

CIT GROUP INC
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus Supplement Dated October 17, 2007

PROSPECTUS SUPPLEMENT

(To Prospectus dated October 17, 2007)

**24,000,000 Equity Units
(Initially Consisting of 24,000,000 Corporate Units)**

CIT Group Inc.

This is an offering of Equity Units by CIT Group Inc. Each Equity Unit will have a stated amount of \$25 and will consist of a purchase contract issued by us and, initially, a $\frac{1}{40}$, or 2.5%, undivided beneficial ownership interest in a \$1,000 principal amount senior note due November 15, 2015 issued by us, which we refer to as a Corporate Unit.

The purchase contract will obligate you to purchase from us, no later than November 17, 2010, for a price of \$25 in cash, the following number of shares of our common stock, subject to anti-dilution adjustments:

if the applicable market value of our common stock, which will be

determined by reference to average closing prices of our common stock over the 20-trading day period ending on the third trading day prior to November 17, 2010, equals or exceeds the threshold appreciation price of \$, the settlement rate will be shares of our common stock.

if the applicable market value is less than the threshold appreciation price, but greater than the reference price of \$, a number of shares of our common stock having a value, based on the average closing price, equal to \$25; and

if the applicable market value is less than or equal to the reference price, shares of our common stock.

The notes will bear interest at a rate of % per year, payable quarterly. The notes will be remarketed as described in this prospectus supplement. If this remarketing is successful, the

interest rate on
the notes will
be reset and
thereafter
interest will be
payable
semi-annually
at the reset
rate.

We will also
pay you
quarterly
contract
adjustment
payments at a
rate of % per
year of the
stated amount
of \$25 per
Equity Unit, or
\$ per year, as
described in
this prospectus
supplement.

You can create
Treasury Units
from
Corporate
Units by
substituting
Treasury
securities for
your
undivided
beneficial
ownership
interest in the
notes or the
applicable
ownership
interest in the
Treasury
portfolio
comprising a
part of the
Corporate
Units, and you
can recreate
Corporate

Units by substituting your undivided beneficial ownership interest in the notes or the applicable ownership interest in the Treasury portfolio for the Treasury securities comprising a part of the Treasury Units.

Your ownership interest in the notes or the applicable ownership interest in the Treasury portfolio or the Treasury securities, as the case may be, will be pledged to us to secure your obligation under the related purchase contract.

If there is a successful remarketing of the notes on or prior to the third business day immediately preceding November 17,

2010 and you hold Corporate Units, the proceeds from the remarketing will be used to satisfy your payment obligations under the purchase contracts, unless you have elected to settle with separate cash.

In connection with a successful remarketing, we may change various terms of the indenture governing the notes, as described more fully in this prospectus supplement.

We will apply for listing of the Corporate Units on the New York Stock Exchange under the symbol . We expect trading of the Corporate Units on the New York Stock Exchange to commence within 30 days of the initial delivery of the Corporate Units. Prior to this offering, there has been no public market for the Corporate Units.

Our common stock is listed on the New York Stock Exchange under the symbol CIT. The last reported sale price of our common stock on October 16, 2007 was \$37.12 per share.

Investing in the Equity Units involves risks. See Risk Factors beginning on page S-15.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to CIT Group Inc.
Per Unit	\$	\$	\$

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Total \$ \$ \$

We have granted the underwriters a 30-day option to purchase up to 3,600,000 additional Corporate Units solely to cover over-allotments, if any.

The underwriters expect to deliver the Corporate Units to purchasers on or about , 2007.

Morgan Stanley
Banc of America Securities LLC
, 2007

Goldman, Sachs & Co.

Citi
Lehman Brothers

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the Equity Units that we are offering and other matters relating to us and our financial condition. The second part is the attached base prospectus, which gives more general information about securities we may offer from time to time, some of which does not apply to the Equity Units we are offering. The description of the terms of the Equity Units, the purchase contracts and the notes contained in this prospectus supplement supplements the description in the accompanying prospectus under Description of Debt Securities and Description of Stock Purchase Contracts and Stock Purchase Units and to the extent it is inconsistent with that description, the information in this prospectus supplement replaces the information in the accompanying prospectus. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. If information in the prospectus supplement differs from information in the accompanying prospectus, you should rely on the information in this prospectus supplement.

Except as used in Description of the Equity Units, Description of the Purchase Contracts, Certain Provisions of the Purchase Contract and Pledge Agreement and Description of the Notes, as the context otherwise requires, or as otherwise specified or used in this prospectus supplement or the accompanying prospectus, the terms we, our, us, the company, CIT, CIT Group and CIT Group Inc. refer to CIT Group Inc. and its subsidiaries. References in this prospectus supplement to U.S. dollars, U.S. \$ or \$ are to the currency of the United States of America.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the prospectus or any free writing prospectus prepared by CIT. We and the underwriters have not authorized anyone else to provide you with different or additional information. We are not making an offer of these Equity Units in any jurisdiction where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or in the prospectus is accurate as of any date other than the date on the front of that document.

The distribution of this prospectus supplement and the attached prospectus and the offering of the Equity Units in certain jurisdictions may be restricted by law. Persons who come into possession of this prospectus supplement and the attached prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the attached prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

You should not consider any information in this prospectus supplement or the prospectus to be investment, legal or tax advice. You should consult your own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding the purchase of the Equity Units. We are not making any representation to you regarding the legality of an investment in the Equity Units by you under applicable investment or similar laws.

You should read and consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus before making your investment decision.

SUMMARY

The following summary highlights selected information contained elsewhere in this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and does not contain all the information you will need in making your investment decision. You should read carefully this entire prospectus supplement, the attached prospectus and the documents incorporated by reference in this prospectus supplement.

CIT Group Inc.

CIT Group Inc., a Delaware corporation, is a leading global commercial finance company with a focus on middle-market companies. Founded in 1908, we provide financing and leasing capital for consumers and companies in a wide variety of industries. We offer vendor, equipment and commercial finance products, factoring, small business lending, student lending, structured financing products, and commercial real estate financing, as well as mergers and acquisitions and management advisory services. We also own a significant home lending portfolio, although on July 18, 2007, we announced our decision to exit the home lending business and redeploy resources to other businesses. We ceased originating new home lending assets on August 28, 2007.

We have broad access to customers and markets through our diverse businesses. Each business has industry alignment and focuses on specific sectors, products, and markets, with portfolios diversified by client and geography. The majority of our businesses focus on commercial clients ranging from small to larger companies with particular emphasis on the middle-market. We serve a wide variety of industries, including manufacturing, transportation, retailing, wholesaling, construction, healthcare, communications, media and entertainment and various service-related industries. We also provide financing to consumers in the student loan market and in connection with certain of our vendor programs.

Our commercial products include direct loans and leases, operating leases, leveraged and single investor leases, secured revolving lines of credit and term loans, credit and interest rate protection, accounts receivable collection, import and export financing, debtor-in-possession and turnaround financing, acquisition and expansion financing and U.S. government-backed small business loans. Consumer products are primarily government-backed student loans. Our commercial and consumer offerings include both fixed and floating-interest rate products.

We also offer a wide variety of services to our clients, including capital markets structuring and syndication, finance-based insurance, and advisory services in asset finance, balance sheet restructuring, merger and acquisition and commercial real estate analysis.

We generate transactions through direct calling efforts with borrowers, lessees, equipment end-users, vendors, manufacturers and distributors, and through referral sources and other intermediaries. In addition, our business units work together both in referring transactions among units (i.e. cross-selling) and by combining various products and structures to meet our customers' overall financing needs. We also buy and sell participations in and syndications of finance receivables and lines of credit. From time to time, in the normal course of business, we purchase finance receivables on a wholesale basis (commonly called bulk portfolio purchases).

We generate revenue by earning interest income on the loans we hold on our balance sheet, collecting rentals on the equipment we lease and generating fee and other income from our service-based operations. We also sell certain finance receivables and equipment to reduce our concentration risk, manage our balance sheet or improve profitability.

We fund our businesses in the capital markets. The primary funding sources are term debt (U.S., European and other), commercial paper (U.S., Canada and Australia), and asset-backed securities (U.S. and Canada).

Our principal executive offices are located at 505 Fifth Avenue, New York, New York 10017. Our telephone number is (212) 771-0505.

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THE OFFERING

What are Corporate Units?

The Equity Units will initially consist of 24,000,000 Corporate Units (up to 27,600,000 Corporate Units if the underwriters exercise their over-allotment option in full), each with a stated amount of \$25. You can create Treasury Units from Corporate Units in the manner described below under [How can I create Treasury Units from Corporate Units?](#)

What are the components of a Corporate Unit?

Each Corporate Unit initially consists of a purchase contract and a $\frac{1}{40}$, or 2.5%, undivided beneficial ownership interest in \$1,000 principal amount of our senior notes due November 15, 2015. The undivided beneficial ownership interest in notes corresponds to \$25 principal amount of our notes. The notes will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000, except in certain limited circumstances. Your undivided beneficial ownership interest in notes comprising part of each Corporate Unit is owned by you, but will be pledged to us through the collateral agent to secure your obligation under the related purchase contract. If a special event redemption occurs prior to the earlier of the date of a successful remarketing and the purchase contract settlement date, the notes comprising part of the Corporate Units will be replaced by the Treasury portfolio described below under [What is the Treasury Portfolio?](#) and the applicable ownership interest in the Treasury portfolio will then be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

What is a purchase contract?

Each purchase contract that is a component of a Corporate Unit obligates you to purchase, and obligates us to sell, on November 17, 2010, which we refer to as the purchase contract settlement date, for \$25 in cash, a number of newly issued shares of our common stock equal to the [settlement rate](#). The settlement rate will be calculated, subject to adjustment under the circumstances set forth in [Description of the Purchase Contracts](#) [Anti-dilution Adjustments](#) and [Description of the Purchase Contracts](#) [Early Settlement Upon Cash Merger](#), as follows:

if the
applicable
market value
(as defined
below) of
our common
stock is
equal to or
greater than
the threshold
appreciation
price of
\$, the
settlement
rate will be
shares of our
common
stock;

if the applicable market value of our common stock is less than the threshold appreciation price but greater than the reference price of \$, the settlement rate will be a number of shares of our common stock equal to \$25 divided by the applicable market value; and

if the applicable market value of our common stock is less than or equal to the reference price, the settlement rate will be shares of our common stock.

Applicable market value means the average of the closing prices per share of our common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding the purchase contract settlement date, subject to adjustment under the circumstances set forth in Description of the Purchase Contracts Anti-dilution Adjustments. The reference price equals the reported last sale price of our common stock on the New York Stock Exchange on October , 2007. The threshold appreciation price represents a % appreciation over the reference price.

We will not issue any fractional shares of our common stock upon settlement of a purchase contract. Instead of a fractional share, you will receive an amount of cash equal to this fraction multiplied by the applicable market value.

You may satisfy your obligation to purchase our common stock pursuant to the purchase contracts as described under
How can I satisfy my obligation under the purchase contracts? below.

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What is a Treasury Unit?

A Treasury Unit is a unit created from a Corporate Unit and consists of a purchase contract and a $\frac{1}{40}$, or 2.5%, undivided beneficial ownership interest in a zero-coupon U.S. Treasury security with a principal amount at maturity of \$1,000 that matures on November 15, 2010 or earlier (CUSIP No. 912820MJ3), which we refer to as a Treasury security. The ownership interest in the Treasury security that is a component of a Treasury Unit will be owned by you, but will be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

How can I create Treasury Units from Corporate Units?

