

CIT GROUP INC
Form 424B2
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CALCULATION OF REGISTRATION FEE

<u>Title of Each Class of Securities to be Registered</u>	<u>Maximum Aggregate Offering Price</u>	<u>Amount of Registration Fee</u>
Common Stock (\$0.01 Par Value)	\$345,000,000	\$13,558.50 ⁽¹⁾

⁽¹⁾ The filing fee is calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

PROSPECTUS SUPPLEMENT

(To Prospectus dated October 17, 2007)

75,000,000 Shares

CIT Group Inc. Common Stock

We are offering 75,000,000 shares of our common stock, par value \$0.01 per share (the offering). 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 December 17, 2008 was \$4.48 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page S-17 of this prospectus supplement to read about factors that you should consider before buying our common stock.

		Per Share		Total
Public offering price	\$	4.00	\$	300,000,000
Underwriting discounts and commissions	\$	0.20	\$	15,000,000
Proceeds to us, before expenses	\$	3.80	\$	285,000,000

We have granted the underwriters an option for a period of 30 days from the date of this prospectus supplement to purchase from us up to 11,250,000 additional shares of our common stock at the public offering price, less the underwriting discounts and commissions, to cover over-allotments, if any.

This offering is conditioned upon the approval of CIT's application to become a bank holding company under the U.S. Bank Holding Company Act of 1956, as amended (the BHC Act). We expect that the Board of Governors of the Federal Reserve System (the Federal Reserve) will have ruled on our application to become a bank holding company under the BHC Act in time to allow for settlement of the offering on a customary timetable, provided approval of the application is granted.

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.

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Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of the offering and other matters relating to us and our financial condition. The second part is the accompanying base prospectus, which gives more general information about securities we may offer from time to time, some of which does not apply to the common stock we are offering. The information in this prospectus supplement replaces any inconsistent information included 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. You should read carefully both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading "Where You Can Find More Information" below.

Except 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 accompanying 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. You should not assume that the information contained or incorporated by reference in this prospectus supplement or in the accompanying prospectus is accurate as of any date other than the date on the front of each respective document.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. We are not making an offer of the common stock in any jurisdiction where the offer is not permitted. Persons who come into possession of this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying 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 accompanying 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 common stock. We are not making any representation to you regarding the legality of an investment in the common stock 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.

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WHERE YOU CAN FIND MORE INFORMATION

CIT is subject to the informational requirements of the Securities Exchange Act of 1934 (the Exchange Act) and in accordance therewith files reports and information statements and other information with the SEC. You may read and copy any document CIT files with the SEC at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, DC 20549. You may also obtain copies of the same documents from the public reference room of the SEC in Washington by paying a fee. Please call the SEC at 1-800-SEC-0330 or visit the SEC's website at www.sec.gov for further information on the public reference room. CIT's filings are also electronically available from the SEC's Electronic Document Gathering and Retrieval System, which is commonly known by the acronym EDGAR, and which may be accessed at www.sec.gov, as well as from commercial document retrieval services. You can also find information about us by visiting our website at www.cit.com. We have included our website address as an inactive textual reference only. Information on our website is not incorporated by reference into, and does not form a part of, this prospectus supplement or the accompanying prospectus.

We are incorporating by reference certain information we file with the SEC into this prospectus supplement and the accompanying prospectus, which means that we may disclose important information to you by referring you to those documents. Information that is incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus. Certain information that we file with the SEC after the date of this prospectus supplement and the accompanying prospectus and prior to the expiration or termination of the offering will automatically update and supersede the information included or incorporated by reference herein. We incorporate by reference into this prospectus supplement and the accompanying prospectus the documents listed below, which were filed with the SEC, and such documents form an integral part of this prospectus supplement and the accompanying prospectus:

- Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and Current Report on Form 8-K filed on November 6, 2008 (restating financial and other information included in Part I Item 1 and Part II Items 6, 7, 7A and 8 of the Form 10-K to give effect to the presentation of the home lending business as a discontinued operation);
- Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2008, June 30, 2008 and September 30, 2008;
- CIT's Definitive Proxy Statement filed with the SEC on March 25, 2008;
- our Current Reports on Form 8-K filed on December 17, 2008, December 16, 2008, December 2, 2008, November 25, 2008, November 18, 2008, November 17, 2008, November 13, 2008, October 16, 2008, October 3, 2008, October 2, 2008, September 8, 2008, July 17, 2008, July 1, 2008, June 16, 2008, June 9, 2008, May 12, 2008, April 25, 2008, April 22, 2008, April 18, 2008, April 17, 2008, April 3, 2008, March 20, 2008, March 14, 2008, March 12, 2008, March 4, 2008, February 26, 2008, February

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21, 2008, February 14, 2008, February 12, 2008, February 5, 2008, January 29, 2008, January 25, 2008, January 23, 2008, January 22, 2008, January 17, 2008 and January 11, 2008 and Current Reports on Form 8-K/A filed on February 6, 2008 (two reports), in each case excluding any information furnished under Item 2.02 or Item 7.01 of such Current Reports unless otherwise indicated therein; and

- the description of our common stock contained in Form 8-A filed on June 26, 2002, and any amendment or report filed under the Exchange Act for the purpose of updating such description.

We are also incorporating by reference any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of this prospectus supplement and the accompanying prospectus and prior to the expiration or termination of the offering, except that, unless otherwise indicated, we are not incorporating any information furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K.

Any statement contained in this prospectus supplement and the accompanying prospectus or in a document (or part thereof) incorporated or considered to be incorporated by reference in this prospectus supplement and the accompanying prospectus shall be considered to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained in this prospectus supplement and the accompanying prospectus or in any other subsequently filed document (or part thereof) that is or is considered to be incorporated by reference in this prospectus supplement and the accompanying prospectus modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. Any statement so modified or superseded shall not be considered, except as so modified or superseded, to constitute part of this prospectus supplement and the accompanying prospectus.

You may request a copy of these filings at no cost by writing or telephoning us at the following address or phone number:

Attention: Investor Relations
CIT Group Inc.
1 CIT Drive
Livingston, New Jersey 07039
(866) 542-4847

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 accompanying prospectus and the documents incorporated by reference in this prospectus supplement.

CIT Group Inc.

CIT Group Inc., a Delaware corporation, is a leading commercial finance company providing financing and leasing products and services to clients in a wide variety of industries around the globe. Diversification is a hallmark of CIT, with a broad range of financial services businesses serving customers in over 30 industries and 50 countries. The majority of our business focuses on commercial clients with a particular focus on middle-market companies. We serve a wide variety of industries. Our largest industries include transportation, particularly aerospace and rail, and a broad range of manufacturing and retailing. We also serve the wholesaling, healthcare, communications, media and entertainment and various service-related industries. Our U.S. Small Business Administration (SBA) preferred lender operations have been recognized as the nation's #1 SBA Lender (based on 7(a) program volume) in each of the last eight years.

Asset generation is a core strength of CIT. We source transactions through direct marketing efforts to borrowers, lessees, manufacturers, vendors, distributors and to end-users through referral sources and other intermediaries. In addition, our business units work together both in referring transactions between units (i.e., cross-selling) and by combining various products and services to meet our customers' overall financing needs. We also buy and sell participations in syndications of finance receivables and lines of credit and periodically purchase and sell finance receivables on a whole-loan basis.

Credit adjudication and servicing are also core strengths. We maintain disciplined underwriting standards and employ sophisticated portfolio risk management models to achieve desired portfolio demographics. Our collection and servicing operations are centralized across businesses and geographies providing efficient client interfaces and uniform customer experiences.

Corporate Finance

Our Corporate Finance segment provides a full spectrum of financing alternatives to borrowers ranging from small companies to large multinationals with emphasis on middle market companies. We service clients in a broad array of industries with specialized groups serving commercial and industrial; capital markets; communications, media and entertainment; energy; and healthcare sectors in the U.S. and abroad. We also provide collateralized and government-secured loans to small businesses (such as SBA loans), leveraging broker and intermediary relationships.

