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CIT Group Won't Sell Leasing Assets

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Jeffrey M. Peek

[CIT Group](#) Inc., a commercial-finance company trying to rebound from the credit crunch, said it won't have to sell its rail-leasing business, citing progress in managing its balance sheet and strengthening its liquidity.

The decision, which comes four months after CIT said it might sell CIT Rail, follows the company's unloading in July of its home-lending business as it shed assets to raise cash.

"We are very pleased with the progress we have made in securing more than \$11 billion in liquidity over the past five months," Chairman and Chief Executive Jeffrey M. Peek said. His comments came ahead an appearance at a New York investor conference on

Monday.

CIT agreed to sell its home-lending business to hedge fund Lone Star Funds for \$1.5 billion and its \$470 million manufactured-housing portfolio to Vanderbilt Mortgage & Finance Inc. for \$300 million.

Many analysts at the time viewed the actions as favorable but said the company wasn't out of the woods.

CIT relies on its ability to raise money in the capital markets in order to pay for the loans it makes to businesses and individuals.

But the company's access to funding evaporated in March, prompting the century-old firm to drain a \$7.3 billion credit line. Since then, it had been looking to slim down.

CIT Rail provides railcar and locomotive leasing services to shippers, railroads and other parts of the rail-transportation industry.

It owns approximately 115,000 railcars and 550 locomotives.