Each holder of Corporate Units will have the right, at any time on or prior to the second business day immediately preceding the first remarketing date, as defined herein, to substitute for the related undivided beneficial ownership interest in notes or applicable ownership interests in the Treasury portfolio, as the case may be, held by the collateral agent, Treasury securities with a total principal amount at maturity equal to the aggregate principal amount of the notes underlying the undivided beneficial ownership interests in notes for which substitution is being made. Because Treasury securities and the notes are issued in minimum denominations of \$1,000, holders of Corporate Units may make this substitution only in integral multiples of 40 Corporate Units. If the Treasury portfolio has replaced the notes as a component of the Corporate Units, holders of Corporate Units may substitute Treasury securities for the applicable ownership interests in the Treasury portfolio only in integral multiples of Corporate Units. This substitution will create Treasury Units, and the notes underlying the undivided beneficial ownership interest in notes, or the applicable ownership interests in the Treasury portfolio, will be released to the holder and such notes will be separately tradable from the Treasury Units.

How can I recreate Corporate Units from Treasury Units?

Each holder of Treasury Units will have the right, at any time on or prior to the second business day immediately preceding the first remarketing date, to substitute for the related Treasury securities held by the collateral agent, notes or applicable ownership interests in the Treasury portfolio, as the case may be, having a principal amount equal to the aggregate principal amount at stated maturity of the Treasury securities for which substitution is being made. Because Treasury securities and the notes are issued in minimum denominations of \$1,000, holders of Treasury Units may make these substitutions only in integral multiples of 40 Treasury Units. If the Treasury portfolio has replaced the notes as a component of the Corporate Units, holders of Treasury Units may substitute applicable ownership interests in the Treasury portfolio for Treasury securities only in integral multiples of Corporate Units. This substitution will recreate Corporate Units and the applicable Treasury securities will be released to the holder and will be separately tradable from the Corporate Units.

What payments am I entitled to as a holder of Corporate Units?

Holders of Corporate Units will be entitled to receive quarterly cash distributions consisting of their pro rata share of interest payments on the notes, equivalent to the rate of % per year, on the undivided beneficial ownership interest in notes (or distributions on the applicable ownership interests in the Treasury portfolio if the notes have been replaced by the Treasury portfolio) and quarterly contract adjustment payments payable by us at the rate of % per year on the stated amount of \$25 per Corporate Unit.

What payments will I be entitled to if I convert my Corporate Units to Treasury Units?

Holders of Treasury Units will be entitled to receive quarterly contract adjustment payments payable by us at the rate of % per year on the stated amount of \$25 per Treasury Unit. There will be no distributions in respect of the Treasury securities that are a component of the Treasury Units, but the holders of the Treasury Units will continue to receive the scheduled quarterly interest payments on the notes that were released to them when they created the Treasury Units as long as they continue to hold such notes.

What are the payment dates for the Corporate Units and Treasury Units?

The payments described above in respect of the Equity Units will be payable quarterly in arrears on February 17, May 17, August 17 and November 17 of each year, commencing February 17, 2008. We will make these payments to the person in whose name the Equity Unit is registered at the close of business on the first day of the month in which the payment date falls.

What is remarketing?

Unless the Treasury portfolio has replaced the notes as a component of the Corporate Units as a result of a special event redemption, remarketing of the notes will be attempted on or after November 2, 2010, but no later than November 10, 2010 (the fifth business day immediately preceding the purchase contract settlement date), as specified by us and notified to the holders of the Corporate Units, as described under Illustrative Remarketing Timeline below, on October 5, 2010 (the 20th business day prior to November 2, 2010). The date so specified will be the first remarketing date. If the remarketing on the first remarketing date fails, remarketing will be attempted on each successive business day to, and including, the earlier of (i) November 12, 2010 (the third business day immediately preceding the purchase contract settlement date) and (ii) the day on which successful remarketing takes place. The remarketing agents will use their reasonable efforts to obtain a price for the notes to be remarketed that results in proceeds of at least 100% of the aggregate principal amount of such notes.

Upon a successful remarketing, the portion of the proceeds equal to the total principal amount of the notes underlying the Corporate Units will automatically be applied to satisfy in full the Corporate Unit holders' obligations to purchase common stock under the related purchase contracts. If any proceeds remain after this application, the remarketing agents will remit such proceeds for the benefit of the holders. We will separately pay a fee to the remarketing agents for their services as remarketing agents. Corporate Unit holders whose notes are remarketed will not be responsible for the payment of any remarketing fee in connection with the remarketing.

What happens if the notes are not successfully remarketed?

Unless the Treasury portfolio has replaced the notes as a component of the Corporate Units as a result of a special event redemption, if (1) despite using their reasonable efforts, the remarketing agents cannot remarket the notes in a remarketing on or prior to November 12, 2010 (the third business day immediately preceding the purchase contract settlement date), other than to us, at a price equal to or greater than 100% of the aggregate principal amount of the notes remarketed, or (2) the remarketing has not occurred because a condition precedent to the remarketing has not been fulfilled, in each case resulting in a failed final remarketing, holders of all notes will have the right to put their notes to us for an amount equal to the principal amount of their notes on the purchase contract settlement date. A holder of Corporate Units will be deemed to have automatically exercised this put right with respect to the notes underlying such Corporate Units unless, prior to 5:00 p.m., New York City time, on the second business day immediately prior to the purchase contract settlement date, the holder provides written notice of an intention to settle the related purchase contracts with separate cash and on or prior to the business day immediately preceding the purchase contract settlement date delivers to the collateral agent \$25 in cash per purchase contract. This settlement with separate cash may only be effected in integral multiples of 40 Corporate Units. Unless a holder of Corporate Units has settled the related purchase contracts with separate cash on or prior to the purchase contract settlement date, the holder will be deemed to have elected to apply the put price against such holder's obligations to us under the related purchase contracts, thereby satisfying such obligations in full, and we will deliver to the holder our common stock pursuant to the related purchase contracts.

Do I have to participate in the remarketing?

You may elect not to participate in any remarketing and to retain the notes underlying the undivided beneficial ownership interests in notes comprising part of your Corporate Units by (1) creating Treasury Units at any time on or

prior to the second business day immediately prior to the first remarketing date or (2) notifying the purchase contract agent of your intention to pay cash to satisfy your obligation under the

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related purchase contracts on or prior to the second business day before the first remarketing date and delivering the cash payment required under the purchase contracts to the collateral agent on or prior to the first business day before the first remarketing date. Whether or not you participate in the remarketing, upon a successful remarketing your notes will become subject to the modified provisions described in the next paragraph. You can only elect to satisfy your obligation in cash in increments of 40 Corporate Units. See Description of the Purchase Contracts Notice to Settle with Cash.

Which provisions will govern the notes following the remarketing?

The notes will continue to be governed by the indenture under which they were issued, however some of the indenture's provisions may be modified by us, without any noteholder's consent. See Description of the Notes Modification of the Terms of the Notes in Connection with a Successful Remarketing.

If I am holding a note as a separate security from the Corporate Units, can I still participate in a remarketing of the notes?

If you hold notes separately you may elect, in the manner described in this prospectus supplement, to have your notes remarketed by the remarketing agents along with the notes underlying the Corporate Units. See Description of the Notes Optional Remarketing of Notes that are Not Included in Corporate Units. You may also participate in any remarketing by recreating Corporate Units from your Treasury Units at any time on or prior to the second business day immediately prior to the first remarketing date.

How can I satisfy my obligation under the purchase contracts?

You may satisfy your obligations under the purchase contracts as follows:

in the case of
the Corporate
Units,
through the
automatic
application of
the portion of
the proceeds
of the
remarketing
of the notes
equal to the
principal
amount of the
notes
underlying
the Corporate
Units, as
described
under What is
remarketing?
above;

through early settlement as described under Can I settle the purchase contract early? and under What happens if there is early settlement upon a cash merger? below;

in the case of Corporate Units, through cash settlement as described under Do I have to participate in the remarketing? above;

through the automatic application of the proceeds of the Treasury securities in the case of the Treasury Units or proceeds from the Treasury portfolio equal to the principal amount of the notes in the case of Corporate Units if the Treasury

portfolio has replaced the notes as a component of the Corporate Units; or

in the case of Corporate Units, through exercise of the put right as described under What happens if the notes are not successfully remarketed? above.

In addition, the purchase contract and pledge agreement that governs the Corporate Units and Treasury Units provides that your obligations under the purchase contracts will be terminated without any further action upon the termination of the purchase contracts as a result of bankruptcy, insolvency or reorganization of CIT Group Inc.

If you settle a purchase contract early (other than pursuant to your merger early settlement right), or if your purchase contract is terminated as a result of bankruptcy, insolvency or reorganization of CIT Group Inc., you will have no right to receive any accrued but unpaid contract adjustment payments. See Description of the Purchase Contracts Early Settlement and Description of the Purchase Contracts Termination.

What interest payments will I receive on the notes or on the undivided beneficial ownership interests in notes?

The notes will bear interest at the rate of % per year from the original issuance date to the purchase contract settlement date, payable quarterly in arrears on February 17, May 17, August 17 and November 17

of each year until the purchase contract settlement date. On and after the purchase contract settlement date, interest on each note will be payable at the reset interest rate or, if the interest rate has not been reset, at the rate of % per year. Interest will be payable to the person in whose name the note is registered at the close of business on the first day of the month in which the interest payment date falls. In addition, following a successful remarketing, interest on the notes will be payable on a semi-annual basis.

When will the interest rate on the notes be reset and what is the reset rate?

The interest rate on the notes will be reset on November 17, 2010 in connection with the remarketing as described above under **What is remarketing?** The reset rate will be the interest rate determined by the remarketing agents as the rate the notes should bear in order for the aggregate principal amount of notes remarketed to have an aggregate market value on the remarketing date of at least 100% of the aggregate principal amount of such notes. The reset rate may be higher or lower than the initial interest rate of the notes, depending on the results of the remarketing and market conditions at that time. The interest rate on the notes will not be reset if there is not a successful remarketing and the notes will continue to bear interest at the initial interest rate. The reset rate may not exceed the maximum rate, if any, permitted by applicable law.

When may the notes be redeemed?

The notes are redeemable at our option, in whole but not in part, upon the occurrence and continuation of a tax event or an accounting event at any time prior to the earlier of the date of a successful remarketing and the purchase contract settlement date, as described in this prospectus supplement under **Description of the Notes Optional Redemption Special Event**. Following any such redemption of the notes, which we refer to as a special event redemption, the redemption price for the notes that are a component of the Corporate Units will be paid to the collateral agent who will use a portion of the redemption price to purchase the Treasury portfolio described below and remit any remaining proceeds to the holders. Thereafter, the applicable ownership interests in the Treasury portfolio will replace the notes as a component of the Corporate Units and will be pledged to us through the collateral agent. Holders of notes that are not a component of the Corporate Units will receive directly the redemption price paid in such special event redemption.

Other than in connection with a special event, the notes may not be redeemed by us until November 15, 2012. The notes will be redeemable thereafter, at our option, in whole or in part, at any time or from time to time, at a redemption price equal to the principal amount thereof and any accrued and unpaid interest.

Can I settle the purchase contract early?

You can settle a purchase contract at any time on or prior to the second business day immediately preceding the first remarketing date, in the case of Corporate Units, and on or prior to the second business day immediately preceding the purchase contract settlement date, in the case of Treasury Units, by paying \$25 in cash, in which case shares, subject to adjustment, of our common stock will be issued to you pursuant to the purchase contract. You may only elect early settlement in integral multiples of 40 Corporate Units or 40 Treasury Units. If the Treasury portfolio has replaced the notes as a component of the Corporate Units, holders of Corporate Units may settle a purchase contract early on or prior to the second business day immediately preceding the purchase contract settlement date only in integral multiples of Corporate Units. See **Description of the Purchase Contracts Early Settlement**.

Your early settlement right is subject to the condition that, if required under the U.S. federal securities laws, we have a registration statement under the Securities Act of 1933, as amended (the Securities Act) in effect and an available prospectus covering the shares of common stock and other securities, if any, deliverable upon settlement of a purchase contract. We have agreed that, if required by U.S. federal securities laws, we will use our commercially reasonable efforts to have a registration statement in effect and to provide a prospectus covering those shares of common stock or other securities to be delivered in respect of the purchase contracts being settled.

What happens if there is early settlement upon a cash merger?