We offer loan structures ranging from working capital loans secured by accounts receivable and inventories, term loans secured by fixed assets to leveraged loans based on

operating cash flow and enterprise valuation. Loans may be fixed or variable rate, senior or subordinated, and revolving or term. Our clients typically use the proceeds for working capital, asset growth, acquisitions, debtor-in-possession financing, and debt restructurings. Additionally, we provide equipment lending and leasing products, including loans, leases, wholesale and retail financing packages, operating leases, and sale-leaseback arrangements to meet our customers' needs.

Transportation Finance

Our Transportation Finance segment specializes in providing customized leasing and secured financing primarily to end-users of aircraft, locomotives and railcars. Our transportation equipment financing products include short-term and long-term operating leases, single investor leases, sale and leaseback arrangements and equity portions of leveraged leases, as well as loans secured by equipment. Our equipment financing clients represent major and regional airlines worldwide, North American railroad companies, and middle-market to larger-sized aerospace and defense companies.

This segment has been servicing the aerospace and rail industries for many years and has built a global presence with operations in the United States, Canada, Europe and Asia. We have extensive experience in managing equipment over its full life cycle, including purchasing new equipment, equipment maintenance, estimating residual values and re-marketing by re-leasing or selling equipment.

The aerospace group offers commercial aircraft financing, business aircraft and aerospace and defense financing. It provides aircraft leasing and sales, asset management, finance, banking, technical and engineering, aircraft valuation and advisory services. The team has built strong relationships across the entire aerospace industry, including the major manufacturers, parts suppliers and carriers. These relationships provide us with access to technical information, which enhances our customer service and provides opportunities to finance new business. Our clients include major and regional airlines around the world.

Our dedicated rail equipment group maintains relationships with numerous leading railcar manufacturers and calls directly on railroads and rail shippers throughout North America.

Trade Finance

Our Trade Finance segment provides factoring, receivable and collection management products, and secured financing to businesses that operate in several industries including apparel, textile, furniture, home furnishings and electronics. Although primarily U.S.-based, we have increased our international business in Asia and Europe. CIT has many relationships with factors located throughout Asia, and from our full-service factoring company based in Frankfurt, Germany, we provide factoring and financing services to companies in Europe.

We offer a full range of domestic and international customized credit protection, lending and outsourcing services that include working capital and term loans, factoring, receivable management outsourcing, bulk purchases of accounts receivable, import and export financing and letter of credit programs.

Vendor Finance

We are a leading global vendor finance company with numerous vendor relationships and operations serving customers in over 30 countries. We have significant vendor programs in information technology, telecommunications equipment, healthcare and other diversified asset types across multiple industries. Through our global relationships with industry-leading equipment vendors, including manufacturers, dealers, and distributors, we deliver customized financing solutions to both commercial and consumer customers of our vendor partners in a wide array of programs.

Our vendor alliances feature traditional vendor finance programs, joint ventures, profit sharing and other transaction structures with large, sales-oriented partners. In the case of joint ventures, we engage in financing activities jointly with the vendor through a distinct legal entity that is jointly owned. We also use virtual joint ventures, by which we originate the assets on our balance sheet and share with the vendor the economic outcomes from the customer financing activity. A key part of these partnership programs is coordinating with the vendor's product offering systems to improve execution and reduce cycle times.

We performed goodwill and other intangible asset impairment testing at September 30, 2008 because of sharply diminished future earnings expectations in our vendor finance segment, coupled with the fact that peer market valuations are low and CIT's common stock had been trading below book value per share for four consecutive quarters. As a result of this testing, goodwill and other intangible asset impairment charges totaling \$455.1 million pretax were recorded, and the vast majority of the charges related to this segment.

Consumer

Our Consumer segment includes our liquidating student lending portfolio and certain vendor programs offered through CIT Bank, a Utah-based industrial bank with deposit-taking capabilities. Our consumer activities are principally focused on the U.S. market. Our student lending unit, which markets under the name Student Loan Xpress, offered student loan products, services, and solutions to students, parents, schools, and alumni associations. In April 2008, we ceased offering government-guaranteed student loans made under the Federal Family Education Loan Program, including consolidation loans, Stafford Loans, Parent Loans for Undergraduate Students (PLUS) and Grad PLUS. We also discontinued offering private loans during 2007. The majority of our student loan portfolio is consolidation loans, but our portfolio also includes Stafford and PLUS loans. Most of our student loan portfolio is serviced in-house from our Cleveland facility.

CIT Bank, with total assets of \$3.1 billion and deposits of \$2.2 billion as of September 30, 2008, is located in Salt Lake City, Utah. Since its inception, the bank had been primarily funding consumer type loans. During late 2007, we refined the Bank's focus to fund commercial assets and have commenced originating corporate loans. The Bank is chartered by the state of Utah as an industrial bank and is subject to regulation and examination by the Federal Deposit Insurance Corporation (the FDIC) and the Utah Department of Financial Institutions. In connection with CIT becoming a bank holding company, on November 12, 2008, CIT Bank, currently a Utah industrial bank, applied to convert into a Utah state chartered bank. Although

CIT Bank previously applied to be a state member bank of the Federal Reserve System, the Company subsequently has determined to withdraw the application. The Company does not believe that this will adversely impact the benefits of becoming a bank holding company. See *Recent Developments Application to Become a Bank Holding Company* and *Recent Developments Regulatory Update*.

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

Recent Developments

Actions Relating to Liquidity and Capital Resources

CIT's funding strategy and liquidity position have been adversely affected by the ongoing stress in the credit markets that began in the middle of 2007 and reached unprecedented levels during recent months. The capital markets have remained highly volatile with liquidity significantly reduced. These conditions have resulted in increased borrowing costs and have curtailed our ability to access the unsecured debt markets in a cost-effective manner. During this period, our top priority has been to ensure that we restore adequate, reliable access to liquidity. To further support funding and liquidity at CIT, we have recently taken a number of measures, including:

- Sold CIT's home lending business and manufactured housing portfolio in early July, with substantially all of the \$1.8 billion in cash proceeds received and all \$4.3 billion of the related secured debt transferred. CIT no longer has direct exposure to this asset class.
- Sold other assets, including syndicated loans, asset-based loans and aircraft for approximately \$2.9 billion in proceeds.
- Refinanced approximately \$6 billion of secured funding facilities, including approximately \$4 billion of conduit facilities that finance on-balance sheet government-guaranteed student loans and a \$2 billion conduit facility to finance equipment loans and leases.
- Received approximately half of a \$3 billion long-term, financing facility from Goldman Sachs, structured and documented as a total return swap.
- Issued approximately \$800 million of deposits, consisting of \$700 million of time deposits and the remainder in brokerage sweep accounts, through CIT Bank, our Utah-based industrial bank.
- Borrowed approximately \$400 million under a secured aircraft financing facility, under which we expect to finance an additional \$1.1 billion of Airbus plane deliveries through the end of 2009.

- Entered into an agreement with Wells Fargo Bank for a \$500 million secured lending facility.
- Executed certain equipment secured financings resulting in \$400 million in proceeds.

To further support funding and liquidity at CIT we are taking additional measures, including the offering, the Subordinated Notes Exchange (as defined below), the Equity Unit Exchange (as defined below), the submission of our application to the Federal Reserve to become a bank holding company under the BHC Act, the submission of our application to the U.S. Treasury to sell perpetual preferred stock to the U.S. Treasury pursuant to the Capital Purchase Program (as defined below) and discussions with the FDIC regarding CIT's possible participation in the FDIC's Temporary Liquidity Guarantee Program (the TLG Program). We discuss in greater detail each of these actions (other than the offering) below.

Application to Become a Bank Holding Company

On November 12, 2008, CIT submitted an application to the Federal Reserve for approval to become a bank holding company under the BHC Act. CIT is seeking this new status from the Federal Reserve to obtain maximum flexibility and stability to pursue new business opportunities as the financial marketplace undergoes rapid and profound changes. If approved, we believe that conversion to a bank holding company would provide CIT with expanded opportunities for funding. In connection with CIT becoming a bank holding company, on November 12, 2008, CIT Bank, currently a Utah industrial bank, applied to convert into a Utah state bank. Although CIT Bank previously applied to be a state member bank of the Federal Reserve System, the Company subsequently has determined to withdraw the application. The Company does not believe that this will adversely impact the benefits of becoming a bank holding company. See also Regulatory Update and Risk Factors Risks Related to Our Becoming a Bank Holding Company.

