

**Attorneys General of Minnesota, Colorado, Maine, Maryland and New York**

March 7, 2025

**Via e-mail**

Citibank, N.A.  
Agency & Trust  
388 Greenwich Street  
New York, New York 10013  
Attention: Nerlie Delly  
CitiGGRFFinancialAgent@citi.com

*Re: Account Control Agreements relating to EPA Greenhouse Gas Reduction Fund Award to Coalition for Green Capital and its Subrecipients*

Dear Ms. Delly:

The Attorneys General of Minnesota, Colorado, Maine, Maryland, and New York (the “States”) write on behalf of green banks located in the States (“Green Banks”) because they received notice that their funds at your bank are frozen without notice or explanation. It is our understanding that you've taken this action despite any contractual basis or court order requiring you to freeze the funds.

These funds were awarded and/or loaned by the Coalition for Green Capital (“CGC”) in connection with their U.S. Environmental Protection Agency (“EPA”) grant out of Greenhouse Gas Reduction Fund (“GGRF”) money, meant to finance clean energy projects in the States; many Green Banks are relying on these funds to be disbursed so they can be put into these projects imminently. We write to urge you to immediately unfreeze these funds and come into compliance with your contractual obligations to these Green Banks.

The obligations of Citibank, N.A. (“Citi”) are related to the Second Tier Account Control Agreements entered among the Green Banks as the Pledgors, CGC as the Secured Party, and Citi for the administration of funding for the Grant and Loan Agreements entitled GGRF NCIF: The Coalition for Green Capital Fund (5G-84094201) (collectively, the “Agreements”). The undersigned Attorneys General have become aware that Citi has not complied with specific compulsory requirements under the Agreements.

Under the Agreements, the Green Banks are Citi's customers with respect to deposits in the accounts contemplated therein and the entitlement holders with respect to all other financial assets credited to the accounts. Agreements, §1(a). The Green Banks are subgrantees and/or borrowers of GGRF funding through CGC, and CGC is one of the prime award recipients under the United States Environmental Protection Agency's ("EPA") National Clean Investment Fund. Many Green Banks have submitted instructions to Citi to disburse funds in accordance with the terms of the Agreements. As of this writing, such funds have not been disbursed.

Pursuant to Section 2 of the Agreements, Citi must "comply with instructions, notifications, and entitlement orders received from Pledgor regarding disposition of funds and financial assets in the accounts." *Id.* §2. Citi "maintains the Accounts for the Pledgor, and all property (including, without limitation, all funds and financial assets) held by the Bank for the accounts of the Pledgor are, and will continue to be, credited to the Accounts in accordance with instructions given by the Pledgor (unless otherwise provided herein)." *Id.* §1(a). The Agreements provide for one sole, well-defined exception, a "Notice of Exclusive Control." *Id.* §2; *see id.* Ex. A. We have received direct confirmation from CGC that it did not transmit any Notice of Exclusive Control with respect to any accounts in the Agreements. We are not aware of any court order prohibiting the disbursements either. *See id.* §6(c). Therefore, it appears Citi has no legal basis for rejecting the Green Banks' instructions to disburse any funds to any accounts in the Agreements.

Likewise, under the First Tier Account Control Agreement by and among CGC, as the pledgor, EPA, as the secured party, and Citi, similar terms exist with regard to Citi's obligation to CGC, to maintain the accounts for CGC, and that Citi must comply with all instructions, including directions to distribute proceeds in accordance with such instructions, as well as the bank's liability for failing to do so. The States have been informed by CGC that it has not received any Notice of Exclusive Control related to its First Tier Account Control Agreement, nor has EPA indicated that one has been sent.

Please immediately identify the basis for Citi's refusal to comply with valid disbursement instructions given by the Green Banks and explain why Citi's refusal should not constitute a breach of its obligations under the Agreements, and indeed, willful misconduct under § 6(b) of the Agreements. Citi's refusal to abide by the Agreements and its fundamental obligations as a bank threatens to cause significant harm to the Green Banks, as the Green Banks will be unable to fulfill their contractual obligations to third parties. Citi's refusal to comply with the Green Banks' instructions sets a disturbing precedent for its treatment of depositors well beyond the immediate circumstances, and Citi's disregard for its contractual duties surely harms public confidence in Citi as a financial institution as well.

The undersigned therefore demand that Citi immediately comply with its obligations under the Agreements and disburse the Green Banks' funds in accordance with the instructions provided to date and continue to do so as instructed pursuant to the terms of the Agreements. If Citi refuses to do so, the States demand immediate notice and information in writing regarding the basis for such refusal to avoid further legal action.

Letter to Citibank, N.A.  
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The States, on behalf of all client Pledgors, hereby reserve all rights in law and equity, in the Agreements and otherwise.

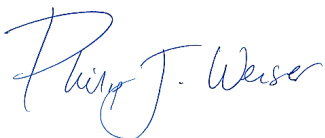
Respectfully submitted,



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cc: Brent McIntosh, Chief Legal Officer, Citibank, N.A. (brent.mcintosh@citi.com)  
EPA GGRF Administrator (GGRF@epa.gov)