Prior to the purchase contract settlement date, if we are involved in a consolidation, acquisition or merger, or a sale of all or substantially all of our assets, in each case in which at least 10% of the consideration received by holders of our common stock consists of cash or cash equivalents, which we refer to as a cash merger, then following the cash merger, each holder of a purchase contract will have the right to accelerate and settle such contract early at the settlement rate described under Description of the Purchase Contracts Early Settlement Upon Cash Merger, plus an additional make-whole amount of shares (such additional make-whole amount of shares being hereafter referred to as the make-whole shares), provided that at such time, if so required under the U.S. federal securities laws, there is in effect a registration statement covering the common stock and other securities, if any, to be delivered in respect of the purchase contracts being settled. We refer to this right as the merger early settlement right.

We will provide each of the holders with a notice of the completion of a cash merger within five business days thereof. The notice will specify a date, which shall be at least ten days after the date of the notice but no later than the earlier of 20 days after the date of such notice or two business days prior to the first remarketing date, by which each holder's merger early settlement right must be exercised. The notice will set forth, among other things, the applicable settlement rate and the amount of the cash, securities and other consideration receivable by the holder upon settlement. To exercise the merger early settlement right, you must deliver to the purchase contract agent, no later than 4:00 p.m., New York City time, on the third business day before the early settlement date, the certificate evidencing your Corporate Units or Treasury Units if they are held in certificated form, and payment of the applicable purchase price in immediately available funds less the amount of any accrued and unpaid contract adjustment payments.

If you exercise the merger early settlement right, we will deliver to you on the early settlement date the kind and amount of securities, cash or other property that you would have been entitled to receive if you had settled the purchase contract immediately before the cash merger at the settlement rate described above, plus the additional make-whole shares. You will also receive the notes, applicable ownership interests in the Treasury portfolio or Treasury securities underlying the Corporate Units or Treasury Units, as the case may be. If you do not elect to exercise your merger early settlement right, your Corporate Units or Treasury Units will remain outstanding and subject to normal settlement on the settlement date. We have agreed that, if required under the U.S. federal securities laws, we will use our commercially reasonable efforts to (1) have in effect a registration statement covering the common stock and other securities, if any, to be delivered in respect of the purchase contracts being settled and (2) provide a prospectus in connection therewith, in each case in a form that may be used in connection with the early settlement upon a cash merger. In the event that a holder seeks to exercise its merger early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective, the holder's exercise of such right shall be void unless and until such a registration statement shall be effective and we will have no further obligation with respect to any such registration statement if, notwithstanding using our commercially reasonable efforts, no registration statement is then effective.

A holder of Corporate Units or Treasury Units may exercise the merger early settlement right only in integral multiples of 40 Corporate Units or 40 Treasury Units.

The number of make-whole shares applicable to a merger early settlement will be determined by reference to the table set forth under Description of the Purchase Contracts Early Settlement Upon Cash Merger.

What is the Treasury portfolio?

If a special event redemption as described under Description of the Notes Optional Redemption Special Event occurs prior to the earlier of the date of a successful remarketing and the purchase contract settlement date, the notes will be replaced by the Treasury portfolio. The Treasury portfolio is a portfolio of U.S. Treasury securities consisting of:

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to November 15, 2010 (the day two business days prior to the purchase contract settlement date) in an aggregate amount equal to the principal amount of the notes included in Corporate Units, and

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the business day immediately preceding each scheduled interest payment after the date of the special event redemption and on or prior to the purchase contract settlement date in an aggregate amount at maturity equal to the aggregate interest

payment
(assuming no
reset of the
interest rate)
that would
have been due
on such
interest
payment date
on the
principal
amount of the
notes included
in the
Corporate
Units.

What is the ranking of the notes?

The notes will be our unsecured, senior obligations. The payment of the principal of, and interest on, the notes will rank equally in right of payment with our existing and future unsecured and unsubordinated indebtedness and senior in right of payment to any of our existing and future subordinated indebtedness. The notes will be effectively subordinated to any secured indebtedness to the extent of the value of the assets securing such indebtedness. Additionally, the notes will be effectively subordinated to all existing and future indebtedness of our subsidiaries.

What are the principal U.S. federal income tax consequences related to Equity Units and the notes?

An owner of Equity Units will be treated as owning the purchase contract and the ownership interests in the notes, the applicable ownership interests in the Treasury portfolio or Treasury securities constituting the Equity Unit, as applicable, and by purchasing the Equity Units you will be deemed to have agreed to treat the purchase contracts and the ownership interest in the notes, the applicable ownership interests in the Treasury portfolio or Treasury securities, as applicable, in that manner for all tax purposes. In addition, you will be deemed to have agreed to allocate 100% of the purchase price paid for Equity Units to your ownership interest in the notes and 0% to each purchase contract, which will establish your initial tax basis in your interest in each purchase contract as \$0 and your initial tax basis in your ownership interest in the notes as \$25. You will be required to include in gross income interest payments on the notes when such interest is paid or accrued in accordance with your regular method of tax accounting. If the Treasury portfolio has replaced the notes as a component of the Corporate Units as a result of a special event redemption, a beneficial owner of Corporate Units will generally be required to include in gross income its allocable share of any interest payments made with respect to the applicable ownership interests in the Treasury portfolio and, if appropriate, original issue discount on the applicable ownership interests in the Treasury portfolio as it accrues on a constant yield to maturity basis, or, if appropriate, acquisition discount on the applicable ownership interests in the Treasury portfolio.

We intend to treat contract adjustment payments as taxable ordinary income to a U.S. holder (as defined in Material U.S. Federal Income Tax Consequences) when received or accrued, in accordance with the U.S. holder's regular method of tax accounting. We intend to treat any contract adjustment payments paid to a non-U.S. holder (as defined in Material U.S. Federal Income Tax Consequences) as amounts generally subject to withholding tax at a 30% rate, unless an income tax treaty reduces or eliminates such tax.

FOR ADDITIONAL INFORMATION, SEE MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES.

What are the uses of proceeds from the offering?

The net proceeds from the sale of Equity Units will be approximately \$ million (approximately \$ million if the underwriters exercise their over-allotment option in full) after deducting the underwriters' discount and estimated expenses payable by us. We intend to use substantially all of the net proceeds from this offering for general corporate purposes. See Use of Proceeds.

What are the risks relating to the Equity Units?

See Risk Factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in the Equity Units.

THE OFFERING EXPLANATORY DIAGRAMS

The following diagrams illustrate some of the key features of the purchase contracts and the undivided beneficial ownership interests in notes, Corporate Units and Treasury Units.

The following diagrams assume that the notes are successfully remarketed, there has not been a special event redemption and the interest rate on the notes is reset on the purchase contract settlement date.

Purchase Contract

Corporate Units and Treasury Units both include a purchase contract under which the holder agrees to purchase shares of our common stock on the purchase contract settlement date. In addition, these purchase contracts require us to make contract adjustment payments as shown in the diagrams on the following pages.

- Notes:
- (1) If the applicable market value of our common stock is less than or equal to the reference price of \$, shares of our common stock.
 - (2) If the applicable market value of our common stock is between the reference price and the threshold appreciation price of \$, the number of shares of our common stock to be delivered to a holder of an Equity Unit will be calculated by dividing the stated amount of \$25 by the applicable market value.
 - (3) If the applicable market value of our common stock is greater than or equal to the threshold appreciation price, the number of shares of our common stock to be delivered to a holder of an Equity Unit will be shares.
 - (4) The reference price equals the reported last sale price of our common stock on the New York Stock Exchange on October , 2007.
 - (5) The threshold appreciation price represents a % appreciation over the reference price.
 - (6) Expressed as a percentage of the reference price. The applicable market value means the average of the closing prices per share of our common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding the applicable settlement date; provided, however, that if we enter into a reorganization event (as defined under Description of Purchase Contracts Anti-dilution Adjustments), the applicable market value will mean the value of an exchange property unit (as defined under Description of Purchase Contracts Anti-dilution Adjustments Reorganization Events.)

Corporate Units

A Corporate Unit consists of two components as described below:

- Notes:
- (1) Each owner of an undivided beneficial ownership interest in notes will be entitled to $\frac{1}{40}$, or 2.5%, of each interest payment paid in respect of a \$1,000 principal amount note.
 - (2) Notes will be issued in minimum denominations of \$1,000, except in limited circumstances. Each undivided beneficial ownership interest in notes represents a $\frac{1}{40}$, or 2.5%, undivided beneficial ownership interest in a \$1,000 principal amount note.

The holder of a Corporate Unit owns the undivided beneficial ownership interest in notes that forms a part of the Corporate Unit but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract.

If the Treasury portfolio has replaced the notes as a result of a special event redemption prior to the purchase contract settlement date, the applicable ownership interests in the Treasury portfolio will replace the notes as a component of the Corporate Unit. Unless the purchase contract is terminated as a result of bankruptcy, insolvency or reorganization of CIT Group Inc. or the holder creates a Treasury Unit, the proceeds from the applicable ownership interest in the Treasury portfolio will be used to satisfy the holder's obligation under the related purchase contract.

Treasury Units

A Treasury Unit consists of two components as described below:

The holder of a Treasury Unit owns the ownership interest in the Treasury security that forms a part of the Treasury Unit but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract. Unless the purchase contract is terminated as a result of bankruptcy, insolvency or reorganization of CIT Group Inc. or the holder recreates a Corporate Unit, the proceeds from the Treasury security will be used to satisfy the holder's obligation under the related purchase contract.

The Notes

Notes have the terms described below (1):

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Notes: (1) Unless the Treasury portfolio has replaced the notes as a component of the Corporate Units, Treasury Units may only be created with integral multiples of 40 Corporate Units. As a result, the creation of 40 Treasury Units will release \$1,000 principal amount of the notes held by the collateral agent.

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ILLUSTRATIVE REMARKETING TIMELINE

The following timeline is for illustrative purposes only. The dates in this timeline are based on the time periods set forth in the purchase contract and pledge agreement and the remarketing agreement. These dates are subject to change based on changes in the number of business and/or trading days for the relevant periods.

Date	Event
October 5, 2010 (the 20th business day prior to November 2, 2010)	We will issue a press release specifying the first remarketing date and we will request that the depositary notify its participants holding Corporate Units, Treasury Units and separate notes as to the dates of the remarketing period and procedures to be followed in the remarketing along with the cash payment needed to be made if holders elect not to participate in the remarketing.
Second business day immediately preceding the first remarketing date for Corporate Units and November 15, 2010 (the second business day immediately preceding the purchase contract settlement date) for Treasury Units	Last day for holders of Corporate Units or Treasury Units to settle the related purchase contracts early.
Second business day immediately preceding the first remarketing date	Last day to create Treasury Units from Corporate Units and recreate Corporate Units from Treasury Units. Last day of holders of separate notes to give notice of their election to participate in the remarketing. Last day for holders of Corporate Units to give notice of desire to settle the related purchase contract with separate cash.
First business day immediately preceding the first remarketing date	Last day for holders of Corporate Units who have elected to settle the related purchase contracts with separate cash to pay the purchase price.
November 2, 2010 (the tenth business day immediately preceding the purchase contract settlement date)	First possible remarketing date.
November 3, 2010 through November 12, 2010 (the ninth to the third business day immediately preceding the purchase contract settlement date)	Period for subsequent remarketing dates, if necessary.
November 17, 2010	Purchase contract settlement date and remarketing settlement date for any successful remarketing.

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RISK FACTORS

Investing in the Equity Units involves a high degree of risk. In addition to the other information contained in this prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein, you should consider carefully the following factors relating to us and the Equity Units before making an investment in the Equity Units offered hereby. If any of the following events actually occur, our business, results of operations, financial condition, cash flows or prospects could be materially adversely affected, which in turn could adversely affect the trading price of the Equity Units and our common stock. You may lose all or part of your original investment.

Risks Relating to the Equity Units

You will bear the entire risk of a decline in the price of our common stock.