In connection with CIT's application to become a bank holding company and CIT Bank's application to convert CIT Bank to a Utah state bank, CIT has also applied to the Federal Reserve for an exemption on behalf of CIT and CIT Bank from Section 23A of the Federal Reserve Act (Section 23A). Section 23A contains quantitative limitations on certain transactions between a member bank and its affiliates. CIT is seeking the exemption for a one-time series of assets transfers of up to \$30 billion in the aggregate that would otherwise exceed the quantitative limits as part of a strategic reorganization intended to gradually shift its primary operating platform to CIT Bank. CIT has proposed a plan to the Federal Reserve to move assets to CIT Bank in stages over a period of one year and in a manner that is acceptable to the regulators and has also made certain commitments to the Federal Reserve to ensure that the transfer of assets is safe and sound for CIT Bank. If our application on behalf of CIT Bank for an exemption under Section 23A of the Federal Reserve Act is granted in full, the Company plans to transfer up to approximately \$30 billion of assets of the Corporate Finance, Trade Finance, Consumer, Vendor Finance, Transportation Finance and Government Guaranteed Student Loan businesses to CIT Bank. No assurances can be given that the Federal Reserve will grant CIT's request, in whole or in part, for an exemption from Section 23A, or that such request

will be granted on the terms and conditions requested by CIT or that all assets can be transferred to CIT Bank.

Following the conversion to a bank holding company, the Federal Reserve will have authority to conduct on-site examinations of CIT and any of its affiliates, subject to coordinating with any state or federal functional regulator of any particular affiliate. It is possible that certain of CIT's existing businesses will not be deemed to be permissible for bank holding companies. If so, CIT will be required to divest them prior to the expiration of the statutory grace period of two years, with the possibility of three one-year extensions for a total maximum grace period of five years. CIT does not believe that such required divestments, if any, will have a material adverse effect on its financial condition or results of operations. CIT has agreed to maintain at least a 13% Total Capital Ratio until the Federal Reserve grants relief from this commitment. CIT committed to the FDIC to maintain at least a 15% Tier 1 Capital Ratio at CIT Bank for three years.

This offering is the final element of CIT's plan to raise the regulatory capital required by the plan it presented to the Federal Reserve in connection with its application to become a bank holding company under the BHC Act. This multi-step plan includes, in addition to this offering:

- the exchange up to \$1,700,000,000 of certain outstanding notes of CIT for either newly issued Subordinated Notes (as defined below) or a combination of up to \$550 million of cash and up to \$1.15 billion of Subordinated Notes (as defined below) at the option of the eligible holders pursuant to an exchange offer which expires December 19, 2008 and which is expected to close, if the applicable conditions are met, on a customary settlement timetable, and
- the exchange of 19.6 million outstanding equity units of CIT, stated amount \$25 per unit, for an aggregate of \$81,758,078 in cash and 14,012,519 shares of CIT common stock pursuant to an exchange offer that expired December 15, 2008 and which is expected to close on December 18, 2008.

Upon the successful completion of this offering, CIT expects that it will have raised an amount of regulatory capital satisfactory to the Federal Reserve and that the Federal Reserve will approve its application to become a bank holding company under the BHC Act. However, there can be no assurances that the capital raising plan presented to the Federal Reserve, or its successful execution, will be sufficient to gain its approval of our application to become a bank holding company. The closing of this offering is conditioned upon approval by the Federal Reserve of CIT's application to become a bank holding company under the BHC Act. Unless we also receive a commitment from the U.S. Treasury to purchase our perpetual preferred stock pursuant to the Capital Purchase Program (as defined below), we do not expect to qualify for bank holding company status.

Regulatory Update

In connection with its application to become a bank holding company, CIT also

applied to the Federal Reserve to become a state member bank of the Federal Reserve System and to become a financial holding company under the BHC Act. As a result of discussions with the Federal Reserve, on December 16, 2008, CIT withdrew its applications to become a state member bank and to become a financial holding company. The Company does not believe that failure to become a state member bank or a financial holding company will have a material adverse effect on its business or results of operations. As a result of withdrawing its application for membership in the Federal Reserve System, CIT Bank's primary Federal bank regulator will continue to be the FDIC if CIT becomes a bank holding company. If CIT had been granted financial holding company status, it would have been allowed to engage in a broader range of financial services activities than those permitted for bank holding companies that do not have financial holding company status. Currently, almost all of CIT's activities are permissible for bank holding companies that do not have financial holding company status. The activities potentially affected by the withdrawal of the financial holding company application are primarily related to CIT's insurance business. If CIT is not approved as a financial holding company within the next two years, it is likely that CIT would be required to discontinue a portion of our insurance business and any other impermissible businesses currently conducted by CIT, which we do not believe would have a material adverse financial impact on the Company. There can be no assurances that the Federal Reserve will approve our application to become a bank holding company or any future application to become a financial holding company. See Risk Factors Risks Related to our Becoming a Bank Holding Company and Risk Factors Risks Related to our Application to Become a Financial Holding Company.

In connection with the withdrawal of its application to become a financial holding company under the BHC Act, CIT amended certain terms of its Subordinated Notes Exchange (as defined below) and extended the expiration date of the Subordinated Notes Exchange. See Subordinated Notes Exchange.

Subordinated Notes Exchange

On November 17, 2008, as amended on December 2, 2008 and supplemented on December 17, 2008, CIT offered eligible holders the opportunity to exchange up to \$1,700,000,000 of certain outstanding notes (the old notes) of CIT for either (i) newly issued 12% Subordinated Notes due 2018 (the Subordinated Notes), or (ii) a combination of cash and Subordinated Notes at the option of the eligible holders. The total amount of cash that can be paid pursuant to the Subordinated Notes Exchange is \$550,000,000 and the total amount of Subordinated Notes that can be issued is \$1,150,000,000, on the terms and conditions set forth in the confidential offering memorandum related to such offers (the Subordinated Notes Exchange).

The closing of the Subordinated Notes Exchange was previously conditioned upon the satisfaction or waiver of certain conditions, including the approval by the Federal Reserve of CIT's application to become a bank holding company and a financial holding company under the BHC Act. As a result of discussions with the Federal Reserve, CIT withdrew its application to become a financial holding company. See Regulatory Update. Therefore, CIT amended the condition to the closing of the Subordinated Notes Exchange to remove that it be approved by the Federal Reserve as a financial holding company under the BHC Act. The offer remains conditioned on CIT being approved by the Federal Reserve as a bank holding company under the BHC Act, and the purchase or commitment to purchase by the U.S. Treasury CIT's perpetual

preferred stock pursuant to the Capital Purchase Program created under the Emergency Economic Stabilization Act of 2008 (the Capital Purchase Program). The condition that CIT be approved as a bank holding company is a condition for the benefit of eligible holders and cannot be waived by CIT. In connection with the removal of the financial holding company condition, CIT extended withdrawal rights available to holders who had already tendered into the Subordinated Notes Exchange until 4:00 PM EST on December 17, 2008. See Risk Factors Risks Related to our Becoming a Bank Holding Company and Risk Factors Risks Related to Our Application to Become a Financial Holding Company.

The original expiration date of the Subordinated Notes Exchange was 11:59 p.m. EST on December 15, 2008. CIT has extended the expiration date of the Subordinated Notes Exchange to 5:00 p.m. EST on December 19, 2008 and assuming satisfaction of the remaining conditions to the offer, the Subordinated Notes Exchange is expected to close on a customary settlement timetable. At the time the extended withdrawal period expired, approximately \$2.341 billion in aggregate principal amount of old notes had been tendered and not withdrawn, which CIT expects will generate up to \$1.15 billion of additional regulatory capital.

