- **3,865 units in NY, NJ, VA, LA, TX.**
- ***called "LIHTC"***

Community Development Affordable Housing Strategy

Affordable Housing Activities

Affordable Housing
- **Multifamily Housing LIHTC Lending and Investing**
- **Single Family Construction**

Mortgage Lending
- **Home Ownership Dream Program**
- 3rd Party Grant intermediaries (FHLB, Soft Seconds, etc.)
- Local and State Bond Programs

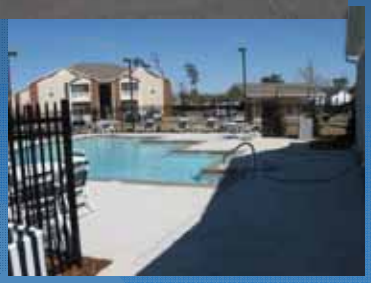
Economic Development
- Workforce Development
- Small Business Initiatives
- Financial Literacy

Adapting To Change

- Natural Disasters
- Credit Crisis
- Impacted Communities
- Equity drought
- Credit scrutiny

Parks at Lemoyne – D'Iberville, Mississippi

- Closed October, 2007
- 160-unit LIHTC project serving residents at 50% and 60% AMI*
- LIHTC investor, Lehman Brothers, declared bankruptcy
- Fannie Mae is the permanent lender



* Area Median Income

Parks at Lemoyne – D'Iberville, Mississippi

- Capital One was notified that investment funds will not be available
- Capital One stepped up – purchased the LIHTC – so developers could complete the project

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Cityview – San Antonio

- 245 MF apts. / new construction - downtown San Antonio
- Closed September, 2008 in 3 weeks during Hurricane Ike
- Closed $18 million private-placement bond with LIHTC
- Saved $6.5 million in Hope IV funds by closing in 3 weeks

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Parkway Ranch - Houston

- LIHTC investment closed November, 2007
- 112 Four bedroom homes with attached garages
- Community pool, leasing center, community bldg.
- 100% Occupied
- Size – 1425 Sq/ft
- $ per month for 60% AMI

Walnut Square – New Orleans

- Built on 'scraped foundations' caused by Hurricane Katrina
- First new construction in East NOLA
- Located 3 miles from levee breach

CRA Single Family Development

- Partnership – City of Houston and Capital One
- First time homebuyers are qualified up to 110% of AMI in LMI areas
- Capital One - Line of Credit to CDCs to build homes on their lots
- City – approves CDC / Builder; and non-repayable 2nd lien

CRA Single Family Mortgages with the City of Houston

Percentage of Area Median Income:	80%
Family Income:	$30,998
Number of people in the family:	1 - Single
Appraised Value:	$110,000
Purchase Price of Home:	$110,000
Principal and Interest:	$400.20
1st Mortgage Amount:	$72,500
2nd Mortgage Amount:	$37,500 (City of Houston)
Federal Home Loan Bank Amount:	$5,000 (Closing Cost)
Interest Rate:	5.25%
Borrower's Investment:	$895 (Estimate)
Client Credit Score:	580

CRA Single Family Mortgages with the City of Houston

Percentage of Average Median Income:	55.5%
Family Income:	$37,219
Number of people in the family:	4 – Mother and 3 Children
Appraised Value:	$122,000
Purchase Price of Home:	$115,910
Principal and Interest:	$566.31
1st Mortgage Amount:	$95,736
2nd Mortgage Amount:	$14,500 (City of Houston)
Federal Home Loan Bank Amount:	$5,000
Bond Assistance Amount:	$4,786.80
Interest Rate:	5.875%
Borrower's Investment:	$1,275
Client Credit Score:	590

Community Development Team in Texas

Low Income Housing Tax Credits

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Single Family Construction

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Home Ownership Dream Program

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