You will have an obligation to buy shares of our common stock pursuant to the purchase contract on the purchase contract settlement date at a fixed price. The number of shares of our common stock that you will purchase on the purchase contract settlement date is not fixed, but is based on a settlement rate that will depend on the closing price of our common stock on each day of a specified 20 trading day period preceding the purchase contract settlement date. The market value of our common stock you will purchase on the purchase contract settlement date may be materially lower than the price that the purchase contract requires you to pay. You will bear the entire risk of a decline in the price of our common stock below the reference price.

You will receive only a portion of any appreciation in our common stock price and only if the appreciation of common stock exceeds a specified threshold.

Your opportunity for equity appreciation afforded by investing in the Equity Units will generally be less than if you invested directly in our common stock.

In particular, on each of the 20 trading days used to calculate the number of shares of our common stock delivered on the purchase contract settlement date, we will apply a formula under which you will receive none of the appreciation in the value of our common stock between the reference price and the threshold appreciation price as of that date.

In addition, because the amount delivered will be based on the market price on each of the 20 trading days during that period, the shares of our common stock you receive may be worth less than the shares of our common stock you would have received under the formula had the amounts been calculated based on the closing price on the purchase contract settlement date.

The notes and the contract adjustment payments are effectively subordinated to any existing or future liabilities of our subsidiaries, and the contract adjustment payments are subordinated to our existing and future senior indebtedness.

The notes and the contract adjustment payments will be effectively subordinated to any existing or future liabilities, including trade payables, of any of our subsidiaries. Our subsidiaries generated 99.2% of our consolidated revenues in 2006 and held 87.5% of our consolidated assets as of June 30, 2007. The indenture governing the notes will not restrict us or our subsidiaries from incurring substantial additional indebtedness in the future.

The contract adjustment payments are also subordinated to our existing and future senior indebtedness. As of June 30, 2007, we had \$62.3 billion of senior indebtedness outstanding.

The trading price of our common stock, the general level of interest rates and our credit quality will directly affect the trading prices for the Equity Units.

The trading prices of the Equity Units will be directly affected by, among other things, the trading price of our common stock, interest rates generally and our credit quality. It is impossible to predict whether the price of our common stock or interest rates will rise or fall. Our operating results and prospects and economic, financial and other factors will affect trading prices of our common stock and the Equity Units. In addition, market conditions can affect the capital markets generally, thereby affecting the price of

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our common stock. These conditions may include the level of, and fluctuations in, the trading prices of stocks generally.

Fluctuations in interest rates may give rise to arbitrage opportunities, which would affect the trading prices of the Corporate Units, Treasury Units, notes and our common stock.

Fluctuations in interest rates may give rise to arbitrage opportunities based upon changes in the relative value of the common stock underlying the purchase contracts and of the other components of the Equity Units. Any such arbitrage could, in turn, affect the trading prices of the Corporate Units, Treasury Units, notes and our common stock.

If you hold Equity Units, you will not be entitled to any rights with respect to our common stock, but you will be subject to all changes made with respect to our common stock.

If you hold Equity Units, you will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on the common stock), but you will be subject to all changes affecting the common stock. You will only be entitled to rights on the common stock if and when we deliver shares of common stock in exchange for Equity Units on the purchase contract settlement date, or as a result of early settlement. For example, in the event that an amendment is proposed to our certificate of incorporation or by-laws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to delivery of the common stock, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock.

The delivery of make-whole shares upon a merger early settlement may not adequately compensate you.

If a cash merger (as defined below under [Description of the Purchase Contracts Early Settlement Upon Cash Merger](#)) occurs and you exercise your merger early settlement right, you will be entitled to receive additional value in respect of make-whole shares unless the price paid per share of our common stock in the cash merger is in excess of \$ subject to adjustment. A description of how the make-whole shares will be determined is set forth under [Description of the Purchase Contracts Early Settlement Upon Cash Merger Calculation of Make-Whole Shares](#). Although the make-whole shares are designed to compensate you for the lost value of your Equity Units as a result of the cash merger, this feature may not adequately compensate you for such loss.

The Equity Units provide limited settlement rate adjustments.

The number of shares of common stock that you are entitled to receive on the purchase contract settlement date, or as a result of early settlement of a purchase contract, is subject to adjustment for certain events arising from stock splits and combinations, stock dividends, cash dividends and certain other actions by us that modify our capital structure. See [Description of the Purchase Contracts Anti-dilution Adjustments](#). We will not adjust the number of shares of common stock that you are to receive on the purchase contract settlement date, or as a result of early settlement of a purchase contract, for other events, including offerings of common stock by us for cash or in connection with acquisitions. There can be no assurance that an event that adversely affects the value of the Equity Units, but does not result in an adjustment to the settlement rate, will not occur. Further, we are not restricted from issuing additional common stock during the term of the purchase contracts and have no obligation to consider your interests for any reason. If we issue additional shares of common stock, it may materially and adversely affect the price of our common stock and, because of the relationship of the number of shares to be received on the purchase contract settlement date to the price of the common stock, such other events may adversely affect the trading price of the Equity Units.

Upon a successful remarketing of the notes, the terms of your notes may be modified even if you elect not to participate in the remarketing.

When we attempt to remarket notes, the remarketing agents will agree to use their commercially reasonable efforts to sell the notes included in the remarketing at a price that results in proceeds of at least 100% of their principal amount, plus accrued and unpaid interest, if any. In connection with the remarketing, we and the remarketing agents may materially change the terms of the notes, as described under Description of Notes Modification of the Terms of the Notes in Connection with a Successful Remarketing. If the remarketing is successful, the modified terms will apply to all the notes, even if they are not included in the remarketing. However, holders of notes must elect to participate in the remarketing before knowing what the modified terms of the notes will be. You may determine that the revised terms are not favorable to you. In addition, following a successful remarketing, interest on the notes will be payable on a semi-annual basis.

Our Corporate Units, Treasury Units and notes have no prior public market, and we cannot assure you that an active trading market will develop.

Prior to this offering, there has not been a market for our Corporate Units, Treasury Units or notes. While we plan to apply for listing of the Corporate Units on the New York Stock Exchange, an active trading market in the Corporate Units might not develop or continue. If you purchase Corporate Units in this offering, you will pay a price that was not established in a competitive market. Rather, you will pay a price that was determined by negotiations with the representatives of the underwriters based upon an assessment of the market for similar securities and other factors, including economic conditions and our financial condition, performance and prospects. The public market may not agree with or accept this valuation, in which case you may not be able to sell your Corporate Units at or above the initial offering price. If the Treasury Units or the notes are separately traded to a sufficient extent that applicable exchange listing requirements are met, we will endeavor to list the Treasury Units or the notes on the same exchange as the Corporate Units. However, an active trading market in those securities also may not develop. In addition, if you were to substitute Treasury securities for notes or applicable ownership interests in the Treasury portfolio or notes or applicable ownership interests in the Treasury portfolio for Treasury securities, thereby converting your Treasury Units to Corporate Units or your Corporate Units to Treasury Units, as the case may be, the liquidity of Corporate Units or Treasury Units could be adversely affected. We cannot assure you that the Corporate Units will not be delisted from the New York Stock Exchange or that trading in the Corporate Units will not be suspended as a result of your election to create Treasury Units by substituting collateral, which could cause the number of Corporate Units to fall below the requirement for listing securities on the New York Stock Exchange.

Your rights to the pledged securities will be subject to our security interest and may be affected by a bankruptcy proceeding.

Although you will have a beneficial ownership interest in the related notes or Treasury securities or the Treasury portfolio, as applicable, those interests will be pledged to us through the collateral agent to secure your obligations under the related purchase contracts. Thus, your rights to the pledged securities will be subject to our security interest. In addition, notwithstanding the automatic termination of the purchase contracts, in the event that CIT Group Inc. becomes the subject of a case under the U.S. Bankruptcy Code, the delivery of the pledged securities to you may be delayed by the imposition of the automatic stay under Section 362 of the Bankruptcy Code. Moreover, claims arising out of the notes will be subject to the equitable jurisdiction and powers of the bankruptcy court. For example, although we do not believe such an argument would prevail, following the termination of the purchase contracts, a party in interest in the bankruptcy proceeding might argue that the holders of notes should be treated as equity holders, rather than creditors, in the bankruptcy proceeding.

We may redeem the notes upon the occurrence of a special event.

We may redeem the notes, on not less than 30 days nor more than 60 days prior written notice, in whole but not in part, at any time before the earlier of the date of a successful remarketing of the notes and the purchase contract settlement date if a special event occurs and continues under the circumstances

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described in this prospectus supplement. If we exercise this option, we will redeem the notes for cash at the redemption amount plus accrued and unpaid interest, if any, which we refer to as the redemption price. If the special event redemption occurs before the purchase contract settlement date, the redemption price payable to you as a holder of Corporate Units will be distributed to the collateral agent, who in turn will purchase the Treasury portfolio on your behalf, and will remit the remainder of the redemption price, if any, to you as the holder, and the Treasury portfolio will be substituted for the notes as collateral to secure your obligations under the purchase contracts related to the Corporate Units. If your notes are not components of Corporate Units, you will receive redemption payments directly. There can be no assurance as to the impact on the market prices for the Corporate Units if the Treasury portfolio is substituted as collateral in place of any notes redeemed. A special event redemption will be a taxable event to the holders of the notes.

The purchase contract and pledge agreement will not be qualified under the Trust Indenture Act and the obligations of the purchase contract agent are limited.

The purchase contract and pledge agreement between us, the purchase contract agent and the collateral agent will not be qualified as an indenture under the Trust Indenture Act of 1939, and the purchase contract agent will not be required to qualify as a trustee under the Trust Indenture Act. Thus, you will not have the benefit of the protection of the Trust Indenture Act with respect to the purchase contract and pledge agreement or the purchase contract agent. The notes constituting a part of the Corporate Units will be issued pursuant to an indenture that is qualified under the Trust Indenture Act. Accordingly, if you hold Corporate Units, you will have the benefit of the protections of the Trust Indenture Act only to the extent applicable to the notes included in the Corporate Units. The protections generally afforded the holder of a security issued under an indenture that has been qualified under the Trust Indenture Act include:

disqualification
of the indenture
trustee for
conflicting
interests, as
defined under
the Trust
Indenture Act;

provisions
preventing a
trustee that is
also a creditor
of the issuer
from improving
its own credit
position at the
expense of the
security holders
immediately
prior to or after
a default under
such indenture;
and

the requirement
that the
indenture
trustee deliver
reports at least
annually with
respect to
certain matters
concerning the
indenture
trustee and the
securities.

The trading price of the notes may not fully reflect the value of their accrued but unpaid interest.

The notes may trade at a price that does not fully reflect the value of their accrued but unpaid interest. If you dispose of your notes between record dates for interest payments, you will be required to include in gross income the interest accrued through the date of disposition as ordinary income, and such amount will reduce the gain or increase the loss that you would otherwise recognize on the disposition of the notes. To the extent the selling price is less than your adjusted tax basis, you will recognize a loss. A holder's ability to deduct capital losses may be limited.

For U.S. federal income tax purposes, you may be required to accrue additional interest income on the notes and treat any gain on a disposition of the notes as ordinary income instead of capital.

Because of certain features relating to the remarketing and reset of the notes, it is possible that the Internal Revenue Service (IRS) could treat the notes as contingent payment debt instruments for U.S. federal income tax purposes. Under that treatment, you might be required to accrue (regardless of your method of accounting) interest income (potentially at a higher rate than the interest income on the notes) in respect of your ownership interest in the notes, and any gain and all or a portion of any loss on a sale, exchange or other taxable disposition of ownership interests in the notes generally would be ordinary rather than capital in nature. See Material U.S. Federal Income Tax Consequences.

You may have to pay taxes with respect to distributions on our common stock that you do not receive.