Equity Unit Exchange

On November 17, 2008, CIT offered holders the opportunity to exchange any and all equity units of CIT, stated amount \$25 per unit, that are in the form of corporate units (the Equity Units), for a combination of \$4.00 in cash and 0.7147 shares of CIT common stock, plus accrued but unpaid interest, per corporate unit, on the terms and conditions set forth in the offer to exchange related to such offer (the Equity Unit Exchange). The Equity Unit Exchange expired at 11:59 p.m. EST on December 15, 2008. Based on the exchange agent s revised preliminary count, 19,606,213 Equity Units were validly tendered and not withdrawn as of the expiration date. In the aggregate, the Equity Unit Exchange is expected to result in the retirement of \$490,155,325 of equity units, the issuance of 14,012,519 shares of common stock and the payment of \$81,758,078 in cash to investors that properly tendered and did not validly withdraw their Equity Units. The closing of the Equity Unit Exchange is subject to customary closing conditions and is expected to close on December 18, 2008. Approximately \$408 million of regulatory capital is expected to be generated by the Equity Unit Exchange.

Restructuring of Securitization Facility

On December 11, 2008, CIT completed the restructuring of an existing off-balance sheet securitization conduit of consumer finance receivables. The restructuring resulted in approximately \$1.8 billion of assets and approximately \$0.8 billion of liabilities in the conduit structure being put back on CIT s consolidated balance sheet. The effect was to reduce the effective amount of risk-weighted assets, thereby improving the company s regulatory capital ratios.

Proposed Issuance of Perpetual Preferred Stock Pursuant to the Capital Purchase Program

In October 2008, Congress passed the Emergency Economic Stabilization Act of 2008, under which the Troubled Asset Relief Program (the "TARP") and the Capital Purchase Program have been created. Under the Capital Purchase Program, the U.S. Treasury may purchase senior perpetual preferred stock on standardized terms from qualifying financial institutions, including bank holding companies. The U.S. Treasury may purchase an amount of senior perpetual preferred stock of a participating qualifying financial institution equal to not less than 1% of its risk-weighted assets and not more than the lesser of (i) \$25 billion and (ii) 3% of its risk-weighted assets. If we were to participate in the program, the perpetual preferred stock we issue to the U.S. Treasury will rank senior to our common stock and *pari passu* with our existing preferred stock. The perpetual preferred stock will pay a cumulative dividend rate of 5% per annum for the first five years and would reset to a rate of 9% per annum thereafter, payable quarterly in arrears. In conjunction with the purchase of senior perpetual preferred stock from a qualifying financial institution, the U.S. Treasury will receive warrants to purchase a number of shares of common stock with an aggregate market price equal to 15% of the amount of the U.S. Treasury's senior preferred investment. See "Description of Perpetual Preferred Stock to be Issued Pursuant to Capital Purchase Program."

On November 12, 2008, CIT submitted an application to participate in, and requested an investment under, the Capital Purchase Program. The application requested that the U.S. Treasury purchase \$2.5 billion of perpetual preferred stock of CIT consistent with the guidelines established by the U.S. Treasury. There can be no assurances as to when or if we will be successful with respect to our application to participate in the Capital Purchase Program or if we will receive the amount of investment sought. See "Description of Perpetual Preferred Stock to be Issued Pursuant to Capital Purchase Program."

Obtaining Eligibility for the FDIC's Temporary Liquidity Guarantee Program

On November 26, 2008, the FDIC adopted a Final Rule establishing the TLG Program. The TLG Program includes (i) a debt guarantee program (the "Debt Guarantee Program"), by which the FDIC will guarantee the payment of certain newly-issued senior unsecured debt, and (ii) the Transaction Account Guarantee Program, by which the FDIC will guarantee certain non-interest-bearing transaction accounts. On November 12, 2008, pursuant to a previous interim rule, CIT notified the FDIC of its intent to participate in the Debt Guarantee Program. Based on the amount of our unsecured indebtedness outstanding at September 30, 2008 that matures before June 30, 2009, approximately \$10 billion is the amount of indebtedness that we could issue pursuant to the Debt Guarantee Program if we are eligible to participate and the FDIC allows us to participate at the full amount of our eligibility. Because we were not a bank holding company on December 5, 2008, our ability to participate in the Debt Guarantee Program is at the discretion of the FDIC. As of the date of this offering, CIT has not received any assurance from the FDIC that CIT will be eligible to participate in the TLG Program and there can be no assurance that the FDIC will permit CIT to participate in the TLG Program or if allowed to participate will be allowed to participate in a meaningful amount.

Expected Effects on Our Liquidity and Capital Resources

The offering, the Subordinated Notes Exchange, the Equity Unit Exchange and participation in the Capital Purchase Program and TLG Program, if successful, will increase CIT's capital levels and will also reduce the amount of its outstanding debt. These recapitalization actions are a condition to our becoming a bank holding company under the BHC Act and, if the offering and the other actions described above are not completed, there can be no assurance that CIT will be able to take alternative steps to meet the capital requirements of the BHC Act. Upon the successful completion of the Subordinated Notes Exchange, the Equity Unit Exchange and this offering, we expect that we will have raised an amount of regulatory capital satisfactory to the Federal Reserve. However, we have no assurances that the successful execution of the capital raising plan presented to the Federal Reserve will be sufficient to gain its approval of our application to become a bank holding company.

Even assuming the successful implementation of all of the actions described above, CIT may be required to execute asset sales or other capital generating actions over and above its normal finance activities to provide additional liquidity and repay debt as it matures. In addition, if CIT becomes a bank holding company and, in the future, a financial holding company and over time fails to maintain regulatory capital requirements, CIT may be subject to serious consequences ranging in severity from being precluded from making acquisitions to becoming subject to formal and informal enforcement actions and CIT Bank may become subject to FDIC receivership.

Potential Dividend Reduction or Elimination

Management is considering whether to make a recommendation to the board of directors to reduce or eliminate dividends for the fourth quarter of fiscal year 2008. However, management has not made a decision whether or not to recommend any such reduction or elimination of dividends to the board of directors at this time, and if management elects to make such a recommendation, no final decision will be made by our board of directors until January 2009.

Other Recent Financial Information

We expect to record a significant loss for the quarter ending December 31, 2008, primarily due to a significant increase in our reserve for credit losses. This anticipated loss is expected to be partially offset by gains on debt extinguishment associated with the Equity Unit Exchange. The anticipated fourth quarter results also reflect further net interest margin compression and the potential write-off of selected account reconciliation differences, primarily in our European Vendor Finance business. We are currently executing a comprehensive work plan to update the reconciliations and are assessing the status of our internal controls for our European Vendor Finance business. The projected increase in the provision for credit losses reflects the economic environment and the resulting increase in delinquency rates and non-performing assets. As a result, we expect our total 2008 net charge-offs to be higher than our previous full year guidance of 80 to 85 basis points. We also expect 2009 net charge-offs to be higher than 2008 net charge-offs. The expected decline in net finance revenue (our margin) reflects the utilization of higher-cost funding sources, the cost of maintaining excess liquidity and the higher level of non-performing assets. Results for the quarter will also reflect lower asset levels, as we continue to manage down new business volume and lower operating expenses, primarily reflecting lower headcount.

THE OFFERING

Common stock offered	75,000,000 shares of common stock, par value \$0.01 per share.
Over-allotment option	We have granted the underwriters an option for a period of 30 days from the date of this prospectus supplement to purchase from us up to 11,250,000 additional shares of our common stock at the public offering price, less the underwriting discounts and commissions, to cover over-allotments, if any.
Common stock outstanding after this offering	377,395,431 shares of common stock outstanding (or 388,645,431 shares of common stock if the underwriters exercise their over-allotment option in full).
Use of proceeds	We estimate that the net proceeds of this offering will be approximately \$285,000,000 after deducting underwriting discounts and commissions, but before expenses (or approximately \$327,750,000 if the underwriters exercise their over-allotment option in full). We intend to use the net proceeds from this offering for general corporate purposes, including the payment of dividends on our outstanding preferred stock and the payment of interest on our outstanding junior subordinated notes for the first quarter of 2009 in an amount of approximately \$33 million.
Condition to Closing	This offering is conditioned upon the approval of CIT's application to become a bank holding company under the BHC Act. Unless we also receive a commitment from the U.S. Treasury to purchase our perpetual preferred stock pursuant to the Capital Purchase Program, we do not expect to qualify for bank holding company status.
Risk factors	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 our common stock.

New York Stock Exchange symbol

CIT

Relationships with the Underwriters

Affiliates of J.P. Morgan Securities Inc., Banc of America Securities LLC and Citigroup Global Markets Inc. provide a variety of financial services to us and are principal lenders under our credit agreements and other liquidity facilities.

The number of shares of our common stock outstanding immediately after the closing of this offering is based on 288,382,912 shares of common stock outstanding as of November 30, 2008 and include 14,012,519 shares of common stock to be issued pursuant to the Equity Unit Exchange and excludes (i) 8,245,012 shares of common stock reserved for issuance under our long-term incentive plans, (ii) 16,657,072 shares that were subject to outstanding options at a weighted average exercise price of \$31.74 per share as of November 30, 2008, (iii) 203,481 shares of common stock reserved for issuance under our employee stock purchase plan, (iv) 254,805 shares of restricted stock, (v) 4,295,046 shares of restricted stock units and performance share units, (vi) any shares issuable upon conversion of our 8.75% Non-Cumulative Perpetual Convertible Preferred Stock, Series C or our outstanding equity units, and (vii) any shares issuable upon exercise of any warrants that we may issue in connection with the proposed sale of perpetual preferred stock to the U.S. Treasury.

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RISK FACTORS

Investing in our common stock involves a high degree of risk. You should be aware of, and carefully consider, the following risk factors, along with all of the other information provided or referred to in this prospectus supplement, the accompanying prospectus, and the documents incorporated by reference herein, before investing in the common stock offered hereby. If any of the following events actually occurs, 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 our common stock. You may lose all or part of your investment.

RISKS RELATED TO OUR COMMON STOCK

The following risks specifically apply only to holders of common stock issued in the offering and should be considered along with the other risk factors. You should also review the risks attendant to being an investor in our common stock that are described in Risk Factors in Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2008, filed on November 10, 2008, which is incorporated by reference herein.

The common stock is an equity security and is subordinate to our existing and future indebtedness.

The shares of common stock are equity interests. This means the shares of common stock will rank junior to all of our preferred stock, to our indebtedness and to other non-equity claims on us and our assets available to satisfy claims on us, including claims in a bankruptcy or similar proceeding. Our existing and future indebtedness may restrict payment of dividends on the common stock.

Additionally, unlike indebtedness, where principal and interest customarily are payable on specified due dates, in the case of common stock, (i) dividends are payable only when and if declared by our board of directors or a duly authorized committee of the board and (ii) as a corporation, we are restricted to only making dividend payments and redemption payments out of legally available assets. Further, the common stock places no restrictions on our business or operations or on our ability to incur indebtedness or engage in any transactions, subject only to the voting rights available to stockholders generally.

The market price of our common stock may be adversely affected by market conditions affecting the stock markets in general, including price and trading fluctuations on the New York Stock Exchange.

The market price of our common stock may be adversely affected by market conditions affecting the stock markets in general, including price and trading fluctuations on the New York Stock Exchange. These conditions may result in (i) volatility in the level of, and fluctuations in, the market prices of stocks generally and, in turn, our common stock and (ii) sales of substantial amounts of our common stock in the market, in each case that could be unrelated or disproportionate to changes in our operating performance.

There may be future sales or other dilution of our equity, which may adversely affect the market price of our common stock.

We are not restricted from issuing additional common stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock or any substantially similar securities. The market price of our common stock could decline as a result of sales of a large number of shares of common stock or similar securities in the market after this offering or the perception that such sales could occur.

Although we have paid cash dividends in the past, we may not pay cash dividends in the future.

We have a history of paying dividends to our stockholders when sufficient cash is available. However, future cash dividends will depend upon our results of operations, financial condition, cash requirements and other factors, including the ability of our subsidiaries to make distributions to us, which ability may be restricted by statutory, contractual or other constraints. Also, there can be no assurance that we will continue to pay dividends even if the necessary financial conditions are met and if sufficient cash is available for distribution. Management is considering whether to make a recommendation to the board of directors to reduce or eliminate dividends for the fourth quarter of fiscal year 2008. However, management has not made a decision whether or not to recommend any such reduction or elimination of dividends to the board of directors at this time, and if management elects to make such a recommendation, no final decision will be made by our board of directors until January 2009.

If the U.S. Treasury purchases our perpetual preferred stock pursuant to the Capital Purchase Program, we will be subject to restrictions on our ability to pay dividends.

For as long as any of our perpetual preferred stock issued pursuant to the Capital Purchase Program is outstanding, unless we have fully paid all of our dividend obligations under the perpetual preferred stock issued pursuant to the Capital Purchase Program, (i) no dividends may be declared or paid on our junior preferred stock, preferred stock ranking *pari passu* with the perpetual preferred stock issued pursuant to the Capital Purchase Program, or our common stock (other than, in the case of preferred shares ranking *pari passu* with the perpetual preferred stock issued pursuant to the Capital Purchase Program, dividends on a pro rata basis with the perpetual preferred stock) and (ii) we may not repurchase or redeem any junior preferred stock, preferred stock ranking *pari passu* with the perpetual preferred stock or common stock. The consent of the U.S. Treasury will be required for any increase in common dividends per share until the third anniversary of the date of the investment unless prior to such third anniversary the perpetual preferred stock issued pursuant to the Capital Purchase Program is redeemed in whole or the U.S. Treasury has transferred all of the perpetual preferred stock to third parties.

RISKS RELATED TO OUR BECOMING A BANK HOLDING COMPANY

Our business, financial condition and results of operations could be adversely affected by regulations to which we are and will become subject as a result of becoming a bank holding company, by new regulations or by changes in other regulations or the application thereof.

On November 12, 2008, we filed an application with the Federal Reserve to become a bank holding company. The application is pending with the Federal Reserve and may not ultimately be approved. If our application is approved, we expect to be able to continue to engage in most of the activities in which we currently engage. However, it is possible that certain of our existing businesses will not be deemed to be permissible under applicable regulations if our application is successful. In addition, if we successfully convert into a bank holding company, we will be subject to the comprehensive, consolidated supervision of the Federal Reserve, including risk-based and leverage capital requirements and information reporting requirements. This regulatory oversight is established to protect depositors, federal deposit insurance funds and the banking system as a whole, not security holders. In addition, as a result of discussions with the banking regulators, we are implementing a comprehensive compliance management program, which includes, among other things, strengthening management of CIT Bank and hiring additional personnel.

The financial services industry, in general, is heavily regulated. Proposals for legislation further regulating the financial services industry are continually being introduced in the United States Congress and in state legislatures. The agencies regulating the financial services industry also periodically adopt changes to their regulations. In light of current conditions in the U.S. financial markets and economy, regulators have increased the invasiveness of their supervision and their regulation of the financial services industry. In addition, in October 2008, Congress passed the Emergency Economic Stabilization Act of 2008, which in turn created the TARP and the Capital Purchase Program. Similarly, there is a substantial prospect that Congress will restructure the regulation and supervision of financial institutions in the foreseeable future. We are unable to predict how this increased supervision and regulation will be fully implemented or in what form, or whether any additional or similar changes to statutes or regulations, including the interpretation or implementation thereof, will occur in the future. Any such action could affect us in substantial and unpredictable ways and could have an adverse effect on our business, financial condition and results of operations.

We are also affected by the policies adopted by regulatory authorities and bodies of the United States and other governments. For example, the actions of the Federal Reserve and international central banking authorities directly impact our cost of funds for lending, capital raising and investment activities and may impact the value of financial instruments we hold. In addition, such changes in monetary policy may affect the credit quality of our customers. Changes in domestic and international monetary policy are beyond our control and difficult to predict.