The number of shares of common stock that you are entitled to receive on the purchase contract settlement date or as a result of early settlement of a purchase contract, is subject to adjustment for certain events arising from stock splits and combinations, stock dividends, certain cash dividends and certain other actions by us that modify our capital structure. See Description of the Purchase Contracts Anti-dilution Adjustments. If the settlement rate is adjusted as a result of a distribution that is taxable to our common stock holders, such as a quarterly cash dividend, you would be required to include an amount in income for U.S. federal income tax purposes, notwithstanding the fact that you do not actually receive such distribution. In addition, non-U.S. holders of Equity Units may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal withholding tax. See Material U.S. Federal Income Tax Consequences.

You may not be able to exercise your rights to settle a purchase contract prior to the purchase contract settlement date unless a registration statement under the Securities Act is in effect and a prospectus is available covering the shares of common stock deliverable upon early settlement of a purchase contract.

The early settlement rights under the purchase contracts are subject to the condition that, if required under the U.S. federal securities laws, we have a registration statement under the Securities Act in effect and an available prospectus covering the shares of common stock and other securities, if any, deliverable upon settlement of a purchase contract. Although we have agreed to use our commercially reasonable efforts to have such a registration statement in effect and to provide a prospectus if so required under the U.S. federal securities laws, any failure or inability to maintain an effective registration statement or to have available a prospectus covering the common stock, including as a result of pending corporate events or announcements that prevent the delivery of a current prospectus, may prevent or delay an early settlement.

Most of our operations are conducted through our subsidiaries.

A significant portion of our assets is held by our direct and indirect subsidiaries. As a result, our results of operations depend significantly on the results of operations of our subsidiaries. Moreover, we rely in part on intercompany transfers of funds from our subsidiaries. The ability of our subsidiaries to repay loans or make other payments or pay dividends to us will depend on their operating results and will be subject to applicable laws and any restrictions that may be contained in agreements governing such subsidiaries.

Risks Related to Our Business and Industry

We may be adversely affected by deterioration in economic conditions that is general or specific to industries, products or geographies.

A recession or downturn in the economy or affecting specific industries, geographic locations and/or products could make it difficult for us to originate new business, given the resultant reduced demand for consumer or commercial credit. In addition, a downturn in certain industries may result in a reduced demand for the products that we finance in that industry or negatively impact collection and asset recovery efforts.

Credit quality may also be impacted during an economic slowdown or recession as borrowers may fail to meet their debt payment obligations. Adverse economic conditions may also result in declines in collateral values. Accordingly, higher credit and collateral related losses could impact our financial position or operating results.

For example, the subprime loan industry is currently being affected by increased rates of defaults and foreclosures and stagnating or declining home prices, which is reflected in deterioration in the credit metrics of our home lending portfolio and the decreased market liquidity for such portfolios. These changes in the home lending industry and similar changes in our portfolio have resulted in higher chargeoffs for our home

lending portfolio, significant valuation allowances for that portfolio in the second and third quarters of 2007, and reduced lease demand for certain types of railcars that are used to transport building materials, among other effects. Similarly, higher volatility and reduced liquidity in the high yield loan markets, as well as concerns in the industry about credit quality in general, have hampered the syndication market, which has reduced our syndication fee income.

Our liquidity or ability to raise capital may be limited.

We rely upon access to the capital markets, which recently have exhibited heightened volatility and reduced liquidity, to fund asset growth and to provide sources of liquidity. However, adverse changes in the economy, long-term disruption in the capital markets, deterioration in our business performance or changes in our credit ratings could limit our access to these markets and negatively impact our financial condition, results of operations or cash flows. Recently, liquidity in the capital markets has been more constrained and interest rates available to us have widened in comparison to similar term treasury securities. As a result, we have shifted our funding sources more heavily to asset backed securities, rather than unsecured debt securities.

We compete with a variety of financing sources for our customers.

Our markets are highly competitive and are characterized by competitive factors that vary based upon product and geographic region. Our competitors are varied and include captive and independent finance companies, commercial banks and thrift institutions, industrial banks, community banks, leasing companies, hedge funds, insurance companies, mortgage companies, manufacturers and vendors.

Competition from both traditional competitors and new market entrants has intensified in recent years due to a strong economy and increasing recognition of the attractiveness of the commercial finance markets. In addition, the rapid growth of the securitization markets is dramatically expanding access to capital, which is the principal barrier to entry into these markets.

We compete primarily on the basis of pricing, terms and structure. To the extent that our competitors compete aggressively on any combination of those factors, we could lose market share. Should we match competitors' terms, it is possible that we could experience margin compression and/or increased losses.

Investment in revenues from our foreign operations is subject to the risks associated with transacting business in foreign countries.

An economic recession or downturn, increased competition, or business disruption associated with the political or regulatory environments in the international markets in which we operate could adversely affect us. In addition, while we generally hedge our translation and transaction exposures, foreign currency exchange rate fluctuations, or the inability to hedge effectively in the future, could have a material adverse effect on our investment in international operations and the level of revenues that we generate from international asset based financing and leasing. Reported results from our operations in foreign countries may fluctuate from period to period due to exchange rate movements in relation to the U.S. dollar, particularly exchange rate movements in the Canadian dollar, which is our largest non-U.S. exposure.

We may not be able to realize our entire investment in the equipment we lease.

The realization of equipment values (residual values) at the end of the term of a lease is an important element in the leasing business. At the inception of each lease, we record a residual value for the leased equipment based on our estimate of the future value of the equipment at the expected disposition date. Internal equipment management specialists, as well as external consultants, determine residual values.

A decrease in the market value of leased equipment at a rate greater than the rate we projected, whether due to rapid technological or economic obsolescence, unusual wear and tear on the equipment, excessive use of the equipment, or other factors, would adversely affect the residual values of such equipment. Further, certain equipment residual values, including commercial aerospace residuals, are dependent on the manufacturer's or vendor's warranties, reputation and other factors. Consequently, there can be no assurance that we will realize our estimated residual values for equipment.

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The degree of residual realization risk varies by transaction type. Capital leases bear the least risk because contractual payments cover approximately 90% of the equipment's cost at the inception of the lease. Operating leases have a higher degree of risk because a smaller percentage of the equipment's value is covered by contractual cash flows at lease inception. Leveraged leases bear the highest level of risk as third parties have a priority claim on equipment cashflows.

Our reserves for credit losses may prove inadequate or we may be negatively affected by credit risk exposures.

Our business depends on the creditworthiness of our customers. We maintain a consolidated reserve for credit losses on finance receivables that reflects management's judgment of losses inherent in the portfolio. We periodically review our consolidated reserve for credit losses for adequacy considering economic conditions and trends, collateral values and credit quality indicators, including past charge-off experience and levels of past due loans and non-performing assets. We cannot be certain that our consolidated reserve for credit losses will be adequate over time to cover credit losses in our portfolio because of unanticipated adverse changes in the economy or events adversely affecting specific customers, industries or markets. If the credit quality of our customer base materially decreases, if the risk profile of a market, industry, or group of customers changes materially, or if our reserves for credit losses are not adequate, our business, financial condition and results of operations may suffer. For example, credit indicators in the home lending industry, and particularly in the subprime market, have been declining over the past year. This decline in the home lending industry has been reflected to some extent in our home lending portfolio, resulting in increased chargeoffs during 2007 and leading to our decision to exit the home lending business, which resulted in significant valuation allowances in the second and third quarters of 2007.

In addition to customer credit risk associated with originating loans and leases, we are also exposed to other forms of credit risk including counterparties to our derivative transactions, loan sales, syndications and equipment purchases. These counterparties include other financial institutions, manufacturers and our customers. To the extent that our credit underwriting processes or credit risk judgments fail to adequately identify or assess such risks, or if the credit quality of our derivative counterparties, customers, manufacturers, or other parties with which we conduct business materially deteriorates, we may be exposed to credit risk related losses that may negatively impact our financial condition, results of operations or cash flows.

We may be adversely affected by significant changes in interest rates.

Although we generally employ a matched funding approach to managing our interest rate risk, including matching the repricing characteristics of our assets with our liabilities, significant increases in market interest rates, or the perception that an increase may occur, could adversely affect both our ability to originate new finance receivables and our ability to grow. Conversely, a decrease in interest rates could result in accelerated prepayments of owned and managed finance receivables.

The regulated environment in which we operate may adversely affect us.

Our domestic operations are subject, in certain instances, to supervision and regulation by state and federal authorities, including the Federal Deposit Insurance Corporation, the Utah Department of Financial Institutions, the U.S. Small Business Administration, the FINRA, the SEC and various state insurance regulators, and may be subject to various laws and judicial and administrative decisions imposing various requirements and restrictions. Noncompliance with applicable statutes or regulations could result in the suspension or revocation of any license or registration at issue, as well as the imposition of civil fines and criminal penalties.

The financial services industry is heavily regulated in many jurisdictions outside the United States. As a result, growing our international operations may be affected by the varying requirements of these jurisdictions. Currently, our subsidiary, CIT Bank Limited, is licensed as a bank and subject to regulation and examination by the Financial Service Authority of the United Kingdom. We also operate various banking corporations in France, Italy, Belgium,

Sweden, and the Netherlands and broker-dealer entities in Canada and the United Kingdom, each of which is subject to regulation and examination by banking

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regulators and securities regulators in their home country. Finally, our subsidiary which operates our insurance business, Highlands Insurance Company Limited, is a Barbados company and therefore regulated by Barbados laws and regulations. Given the evolving nature of regulations in many of these jurisdictions, it may be difficult for us to meet these requirements even after we establish operations and receive regulatory approvals. Our inability to remain in compliance with regulatory requirements in a particular jurisdiction could have a material adverse effect on our operations in that market and on our reputation generally.

Our acquisition or disposition of businesses or asset portfolios may adversely affect our business.

As part of our long-term business strategy, we may pursue acquisitions of other companies or asset portfolios as well as dispose of non-strategic businesses or asset portfolios. Future acquisitions may result in potentially dilutive issuances of equity securities and the incurrence of additional debt, which could have a material adverse effect on our business, financial condition and results of operations. Such acquisitions involve numerous other risks, including difficulties in integrating the operations, services, products and personnel of the acquired company; the diversion of management's attention from other business concerns; entering markets in which we have little or no direct prior experience; and the potential loss of key employees of the acquired company. In addition, acquired businesses and asset portfolios may have credit-related risks arising from substantially different underwriting standards associated with those businesses or assets.

With respect to our planned disposition of our home lending business, or any future dispositions of our businesses or asset portfolios, there can be no assurance that we will receive adequate consideration for those businesses or assets at the time of their disposition or will be able to adequately replace the volume associated with the businesses or asset portfolios that we dispose of with higher-yielding businesses or asset portfolios having acceptable risk characteristics. As a result, our future disposition of businesses or asset portfolios could have a material adverse effect on our business, financial condition and results of operations.

Other revenue may be more volatile than net finance revenue.

We are pursuing strategies to leverage our expanded asset generation capability and diversify our revenue base to increase other revenue as a percentage of total revenue. We invested in infrastructure and personnel focused on increasing other revenue in order to generate higher levels of syndication and participation income, advisory fees, servicing fees and other types of fee income. While these revenue streams do not involve the assumption of underwriting risk, they are dependent on prospective market conditions and, therefore, can be more volatile than interest on loans and rentals on leased equipment.

Reduced liquidity in the capital markets could reduce the level of revenue and gains on sales and syndications. Disruption to the capital markets, our failure to implement these initiatives successfully, or the failure of such initiatives to result in increased asset and revenue levels, could adversely affect our financial position and results of operations.

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference in this prospectus supplement may contain forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations or forecasts of future events. They use words such as anticipate, believe, could, estimate, expect, forecast, target, project, intend, plan, potential and other words and terms of similar connection with a discussion of potential future events, circumstances or future operating or financial performance. You can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Any forward-looking statements contained in this prospectus supplement and the documents incorporated by reference in this prospectus supplement are subject to unknown risks, uncertainties and contingencies. Forward-looking statements are included, for example, in the discussions about:

our liquidity
risk
management;

our credit risk
management;

our asset and
liability risk
management;

our funding,
borrowing
costs and net
finance
revenue;

our capital,
leverage and
credit ratings;

our
operational
risks,
including
success of
build-out
initiatives,
acquisitions
and
divestitures;

legal risks;

our growth
rates;

our
commitments
to extend
credit or
purchase
equipment;
and

how we may
be affected by
legal
proceedings.