In connection with our application to become a bank holding company under the BHC Act, we presented to the Federal Reserve a plan to raise the required regulatory capital and committed to the Federal Reserve to execute the plan prior to converting CIT Bank from a Utah industrial bank to a Utah state bank. This multi-step plan includes the Subordinated Notes Exchange, the Equity Unit Exchange, and this public offering of shares of our common stock. Upon the successful completion of this offering, we expect that we will have raised an amount of regulatory capital satisfactory to the Federal Reserve. However, we have no assurances that the capital raising plan presented to the Federal Reserve, or its successful execution, will be sufficient to gain its approval of our application to become a bank holding company. In addition, if the offering, the Subordinated Notes Exchange and the Equity Unit Exchange are not

completed, there can be no assurance that we will be able to take alternative steps to meet the capital requirements of the BHC Act.

If we do not maintain appropriate regulatory capital levels, there could be an adverse effect on the manner in which we do business.

Under regulatory capital adequacy guidelines, CIT and its principal banking subsidiary, CIT Bank, will be required to meet guidelines that involve quantitative measures of assets, liabilities and certain off-balance sheet items. Failure to meet and maintain the appropriate capital levels could affect our status as a bank holding company and eligibility for a streamlined review process for acquisition proposals, have a material effect on our financial condition, and subject us to a variety of enforcement actions, as well as certain restrictions on our business. In addition to being well-capitalized, CIT and CIT Bank will be subject to guidelines that involve qualitative judgments by regulators about the entities' status as well-managed and the entities' compliance with Community Reinvestment Act obligations.

If we are unable to obtain sufficient capital pursuant to this offering, the Subordinated Notes Exchange and the Equity Unit Exchange or are unable to satisfy regulatory capital requirements in the future, we could become subject to enforcement actions and CIT Bank may become subject to FDIC receivership.

If we do not obtain sufficient capital in this offering, the Subordinated Notes Exchange and the Equity Unit Exchange, are not able to access the Capital Purchase Program or are otherwise unable to satisfy regulatory capital requirements applicable to bank holding companies following conversion to a bank holding company or in the future, we may become subject to enforcement actions (including CIT Bank becoming subject to FDIC receivership) or be otherwise unable to successfully execute our business plan. In addition, even if we are able to obtain sufficient capital in this offering, the Subordinated Notes Exchange and the Equity Unit Exchange, through the Capital Purchase Program or through other means, if unanticipated market factors emerge and/or we are unable to access the credit markets to meet our capital and liquidity needs in the future, we may become precluded from making acquisitions, may be subject to formal and informal enforcement actions by the Federal Reserve, CIT Bank may be placed in FDIC receivership or suffer other consequences, and such actions could impair us from successfully executing our business plan and have a material adverse effect on our business, results or operation and financial position.

We may not be successful in implementing our business plan as a bank holding company.

Even if we are successful in becoming a bank holding company, we may not be able to successfully implement our business plan. As a bank holding company, we intend to undertake new business activities and doing so is subject to inherent risks. There can be no assurance that we will be able to execute on these plans in a timely manner, if at all.

RISKS RELATED TO OUR APPLICATION TO BECOME A FINANCIAL HOLDING COMPANY

Financial holding company status is required for CIT to engage in certain activities, and without financial holding company status, CIT may be required to discontinue certain of its activities.

In connection with our application to become a bank holding company on November 12, 2008, we provided the Federal Reserve with our election letter to become a financial holding company. On December 16, 2008, CIT withdrew its application to become a financial holding company. See Recent Developments Regulatory Update. If CIT had been granted financial holding company status, it would have been allowed to engage in a broader range of financial services activities than those permitted for bank holding companies that do not have financial holding company status. The activities potentially affected by the withdrawal of the financial holding company application are primarily related to CIT's insurance business. If CIT does not become a financial holding company within the next two years, it is likely that CIT would be required to discontinue a portion of its insurance business and any other impermissible activities currently conducted by CIT. There can be no assurances that any future application that CIT elects to submit to become a financial holding company will be approved.

If CIT becomes a financial holding company in the future, and if we do not maintain appropriate regulatory capital levels, there could be an adverse effect on the manner in which we do business.

If CIT elects in the future to submit an application to the Federal Reserve to become a financial holding company under the BHC Act, and if such application is approved, in addition to being subject to the comprehensive, consolidated supervision of the Federal Reserve, including the risk-based and leverage capital requirements and information reporting requirements, a financial holding company and its subsidiary banks have to maintain appropriate regulatory capital levels. Under regulatory capital adequacy guidelines, CIT and its principal banking subsidiary, CIT Bank, will be required to meet guidelines that involve quantitative measures of assets, liabilities and certain off-balance sheet items. Failure to meet and maintain the appropriate capital levels could affect our status as a financial holding company and eligibility for a streamlined review process for acquisition proposals, have a material adverse effect on our financial condition, and subject us to a variety of enforcement actions, as well as certain restrictions on our business. In addition to being well-capitalized, CIT and CIT Bank will be subject to guidelines that involve qualitative judgments by regulators about the entities' status as well-managed and the entities' compliance with Community Reinvestment Act obligations.

RISKS RELATED TO OUR BUSINESS

Our liquidity or ability to raise debt may be limited.

Our business model depends upon access to the debt capital markets to provide sources of liquidity and efficient funding for asset growth. These markets have exhibited heightened volatility and dramatically reduced liquidity. Liquidity in the debt capital markets has become significantly more constrained and interest rates available to us have increased significantly relative to benchmark rates, such as U.S. treasury securities and LIBOR. Recent downgrades in

our short and long-term credit ratings have worsened these general conditions and had the practical effect of leaving us without current access to the commercial paper market and unsecured term debt markets, which were historical sources of liquidity for us, and necessitated our action to draw down on our bank credit facilities. As a result of these developments, we are not currently accessing the commercial paper and unsecured term debt markets and have shifted our funding sources primarily to secured borrowings, including both on-balance sheet and off-balance sheet securitizations. For some segments of our business, secured funding is significantly less efficient than unsecured debt facilities. Further, while we have remaining capacity with respect to this funding source, there are limits to the amount of assets that can be encumbered without affecting our ability to maintain our debt ratings at various levels. Additional adverse developments in the economy, long-term disruption in the capital markets, deterioration in our business performance or further downgrades in our credit ratings could further limit our access to these markets and increase our cost of capital. If any one of these developments occurs, or if we are unable to regain access to the commercial paper or unsecured term debt markets, it would adversely affect our business, operating results and financial condition.

Our ability to satisfy our cash needs may also be constrained by regulatory or contractual restrictions on the manner in which we may use portions of our cash on hand. For example, our total cash position at September 30, 2008 included cash and short-term investments at CIT Bank and restricted cash largely related to securitization transactions. The cash and investments at CIT Bank are available solely for the bank's funding and investment requirements. The restricted cash related to securitization transactions is available solely for payments to certificate holders. The cash and investments of the bank and the restricted cash related to securitization transactions cannot be transferred to or used for the benefit of any other affiliate of ours.

In addition, as part of our business we extend lines of credit, some of which can be drawn by the borrowers at any time. If the borrowers on these lines of credit access these lines or increase their rate of borrowing either as a result of their business needs or due to a perception that we may be unable to fund these lines of credit in the future, this could degrade our liquidity position substantially which could have a material adverse effect on our business.

Efforts to expand our deposit-taking capabilities and take other measures to maintain adequate liquidity may be unsuccessful.

We are in the process of exploring a variety of options that would allow us to expand our deposit-taking capabilities, to potentially benefit from certain recently announced U.S. government programs to support financial institutions, or to execute on other measures designed to manage our liquidity position, including converting CIT Bank from a Utah industrial bank into a Utah state bank, applying for participation in the Capital Purchase Program and potential asset sales or secured financings or acquisitions of other banking institutions. Each of these measures is subject to a number of uncertainties, including but not limited to obtaining government approvals for certain measures and locating a suitable transaction counterparty for other measures. In addition, we may face strong competition for deposits from other new and existing bank holding companies similarly seeking larger and more stable pools of funding. There are significant risks that we will not execute these changes successfully, even if we obtain all the necessary approvals or locate suitable transaction counterparties. Further, if we are successful in

implementing any of these options, they may not achieve their anticipated benefits. A failure to successfully implement some or all of the options we are exploring could have a material adverse effect on our business.

We may also raise additional equity capital through the sale of common stock, preferred stock, or securities that are convertible into common stock, which may or may not be done in connection with some of the options we are exploring. Except for listing requirements of the New York Stock Exchange, we do not believe that currently we would be restricted from entering into the sale of any such equity securities in either public or private transactions. The listing rules of the New York Stock Exchange may require shareholder approval of transactions involving the issuance of 20% or more of the voting power or number of shares outstanding. The terms of any such equity transactions may subject existing shareholders to potential subordination or dilution and may involve a change in governance.

Even if our application to become a bank holding company is approved, we may not obtain approval to participate in the Capital Purchase Program, the TLG Program or otherwise gain access to government programs.

Obtaining bank holding company status and eligibility to participate in the Capital Purchase Program and the TLG Program are subject to the approval of various governmental authorities, including the Board of Governors of the Federal Reserve, the U.S. Treasury and the FDIC and such approvals are subject to numerous conditions. The Federal Reserve has informed us that it will require us to implement certain actions prior to gaining approval. Among other things, such actions may include (i) achieving a specified aggregate amount of outstanding capital (which will be obtained as a result of this offering, the Subordinated Notes Exchange and the Equity Unit Exchange, if successful), including a specified amount of new capital from third parties or existing equity holders that will qualify as Tier 1 capital under the BHC Act and be acceptable to the Federal Reserve (which capital amount may be subject to change by the Federal Reserve), (ii) modifying our capital, shareholder and governance structure to be consistent with the regulatory requirements applicable to bank holding companies, (iii) obtaining all necessary banking regulatory approvals; (iv) modifying our capital funding plan and (v) certain other actions in connection therewith. Although this offering is conditioned upon the approval of CIT's application to become a bank holding company, it is not conditioned upon any of the foregoing conditions specified by the Federal Reserve. Even if this offering, the Subordinated Notes Exchange and the Equity Unit Exchange are successful, we may not be successful in achieving the other elements of our liquidity plan, including participation in the Capital Purchase Program for approximately \$2.5 billion or participation in the TLG Program. Our inability to achieve the other elements of our liquidity plan would have a material adverse effect on our business, results of operations and financial position (including our ability to meet our scheduled debt maturities of approximately \$10 billion by the end of 2009).

Even if we obtain approval to become a bank holding company, we may not be able to implement our operating plan if our request for a Section 23A waiver is denied, in whole or in part.

In connection with our application to become a bank holding company and CIT Bank's application to convert CIT Bank to a Utah state bank, we have applied to the Federal Reserve for

an exemption from Section 23A of the Federal Reserve Act, to allow a one-time series of asset transfers of up to \$30 billion that would otherwise exceed the quantitative limits that Section 23A places on certain transactions between a member bank and its affiliates. If our application is not granted or is granted only in part, it would severely limit our ability to transfer our assets to CIT Bank in furtherance of our plan to gradually shift our primary operating platform to CIT Bank and would have a material adverse effect on our business, results of operations and financial position.

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

A recession, prolonged economic weakness, or further downturn in the U.S. or global economies 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 also may 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, which also decreases our ability to fund against collateral. Accordingly, higher credit and collateral related losses could impact our financial position or operating results.

For example, decreased demand for the products of various manufacturing customers due to a general economic slowdown may adversely affect their ability to repay their loans and leases with us. Similarly, a decrease in the level of airline passenger traffic due to general economic slowdown or a decline in shipping volumes due to a slowdown in particular industries may adversely affect our aerospace or rail businesses.

Uncertainties related to our business may result in the loss of key customers.

Our business depends on our ability to provide a wide range of quality products to our customers and our ability to attract new customers. If our customers are uncertain as to our ability to continue to provide the same breadth and quality of products, we may be unable to attract new customers and we may experience a loss of customers.

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 adequacy considering economic conditions and trends, collateral values and credit quality indicators, including past charge-off experience and levels of past due loans, past due loan migration trends, 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 adverse changes in the economy or events adversely affecting specific customers, industries or

markets. The current economic environment is dynamic and the credit worthiness of our customers and the value of collateral underlying our receivables can change significantly over very short periods of time. Our reserves may not keep pace with changes in the creditworthiness of our customers or collateral values. If the credit quality of our customer base materially decreases, if the risk of a market, industry, or group of customers changes significantly, or if our reserves for credit losses are not adequate, our business, financial condition and results of operations could suffer.

In addition to customer credit risk associated with 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. If 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 widening of our credit spreads, or the perception that an increase may occur, could adversely affect both our ability to originate new finance receivables and our profitability. Conversely, a decrease in interest rates could result in accelerated prepayments of owned and managed finance receivables.

We may be required to take additional impairment charges for goodwill or intangible assets related to acquisitions.

We have acquired certain portions of our business and certain portfolios through acquisitions and bulk purchases. Further, as part of our long-term business strategy, we may continue to pursue acquisitions of other companies or asset portfolios. In connection with prior acquisitions, we have accounted for the portion of the purchase price paid in excess of the book value of the assets acquired as goodwill or intangible assets, and we may be required to account for similar premiums paid on future acquisitions in the same manner.

Under the applicable accounting rules, goodwill is not amortized and is carried on our books at its original value, subject to periodic review and evaluation for impairment, whereas intangible assets are amortized over the life of the asset. Our common stock has been trading below both our book value and tangible book value per share for four consecutive quarters. As a result, we expect to conduct impairment reviews each quarter for the foreseeable future. If, as a result of our periodic review and evaluation of our goodwill and intangible assets for potential impairment, we determine that changes in the business itself, the economic environment including business valuation levels and trends, or the legislative or regulatory environment have adversely affected either the fair value of the business or the fair value of our individual segments, we may be required to take an impairment charge to the extent that the carrying values of our goodwill or intangible assets exceeds the fair value of the business in the three segments

with goodwill and intangible assets. Also, if we sell a business for less than the book value of the assets sold, plus any goodwill or intangible assets attributable to that business, we may be required to take an impairment charge on all or part of the goodwill and intangible assets attributable to that business.

During the third quarter, we determined that the estimated fair value of the Vendor Finance segment declined, resulting in an impairment of this segment's entire goodwill and most of its intangible asset balances, representing virtually the entire \$455.1 million pretax charge.

We have not completed our annual goodwill impairment testing. Accordingly, we cannot assure you that we will not recognize material impairment charges in the fourth quarter as a result of the completion of our impairment testing.

Businesses or asset portfolios acquired may not perform as expected and we may not be able to achieve adequate consideration for planned dispositions.

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 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 may 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.

We are currently executing on a number of measures designed to manage our liquidity position, including potential asset sales or secured financings. There can be no assurance that we will be successful in completing all or any of these transactions. These transactions, if completed, may reduce the size of our business and it is not currently part of our long-term strategy to replace the volume associated with these businesses. From time to time, we also receive inquiries from third parties regarding our potential interest in disposing of other types of assets, such as student lending and other commercial finance or vendor finance assets, which we may or may not choose to pursue.

There is no assurance that we will receive adequate consideration for any asset or business dispositions. 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.

Adverse or volatile market conditions may continue to negatively impact fees and other income.

In 2005, we began pursuing strategies to leverage our expanded asset generation capability and diversify our revenue base to increase other income as a percentage of total revenue. We invested in infrastructure and personnel focused on increasing other income in order to generate higher levels of syndication and participation income, advisory fees, servicing

fees and other types of fee income. These revenue streams are dependent on market conditions and, therefore, can be more volatile than interest on loans and rentals on leased equipment. Current market conditions, including lower liquidity levels, have had a direct impact on syndication activity, and have resulted in significantly lower fee generation. If we are unable to sell or syndicate a transaction after it is originated, this activity will involve the assumption of greater underwriting risk than we originally intended and could increase our capital requirements to support our business or expose us to the risk of valuation allowances for assets held for sale. In addition, we also generate significant fee income from our factoring business. If our clients become concerned about our liquidity position and our ability to provide these services going forward and reduce their amount of business with us, this could further negatively impact our fee income and have a material adverse effect on our business. Continued 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.