All forward-looking statements involve risks and uncertainties, many of which are beyond our control, which may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Also, forward-looking statements are based upon management's estimates of fair values and of future costs, using currently available information. Therefore, actual results may differ materially from those expressed or implied in those statements. Factors that could cause such differences include, but are not limited to:

risks of
economic
slowdown,
downturn or
recession;

industry
cycles and
trends;

demographic
trends;

risks inherent
in changes in
market
interest rates
and quality
spreads;

funding
opportunities
and borrowing
costs;

changes in
funding
markets,
including
commercial
paper, term
debt, bank

deposits and
the
asset-backed
securitization
markets;

uncertainties
associated
with risk
management,
including
credit,
prepayment,
asset/liability,
interest rate
and currency
risks;

adequacy of
reserves for
credit losses;

risks
associated
with the value
and
recoverability
of leased
equipment and
lease residual
values;

changes in
laws or
regulations
governing our
business and
operations;

changes in
competitive
factors; and

future
acquisitions
and
dispositions of
businesses or
asset
portfolios.

Any or all of our forward-looking statements here or in other publications may turn out to be wrong, and there are no guarantees about our performance. We do not assume the obligation to update any forward-looking statement for any reason.

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USE OF PROCEEDS

We estimate that the net proceeds from the sale of the Equity Units in this offering will be approximately \$ million (approximately \$ million if the underwriters exercise their over-allotment option in full), after deducting the underwriters' discounts and commissions and estimated offering expenses payable by us. We anticipate that we will use the net proceeds from this offering for general corporate purposes.

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CAPITALIZATION

The following table sets forth CIT's capitalization on a consolidated basis as of June 30, 2007 both on an actual basis and on an as adjusted basis to reflect the issuance and sale of the Equity Units, including the notes, offered hereby. This table should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the notes to those consolidated financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus.

	As of June 30, 2007	
	Actual	As Adjusted
	(\$ in millions, except share data)	
	(unaudited)	
Commercial paper	\$ 6,195.4	\$ 6,195.4
Deposits	3,352.3	3,352.3
Term debt	52,695.7	52,695.7
Non-recourse, secured borrowings	6,253.6	6,253.6
% senior notes due 2015(1)		600.0
Junior subordinated notes	750.0	750.0
Total debt	69,247.0	69,847.0
Stockholders' equity:		
Preferred stock, \$0.01 par value, 100,000,000 authorized;		
Issued and outstanding:		
Series A 14,000,000 with a liquidation preference of \$25 per share	350.0	350.0
Series B 1,500,000 with a liquidation preference of \$100 per share	150.0	150.0
Common stock, \$0.01 par value, 600,000,000 authorized; 214,362,842 issued and 190,706,063 outstanding	2.1	2.1
Additional paid in capital, net of deferred compensation of \$82.6	10,689.2	10,667.7
Accumulated deficit	(2,872.6)	(2,872.6)
Accumulated other comprehensive income	217.0	217.0
Treasury stock, 23,656,799 shares, at cost	(1,221.9)	(1,221.9)
Total common stockholders' equity	6,813.8	6,792.3
Total stockholders' equity	7,313.8	7,292.3
Total capitalization	\$ 76,560.8	\$ 77,539.3

(1)

The %
senior notes
due 2015 are a
component of
the Equity
Units offered
hereby. As
adjusted
amount will be
\$690.0 million
if the
underwriters
exercise their
over-allotment
option in full.

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PRICE RANGE OF COMMON STOCK AND DIVIDENDS

Our common stock is listed on the New York Stock Exchange. The following table sets forth the high and low reported closing prices for our common stock for the applicable periods indicated. The last reported sales price of our common stock on the New York Stock Exchange on October 16, 2007 was \$37.12.

	Low	High
Fiscal 2007:		
Fourth Fiscal Quarter (through October 16, 2007)	\$ 37.12	\$ 41.85
Third Fiscal Quarter	\$ 33.28	\$ 57.63
Second Fiscal Quarter	\$ 52.80	\$ 61.16
First Fiscal Quarter	\$ 50.96	\$ 61.36
Fiscal 2006:		
Fourth Fiscal Quarter	\$ 47.74	\$ 56.35
Third Fiscal Quarter	\$ 42.44	\$ 53.41
Second Fiscal Quarter	\$ 48.89	\$ 55.95
First Fiscal Quarter	\$ 51.38	\$ 55.05
Fiscal 2005:		
Fourth Fiscal Quarter	\$ 43.62	\$ 52.62
Third Fiscal Quarter	\$ 42.60	\$ 46.80
Second Fiscal Quarter	\$ 35.45	\$ 43.17
First Fiscal Quarter	\$ 37.40	\$ 46.07

During each of the first, second and third quarters of fiscal year 2007, we paid a dividend of \$0.25 per common share. During the year ended December 31, 2006, we paid a dividend of \$0.20 per common share each quarter for a total of \$0.80 per share. During the year ended December 31, 2005, we paid a dividend of \$0.13 per common share for the first quarter and \$0.16 for each of the following three quarters for a total of \$0.61 per share.

Our dividend practice is to pay a dividend while maintaining a strong capital base. The declaration and payment of future dividends are subject to the discretion of our board of directors. Any determination as to the payment of dividends, including the level of dividends, will depend on, among other things, general economic and business conditions, our strategic and operational plans, our financial results and condition, contractual, legal and regulatory restrictions on the payment of dividends by us, and such other factors as the board of directors may consider to be relevant. The terms of our outstanding preferred stock and junior subordinated notes restrict our ability to pay dividends on our common stock if and so long as we do not make distributions on our preferred stock or we do not pay all accrued and unpaid interest on our junior subordinated notes, respectively, in full when due. We are prohibited from declaring dividends on our preferred stock and from paying interest on our junior subordinated notes if, among other things, our average four quarters fixed charge ratio is less than or equal to 1.10 on the dividend declaration date or on the thirtieth day prior to the interest payment date, as the case may be. Our average four quarters fixed charge ratio is defined as (a) the sum, for our most recently completed four fiscal quarters, of the quotient of (x) our earnings (excluding income taxes, interest expense, extraordinary items, goodwill impairment and amounts related to discontinued operations) and (y) interest expense plus preferred dividends, divided by (b) four. Notwithstanding the foregoing, we may declare such dividends and pay such interest to the extent of any net proceeds that we have received from the sale of common stock during the 90 days prior to the declaration of the dividend or the 180 days prior to the interest payment date.

SELECTED CONSOLIDATED FINANCIAL INFORMATION OF CIT GROUP INC.

The following tables set out selected consolidated financial information regarding CIT's results of operations and balance sheets. The financial data at December 31, 2006 and December 31, 2005 and for the years ended December 31, 2006, December 31, 2005 and December 31, 2004 were derived from the audited consolidated financial statements of CIT incorporated by reference into this prospectus supplement. The financial data at December 31, 2004, December 31, 2003, December 31, 2002 and September 30, 2002 and for the year ended December 31, 2003, the three months ended December 31, 2002 and the year ended September 30, 2002 were derived from audited financial statements that are not incorporated by reference into this prospectus supplement. The financial data at June 30, 2007 and June 30, 2006 and for the six-month periods then ended is derived from the unaudited consolidated financial statements of CIT included in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2007, which is incorporated by reference into this prospectus supplement. Certain prior period balances have been conformed to present period presentation. You should read the selected consolidated financial data below in conjunction with our consolidated financial statements. See "Where You Can Find More Information" in the accompanying prospectus.

	At or for the Six Months Ended June 30,		At or for the Years Ended December 31,			
	2007	2006	2006	2005	2004	2003
(\$ in millions, except as per share data)						
Results of Operations						
Total net revenue	\$ 1,840.8	\$ 1,455.9	\$ 3,036.4	\$ 2,772.6	\$ 2,422.4	\$ 2,100.0
Provision for credit losses	144.1	81.5	222.2	217.0	214.2	300.0
Valuation allowance for lending receivables held for sale ⁽¹⁾	787.9					
Salaries and general operating expenses	733.8	667.9	1,382.6	1,113.8	1,012.1	800.0
Goodwill impairment						
Interest expense TCH ⁽²⁾						
Provision for severance and real estate exit activities	34.9	11.1	19.6	25.2		
Loss on early extinguishments	139.3					

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of debt							
Gain on redemption of debt					41.8		
Net income (loss) available to common shareholders	66.1	465.7	1,015.8	936.4	753.6		50
Net income (loss) per common share diluted	0.34	2.28	5.0	4.44	3.50		1
Dividends per common share	0.50	0.40	0.8	0.61	0.52		0
Balance Sheet Data							
Total finance receivables	\$ 49,100.1	\$ 49,306.1	\$ 55,064.9	\$ 44,294.5	\$ 35,048.2		\$ 31,300.0
Reserve for credit losses	508.1	638.0	659.3	621.7	617.2		600.0
Finance receivables held for sale	12,847.7	1,340.6	1,793.7	1,620.3	1,640.8		900.0
Operating lease equipment, net	11,932.5	10,583.6	11,017.9	9,635.7	8,290.9		7,600.0
Goodwill and intangible assets, net	1,382.1	1,033.6	1,008.4	1,011.5	596.5		400.0
Total assets	85,163.2	67,747.4	77,067.9	63,386.6	51,111.3		46,300.0
Commercial paper	6,195.4	5,113.1	5,365.0	5,225.0	4,210.9		4,100.0
Deposits	3,352.3	1,395.1	2,399.6	261.9	157.7		400.0
Variable-rate bank credit facilities							
Variable-rate senior notes	24,095.5	17,809.7	19,184.3	15,485.1	11,545.0		9,400.0
Fixed-rate senior notes	28,600.2	24,360.9	29,107.1	22,591.7	21,557.4		19,700.0
Non-recourse, secured borrowings	6,253.6	3,305.4	4,398.5	4,048.8			
Preferred capital securities		251.2	250.3	252.0	253.8		200.0
Junior subordinated	750.0						

notes

Total
stockholders
equity

7,313.8

7,410.9

7,751.1

6,962.7

6,055.1

5,3

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	At or for the Six Months Ended June 30,		At or for the Years Ended December 31,		
	2007	2006	2006	2005	2004
(\$ in millions, except as per share data)					
Selected Data and Ratios					
Profitability					
Net income (loss) as a percentage of average common stockholders equity	1.9 %	14.1 %	15.0 %	15.1 %	13.2 %
Net finance revenue as a percentage of average earning assets (AEA ³⁾)	2.85 %	3.27 %	3.11 %	3.40 %	3.94 %
Ratio of earnings to fixed charges ⁽⁴⁾	1.0 x	1.5 x	1.5 x	1.7 x	2.0 x
Efficiency ratio ⁽⁵⁾	41.8 %	45.9 %	46.2 %	41.1 %	41.8 %
Credit Quality					
60+ days contractual delinquencies	2.78 %	1.99 %	2.40 %	1.71 %	1.73 %
Net credit losses	0.46 %	0.36 %	0.45 %	0.60 %	0.91 %
Reserve for credit losses, excluding specific reserves as a percentage of finance receivables, excluding student lending	1.22 %	1.24 %	1.30 %	1.31 %	1.46 %

Other

Tangible stockholders equity ⁽⁶⁾ to managed assets ⁽⁷⁾	8.3 %	9.6 %	9.4 %	9.8 %	10.7 %
Total managed assets ⁽⁷⁾	\$ 79,959.4	\$ 67,944.0	\$ 74,163.2	\$ 62,866.4	\$ 53,470.6

- (1) The amount is comprised of fair value adjustments relating to the planned exit of CIT's home lending business (\$731.0 million), the liquidation of its remaining vendor-originated manufactured housing portfolio (\$34.4 million) and a write-down of a waste-to-energy plant acquired in a loan work out (\$22.5 million).
- (2) The amount relates to interest expense payable to an affiliate of Tyco prior to CIT's initial public offering in July 2002. The activity in Tyco Capital Holdings Inc. (TCH) was in connection with its capacity as the holding company for the acquisition of CIT by Tyco in

2001. TCH was merged with CIT and the activity of TCH was relieved via a capital contribution from Tyco prior to the CIT initial public offering. As a result TCH had no subsequent impact on CIT consolidated financial statements.

- (3) AEA means average earning assets, which is the average of finance receivables, operating lease equipment, financing and leasing assets held for sale and certain investments, less credit balances of factoring clients.
- (4) For purposes of determining the ratio of earnings to fixed charges, earnings consist of income before income taxes and fixed charges. Fixed charges consist of interest on indebtedness, minority interest in subsidiary trust holding solely debentures of the Company and one-third of rent expense, which is deemed

representative of
an interest factor.

- (5) The efficiency ratio is the percentage of salaries and general operating expenses to total net revenue, excluding the provision for credit losses and valuation allowance.
- (6) Tangible stockholders equity excludes goodwill and other intangible assets. Tangible stockholders equity also excludes certain unrealized losses relating to derivative financial instruments and other investments, as these losses are not necessarily indicative of amounts that will be realized.
- (7) Managed assets means assets previously securitized and still managed by us and include (i) financing and leasing assets, (ii) certain investments and (iii) off-balance sheet finance receivables.

- (8) Earnings were insufficient to cover fixed charges by \$6,331.1 million for the year ended September 30, 2002. Earnings for the year ended September 30, 2002 included a non-cash goodwill impairment charge of \$6,511.7 million in accordance with SFAS No. 142, Goodwill and Other Intangible Assets. The ratio of earnings to fixed charges included fixed charges of \$1,497.2 million and a loss before provision for income taxes of \$6,331.1 million resulting in a total loss provision for income taxes and fixed charges of \$4,833.9 million.

DESCRIPTION OF THE EQUITY UNITS

The following is a summary of some of the terms of the Equity Units. This summary, together with the summary of the terms of the purchase contracts, the purchase contract and pledge agreement and the notes set forth under the captions Description of the Purchase Contracts, Certain Provisions of the Purchase Contract and Pledge Agreement and Description of the Notes in this prospectus supplement, contain a description of all of the material terms of the Equity Units, but are not complete. This summary is subject to and is qualified by reference to all the provisions of the purchase contract and pledge agreement, indenture, senior notes and remarketing agreement, including the definitions of certain terms used therein.

General

We will issue the Equity Units under the purchase contract and pledge agreement between us and The Bank of New York, as purchase contract agent (the purchase contract agent), and The Bank of New York, as collateral agent, custodial agent and securities intermediary (the collateral agent). The Equity Units may be either Corporate Units or Treasury Units. The Equity Units will initially consist of 24,000,000 Corporate Units (up to 27,600,000 Corporate Units if the underwriters exercise their over-allotment option in full), each with a stated amount of \$25.

Each Corporate Unit offered will initially consist of:

a
purchase
contract
under
which

the holder will
agree to purchase
from us, and we
will agree to sell to
the holder, no later
than on November
17, 2010, which
we refer to as the
purchase contract
settlement date, or
upon early
settlement, for \$25,
a number of shares
of our common
stock equal to the
applicable
settlement rate
described under
Description of the
Purchase
Contracts Purchase
of Common Stock,
Description of the
Purchase

Contracts Early
Settlement or
Description of the
Purchase
Contracts Early
Settlement Upon
Cash Merger, as
the case may be,
and

we will pay the
holder quarterly
contract
adjustment
payments at the
rate of % per year
on the stated
amount of \$25, or
\$ per year, and
either:

a $\frac{1}{40}$, or
2.5%,
undivided
beneficial
ownership
interest in a
\$1,000
principal
amount of
senior notes
due 2015
issued by us,
and under
which we
will pay to
the holder
 $\frac{1}{40}$, or
2.5%, of the
interest
payment on
a \$1,000
principal
amount note
at the initial
rate of %,
or \$ per
year; or

following
the
occurrence
of a special
event
redemption,
the
applicable
ownership
interest in a
portfolio of
U.S.
Treasury
securities,
which we
refer to as
the Treasury
portfolio.

Applicable ownership interest means, with respect to a Corporate Unit and the U.S. Treasury securities in the Treasury portfolio,

- (1) a $\frac{1}{40}$, or 2.5%, undivided beneficial ownership interest in \$1,000 face amount of U.S. Treasury securities (or principal or interest strips thereof) included in the Treasury portfolio that matures on or prior to November 15, 2010 (the second business day prior to the purchase contract settlement date), and

- (2) for each scheduled interest payment date on the notes after the date of a special event redemption and on or before the purchase contract settlement date a % undivided beneficial ownership interest in \$1,000 face amount of U.S. Treasury securities (or principal or interest strips thereof) included in the Treasury portfolio that mature on or prior to the business day immediately preceding such payment date.

The fair value of the Corporate Units we issue will be recorded in our financial statements based on an allocation between the purchase contracts and the notes in proportion to their respective fair market values. Under the purchase contract and pledge agreement, you will be deemed to have agreed to allocate 100% of the purchase price to your undivided interest in the notes and 0% to the purchase contracts, so your initial tax basis in each purchase contract will be \$0 and the initial tax basis in the undivided beneficial ownership interest in a note will be \$25. This position will be binding on each beneficial owner of each Equity Unit, but not on the IRS.

So long as the units are in the form of Corporate Units, the related undivided beneficial ownership interest in the note or the applicable ownership interest in the Treasury portfolio, as the case may be, will be pledged to us through the collateral agent to secure the holders' obligations to purchase our common stock under the related purchase contracts.

Creating Treasury Units by Substituting a Treasury Security for a Note

Unless the Treasury portfolio has replaced the notes as a component of the Corporate Units, each holder of 40 Corporate Units may create, at any time on or prior to the second business day immediately preceding the first remarketing date, 40 Treasury Units by substituting for a note a zero-coupon U.S. Treasury security (CUSIP No. 912820MJ3) with a principal amount at maturity equal to \$1,000 and maturing on November 15, 2010, which we refer to as a Treasury security. This substitution would create 40 Treasury Units and the note would be released to the holder and would be separately tradable from the Treasury Units. Because Treasury securities and notes are issued in integral multiples of \$1,000, holders of Corporate Units may make the substitution only in integral multiples of 40 Corporate Units. If the Treasury portfolio has replaced the notes as a component of the Corporate Units, holders of Corporate Units may substitute Treasury securities for the applicable ownership interests in the Treasury portfolio only in integral multiples of Corporate Units.

Each Treasury Unit will consist of:

a
purchase
contract
under
which

the holder
will agree
to purchase
from us,
and we will
agree to
sell to the
holder, not
later than
on the
purchase
contract
settlement
date, or
upon early
settlement,
for \$25, a
number of
shares of
our
common
stock equal
to the
applicable
settlement

rate, and

we will pay
the holder
quarterly
contract
adjustment
payments
at the rate
of % per
year on the
stated
amount of
\$25, or \$
per year,
and

a $\frac{1}{40}$, or
2.5%,
undivided
beneficial
ownership
interest in a
Treasury
security.

The term "business day" means any day other than a Saturday or a Sunday or a day on which banking institutions in New York City are authorized or required by law or executive order to remain closed.

The Treasury Unit holder's beneficial ownership interest in the Treasury security will be pledged to us through the collateral agent to secure the holder's obligation to purchase our common stock under the related purchase contracts.

Unless the Treasury portfolio has replaced the notes as a component of the Corporate Units, to create 40 Treasury Units, a holder is required to:

deposit with
the collateral
agent a
Treasury
security,
which must
be purchased
in the open
market at the
expense of
the Corporate
Unit holder
(unless
otherwise
owned by the
holder); and

transfer to the
purchase
contract
agent 40
Corporate
Units,
accompanied
by a notice
stating that
the holder of
the Corporate
Units has
deposited a
Treasury
security with
the collateral
agent, and
requesting
that the
purchase
contract
agent instruct
the collateral
agent to
release the
related note.

Upon receiving instructions from the purchase contract agent and receipt of the Treasury security, the collateral agent will release the related note from the pledge and deliver it to the purchase contract agent on behalf of the holder, free and clear of our security interest. The purchase contract agent then will:

cancel the
40
Corporate
Units;

transfer
the related
note to the
holder;
and

deliver 40
Treasury
Units to
the holder.

The Treasury security will be substituted for the note and will be pledged to us through the collateral agent to secure the holder's obligation to purchase shares of our common stock under the related purchase contracts. The note thereafter will trade separately from the Treasury Units.

If the Treasury portfolio has replaced the notes as a component of the Corporate Units, the Corporate Unit holder will follow the same procedure to create a Treasury Unit, except the holder will have to

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deposit integral multiples of Corporate Units and the purchase contract agent will transfer the related applicable ownership interests in the Treasury portfolio.

Holders who create Treasury Units or recreate Corporate Units, as discussed below, will be responsible for any fees or expenses payable to the collateral agent in connection with substitutions of collateral. See Certain Provisions of the Purchase Contract and Pledge Agreement Miscellaneous.

Recreating Corporate Units

Unless the Treasury portfolio has replaced the notes as a component of the Corporate Units, each holder of 40 Treasury Units will have the right, at any time on or prior to the second business day immediately preceding the first remarketing date, to substitute for the related Treasury security held by the collateral agent a note having an aggregate principal amount equal to \$1,000. This substitution would recreate 40 Corporate Units and the applicable Treasury security would be released to the holder and would be separately tradable from the Corporate Units. Because Treasury securities and notes are issued in integral multiples of \$1,000, holders of Treasury Units may make this substitution only in integral multiples of 40 Treasury Units. If the Treasury portfolio has replaced the notes as a component of the Corporate Units, holders of Treasury Units may substitute applicable ownership interests in the Treasury portfolio for Treasury securities only in integral multiples of Treasury Units.

Unless the Treasury portfolio has replaced the notes as a component of the Corporate Units, to recreate 40 Corporate Units, a holder is required to:

deposit with
the collateral
agent a
\$1,000
principal
amount note,
which must
be purchased
in the open
market at the
expense of
the Treasury
Unit holder,
unless
otherwise
owned by the
holder; and

transfer to the
purchase
contract
agent 40
Treasury
Units,
accompanied
by a notice
stating that
the holder of

the Treasury
Units has
deposited a
\$1,000
principal
amount note
with the
collateral
agent and
requesting
that the
purchase
contract
agent instruct
the collateral
agent to
release the
related
Treasury
security.

Upon receiving instructions from the purchase contract agent and receipt of the \$1,000 principal amount note, the collateral agent will release the related Treasury security from the pledge and deliver it to the purchase contract agent, on behalf of the holder, free and clear of our security interest. The purchase contract agent then will:

cancel the
40
Treasury
Units;

transfer
the related
Treasury
security to
the holder;
and

deliver 40
Corporate
Units to
the holder.

The \$1,000 principal amount note will be substituted for the Treasury security and will be pledged to us through the collateral agent to secure the holder's obligation to purchase our common stock under the related purchase contracts. The Treasury security thereafter will trade separately from the Corporate Units.

If the Treasury portfolio has replaced the notes as a component of the Corporate Units, the Treasury Unit holder will follow the same procedure to create a Corporate Unit, except the holder will have to deposit integral multiples of Treasury Units and must deposit applicable ownership interests in the Treasury portfolio with the collateral agent, which must be purchased in the open market at the expense of the Treasury Unit holder, unless otherwise owned by the holder.

Current Payments

Holders of Corporate Units will receive quarterly cash distributions consisting of their pro rata share of interest payments on the notes attributable to the undivided beneficial ownership interest in the notes (or distributions on the applicable ownership interest in the Treasury portfolio if the notes have been replaced by the Treasury portfolio), equivalent to the rate of % per year and quarterly contract adjustment payments payable by us at the rate of % per year on the stated amount of \$25 per Corporate Unit. There will be no distributions in respect of the Treasury securities that are a component of the Treasury Units, but the holders of the Treasury Units will continue to receive the scheduled quarterly interest payments on the notes that were released to them when the Treasury Units were created for as long as they hold the notes.

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We will make all payments on the Corporate Units and the Treasury Units quarterly in arrears on February 17, May 17, August 17 and November 17 of each year, commencing on February 17, 2008. We will make these payments to the person in whose name the Equity Unit is registered at the close of business on the first day of the month in which the payment is scheduled to be made

Listing

We will apply for listing of the Corporate Units on the New York Stock Exchange under the symbol . Unless and until substitution has been made as described in Creating Treasury Units by Substituting a Treasury Security for a Note or Recreating Corporate Units, neither the note or applicable ownership interest in the Treasury portfolio component of a Corporate Unit nor the Treasury security component of a Treasury Unit will trade separately from Corporate Units or Treasury Units. The note or applicable ownership interest in the Treasury portfolio component will trade as a unit with the purchase contract component of the Corporate Units, and the Treasury security component will trade as a unit with the purchase contract component of the Treasury Units. In addition, if Treasury Units or notes are separately traded to a sufficient extent that the applicable exchange listing requirements are met, we will endeavor to cause the Treasury Units or notes to be listed on the exchange on which the Corporate Units are then listed, including, if applicable, the New York Stock Exchange.

Ranking

The notes will be our unsecured, senior obligations. The payment of the principal of, and interest on, the notes will rank equally in right of payment with our existing and future unsecured and unsubordinated indebtedness and senior in right of payment to any of our existing and future subordinated indebtedness. The notes will be effectively subordinated to any secured indebtedness to the extent of the value of the assets securing such indebtedness. Additionally, the notes will be effectively subordinated to all existing and future indebtedness of our subsidiaries.

Our obligations with respect to the contract adjustment payments will be subordinate in right of payment to our senior indebtedness. Senior indebtedness with respect to the contract adjustment payments means indebtedness of any kind, unless the instrument under which such indebtedness is incurred expressly provides that it is on a parity in right of payment with or subordinate in right of payment to the contract adjustment payments.

Voting and Certain Other Rights

Holders of purchase contracts forming part of the Corporate Units or Treasury Units, in their capacities as such holders, will have no voting or other rights in respect of our common stock.

Repurchase of the Equity Units

We may purchase from time to time any of the Equity Units offered by this prospectus supplement that are then outstanding by tender, in the open market, by private agreement or otherwise.

DESCRIPTION OF THE PURCHASE CONTRACTS

The following description is a summary of some of the terms of the purchase contracts. The purchase contracts will be issued pursuant to the purchase contract and pledge agreement between us, the purchase contract agent and the collateral agent. The description of the purchase contracts and the purchase contract and pledge agreement in this prospectus supplement contains a summary of their material terms but does not purport to be complete. This summary is subject to and is qualified by reference to all the provisions of the purchase contract and pledge agreement, indenture, senior notes and remarketing agreement, including the definitions of certain terms used therein.

Purchase of Common Stock

Each purchase contract that is a part of a Corporate Unit or a Treasury Unit will obligate its holder to purchase, and us to sell, on November 17, 2010, the purchase contract settlement date (unless the purchase contract terminates prior to that date or is settled early at the holder's option), a number of shares of our common stock equal to the settlement rate, for \$25 in cash. The number of shares of our common stock issuable upon settlement of each purchase contract on the purchase contract settlement date (which we refer to as the settlement rate) will be determined as follows, subject to adjustment as described under Anti-dilution Adjustments and Early Settlement Upon Cash Merger below:

- (1) If the applicable market value of our common stock is equal to or greater than the threshold appreciation price of \$, the settlement rate will be shares of our common stock (such settlement rate being referred to as the minimum settlement rate).

Accordingly, if the market price for the common stock increases between the

date of this prospectus supplement and the period during which the applicable market value is measured and the applicable market price is greater than the threshold appreciation price, the aggregate market value of the shares of common stock issued upon settlement of each purchase contract will be higher than the stated amount, assuming that the market price of the common stock on the purchase contract settlement date is the same as the applicable market value of the common stock. If the applicable market price is the same

as the threshold appreciation price, the aggregate market value of the shares issued upon settlement will be equal to the stated amount, assuming that the market price of the common stock on the purchase contract settlement date is the same as the applicable market value of the common stock.

- (2) If the applicable market value of our common stock is less than the threshold appreciation price but greater than the reference price of \$, the settlement rate will be a number of shares of our common stock equal to \$25 divided by

the
applicable
market
value.

Accordingly,
if the market
price for the
common
stock
increases
between the
date of this
prospectus
supplement
and the
period
during
which the
applicable
market value
is measured,
but the
market price
does not
exceed the
threshold
appreciation
price, the
aggregate
market value
of the shares
of common
stock issued
upon
settlement of
each
purchase
contract will
be equal to
the stated
amount,
assuming
that the
market price
of the
common
stock on the
purchase
contract
settlement

date is the same as the applicable market value of the common stock.

- (3) If the applicable market value of our common stock is less than or equal to the reference price of \$, the settlement rate will be shares of our common stock, which is equal to the stated amount divided by the reference price (such settlement rate being referred to as the maximum settlement rate).

Accordingly, if the market price for the common stock decreases between the date of this prospectus supplement and period during which the

adjusted
applicable
market value
is measured
and the
market price
is less than
the reference
price, the
aggregate
market value
of the shares
of common
stock issued
upon
settlement of
each
purchase
contract will
be less than
the stated
amount,
assuming
that the
market price
on the
purchase
contract
settlement
date is the
same as the
applicable
market value
of the
common
stock. If the
market price
of the
common
stock is the
same as the
reference
price, the
aggregate
market value
of the shares
will be equal
to the stated
amount,
assuming
that the

market price
of the
common
stock on the
purchase
contract
settlement
date is the
same as the
applicable
market value
of the
common
stock.

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If you elect to settle your purchase contract early in the manner described under Early Settlement, the number of shares of our common stock issuable upon settlement of such purchase contract will be , the minimum settlement rate, subject to adjustment as described under Anti-dilution Adjustments. We refer to the minimum settlement rate and the maximum settlement rate collectively as the fixed settlement rate.

The applicable market value means the average of the closing prices per share of our common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding the applicable settlement date (we refer to this 20 trading day period as the observation period); provided, however, that if we enter into a reorganization event (as defined under Anti-dilution Adjustments below), the applicable market value will mean the value of an exchange property unit (as defined under Anti-dilution Adjustments Reorganization Events below). Following the occurrence of any such event, references herein to the purchase or issuance of shares of our common stock will be construed to be references to settlement into exchange property units. For purposes of calculating the exchange property unit value, (x) the value of any common stock included in the exchange property unit shall be determined using the average of the closing price per share of such common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding the applicable settlement date and (y) the value of any other property, including securities other than common stock included in the exchange property unit, shall be the value of such property on the first trading day of the observation period (as determined in good faith by the board of directors, whose determination shall be conclusive and described in a Board resolution).

The term closing price of shares of our common stock means, on any date of determination (1) the closing sale price (or, if no closing sale price is reported, the reported last sale price) of shares of our common stock on the New York Stock Exchange on such date or, if shares of our common stock are not listed for trading on the New York Stock Exchange on any such date, as reported in the composite transactions for the principal United States securities exchange on which the shares of our common stock are so listed, or if shares of our common stock are not so listed on a United States national or regional securities exchanges or (2) if shares of our common stock are not so reported, the last quoted bid price for the shares of our common stock in the over-the-counter market as reported by the National Quotation Bureau or a similar organization, or, if such bid price is not available, the average of the mid-point of the last bid and ask prices of shares of our common stock on such date from at least three nationally recognized independent investment banking firms retained by us for this purpose.

The term trading day means a day on which the shares of our common stock:

are not
suspended from
trading on any
national or
regional
securities
exchange or
association or
over-the-counter
market at the
close of
business; and

have traded at
least once on the
national or
regional
securities

exchange or
association or
over-the-counter
market that is the
primary market
for the trading of
the shares of our
common stock.

We will not issue any fractional shares of our common stock upon settlement of a purchase contract. Instead of a fractional share, the holder will receive an amount of cash equal to such fraction multiplied by the applicable market value. If, however, a holder surrenders for settlement at one time more than one purchase contract, then the number of shares of our common stock issuable pursuant to such purchase contracts will be computed based upon the aggregate number of purchase contracts surrendered.

Unless:

a holder has
settled early
the related
purchase
contracts by
delivery of
cash to the
purchase
contract
agent in the
manner
described
under Early
Settlement
or Early
Settlement
Upon Cash
Merger;

a holder of
Corporate
Units has
settled the
related
purchase
contracts
with
separate
cash in the
manner
described
under Notice
to Settle
with Cash;

or

an event
described
under

Termination

has

occurred,

then, on the purchase contract settlement date,

in the case of

Corporate

Units where

there has

been a

successful

remarketing,

the portion

of the

proceeds

from the

remarketing

equal to the

principal

amount of

the notes

remarketed

will

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automatically be applied to satisfy in full the holder's obligations to purchase our common stock under the related purchase contracts and any excess proceeds will be delivered to the purchase contract agent for the benefit of the holders of Corporate Units;

in the case of Corporate Units where there has not been a successful remarketing and the Treasury portfolio has not replaced the notes as a component of the Corporate Units, unless holders of Corporate Units elect not to exercise their put right by delivering cash to settle their purchase contracts, such holders will be deemed to have elected

to apply the put price to satisfy in full the holder's obligations to purchase our common stock under the related purchase contracts and the accrued and unpaid interest to, but not including the settlement date, will be paid to such holders;

in the case of Corporate Units where the Treasury portfolio has replaced the notes as a component of the Corporate Units, proceeds of the appropriate applicable ownership interests in the Treasury portfolio when paid at maturity equal to the stated amount of \$25 per Corporate Unit will automatically be applied to satisfy in full the holder's obligation to purchase

common
stock under
the related
purchase
contracts and
any excess
proceeds will
be delivered
to the
purchase
contract agent
for the benefit
of the holders
of Corporate
Units; and

in the case of
Treasury
Units, the
proceeds of
the related
Treasury
securities,
when paid at
maturity, will
automatically
be applied to
satisfy in full
the holder's
obligation to
purchase our
common
stock under
the related
purchase
contracts.

The common stock will then be issued and delivered to the holder or the holder's designee, upon presentation and surrender of the certificate evidencing the Corporate Units or Treasury Units, if in certificated form, and payment by the holder of any transfer or similar taxes payable in connection with the issuance of the common stock to any person other than the holder.

Prior to the settlement of a purchase contract, the shares of our common stock underlying each purchase contract will not be outstanding, and the holder of the purchase contract will not have any voting rights, rights to dividends or other distributions or other rights of a holder of our common stock by virtue of holding such purchase contract.

By purchasing a Corporate Unit or a Treasury Unit, a holder will be deemed to have, among other things:

irrevocably
appointed the
purchase

contract agent
as its
attorney-in-fact
to enter into and
perform the
purchase
contract and the
related purchase
contract and
pledge
agreement in
the name of and
on behalf of
such holder;
and

agreed to be
bound by the
terms and
provisions of
the Corporate
Units and
Treasury Units
and perform its
obligations
under the
related purchase
contract and the
purchase
contract and
pledge
agreement.

In addition, each beneficial owner of an Equity Unit, by acceptance of the beneficial interest therein, will be deemed to have agreed (i) to treat itself as the owner of the related note, applicable ownership interests in the Treasury portfolio or Treasury security, as the case may be, for U.S. federal income tax purposes and (ii) to treat the notes as indebtedness for U.S. federal income tax purposes which is not subject to the contingent payment debt regulations. See Material U.S. Federal Income Tax Consequences.

Remarketing

Pursuant to the remarketing agreement among Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc., as the remarketing agents, the purchase contract agent (as a