Adverse financial results or other factors may limit our ability to pay dividends.

Our board of directors decides whether we will pay dividends on our common stock. That decision depends upon, 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, our credit ratings, and such other factors as the board of directors may consider to be relevant. If any of these factors are adversely affected, it may impact our ability to pay dividends on our common stock. During the first quarter of 2008, our board of directors reduced the quarterly dividend on our common stock by 60%, to \$0.10 per share, and there is a possibility that our board of directors could determine to further reduce or eliminate dividends payable on our common stock in the future. See [Recent Developments Potential Dividend Reduction or Elimination](#).

In addition, the terms of our preferred stock and junior subordinated notes restrict our ability to pay dividends on our common stock if we do not make distributions on our preferred stock and junior subordinated notes. Further, we are prohibited from declaring dividends on our preferred stock and from paying interest on our junior subordinated notes if we do not meet certain financial tests, provided that the limitation does not apply if we pay such dividends and interest out of net proceeds that we have received from the sale of common stock. While we were in compliance for the second quarter of 2008, we were not in compliance with these financial tests for the prior three fiscal quarters or for the third quarter of 2008. We sold common stock to cover such dividend and interest payments during the fourth quarter of 2007 and the first quarter and fourth quarter of 2008, and we obtained a forward commitment from two investment banks to purchase additional shares, at our option, in the second and third quarters of 2008. If we are unable to sell our common stock in the future, and we continue to fail to meet the requisite financial tests, then we will be prohibited from declaring dividends on our preferred stock, paying interest on our junior subordinated notes, or declaring dividends on our common stock.

Furthermore, if we are successful with respect to our application to participate in the Capital Purchase Program and perpetual preferred stock is issued to the U.S. Treasury pursuant to such program, the consent of the U.S. Treasury will be required for any increase in common

dividends per share until the third anniversary of the date of the investment unless prior to such third anniversary the perpetual preferred stock issued pursuant to the Capital Purchase Program is redeemed in whole or the U.S. Treasury has transferred all of the perpetual preferred stock to third parties.

Competition from both traditional competitors and new market entrants may adversely affect our returns, volume and credit quality.

Our markets are highly competitive and are characterized by competitive factors that vary based upon product and geographic region. We have a wide variety of competitors that 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.

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.

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

The realization of equipment values (residual values) during the life and 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 current or 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, including market liquidity. In addition, we may not realize the full market value of equipment if we are required to sell it to meet liquidity needs or for other reasons outside of the ordinary course of business. Consequently, there can be no assurance that we will realize our estimated residual values for equipment.

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 inception of lease cost. 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 cash flows.

Investment in and revenues from our foreign operations are subject to the risks and requirements 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 international 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. Recent weakness in the U.S. dollar has negatively impacted the U.S. dollar value of our revenues that are paid in other currencies. A further weakening of the U.S. dollar will further negatively impact the U.S. dollar value of our international operations.

U.S. generally accepted accounting principles (GAAP) require that income earned from foreign subsidiaries should be treated as being taxed as if they were distributed to the parent company, unless those funds are permanently reinvested outside the United States. To meet this permanent reinvestment standard, we must demonstrate that there is no foreseeable need for the funds by the parent company and that there is a specific plan for reinvestment of the undistributed earnings of the funds by the subsidiary. Federal income taxes have not been provided on approximately \$1.4 billion of cumulative earnings of foreign subsidiaries that we have determined to be permanently reinvested. If we sell a foreign business or significant foreign assets, we may not be able to redeploy some or all of the funds generated from a sale outside the United States and would be required to treat the funds as repatriated to us currently for purposes of GAAP. While it is not practicable to estimate the amount of tax that we would have to provide for under GAAP in such an event, the impact on us may be material.

Foreign countries have various compliance requirements for financial statement audits and tax filings, which are required to obtain and maintain licenses to transact business. If we are unable to properly complete and file our statutory audit reports or tax filings, regulators or tax authorities in the applicable jurisdiction may restrict our ability to do business.

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 FDIC, the Utah Department of Financial Institutions, the SBA, the U.S. Department of Education, 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. In addition, changes in the structure, ownership or jurisdiction of incorporation of CIT Bank could subject us to regulation by additional authorities. 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. CIT Bank Limited, a U.K. Corporation, is licensed as a bank and a broker-dealer and is subject to regulation and examination by the Financial Services Authority of the United Kingdom. We also operate various banking corporations in Brazil, France, Italy, Belgium, Sweden and The Netherlands, and a broker-dealer entity in Canada, each

of which is subject to regulation and examination by banking regulators and securities regulators in its home country. Our subsidiary, CIT Bank, a Utah industrial bank, is subject to regulation and examination by the FDIC and the Utah Department of Financial Institutions. Finally, our subsidiary that 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, on our ability to permanently reinvest earnings and on our reputation generally.

If our application to become a bank holding company and any future application we submit to become a financial holding company are successful, our business, financial condition and results of operations could be adversely affected by regulations to which we are and will become subject as a result of becoming a bank holding company and a financial holding company, by new regulations or by changes in other regulations or the application thereof. See

Risks Related to Our Becoming a Bank Holding Company and Risks Related to Our Application to Become a Financial Holding Company.

Uncertainties related to our business may cause a loss of employees and may otherwise materially adversely affect our ability to attract new employees.

Our future results of operations will depend in part upon our ability to retain existing highly skilled and qualified employees and to attract new employees. Failure to continue to attract and retain such individuals could materially adversely affect our ability to compete. Uncertainties about the future prospects of our business may materially adversely affect our ability to attract and retain key management, technical and other personnel. This inability to retain key personnel could have an adverse effect on our ability to successfully operate our business or to meet our compliance, regulatory, and other reporting requirements.

USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately \$285,000,000 (or approximately \$327,750,000 if the underwriters exercise their over-allotment option in full), after underwriting discounts and commissions, but before expenses. We expect to use the net proceeds from the offering for general corporate purposes, including the payment of dividends on our outstanding preferred stock and the payment of interest on our outstanding junior subordinated notes for the first quarter of 2009 in an amount of approximately \$33 million.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement contains or incorporates by reference documents containing various forward-looking statements within the meaning of applicable federal securities laws, including the Private Securities Litigation Reform Act of 1995, that are based upon our current expectations and assumptions concerning future events, which are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated.

The words expect, anticipate, estimate, initiative, plan, project, intend, pursue, seek, may, believe, potential, continue, or the negative of any of those words or similar expressions is intended to identify forward-looking statements. All statements contained in or incorporated by reference into this prospectus supplement, other than statements of historical fact, including without limitation, statements about our plans, strategies, prospects and expectations regarding future events and our financial performance, are forward-looking statements that involve certain risks and uncertainties.

While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results, and our actual results may differ materially due to numerous important factors that are described in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, as updated by our subsequent Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and the other documents specifically incorporated by reference herein. Many of these risks, uncertainties and assumptions are beyond our control, and may cause our actual results and performance to differ materially from our expectations. Factors that could cause our actual results to be materially different from our expectations include, among others, the risk factors set forth herein (see Risk Factors), and the following:

- capital markets liquidity;

- risks of and/or actual 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;

- conditions and/or changes in funding markets, including commercial paper, term debt, 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;
- application of fair value accounting in volatile markets;
- changes in laws or regulations governing our business and operations;
- changes in competitive factors;

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- future acquisitions and dispositions of businesses or asset portfolios;
- regulatory changes and/or developments;
- the success, or lack thereof, of the Subordinated Notes Exchange, the Equity Unit Exchange, our application to the Federal Reserve to become a bank holding company and any future application to become a financial holding company and the submission of our application to the U.S. Treasury to sell perpetual preferred stock to the U.S. Treasury pursuant to the Capital Purchase Program; and
- if our application to the Federal Reserve to become a bank holding company and any future application to become a financial holding company is successful, risks associated with our being a bank holding company and a financial holding company, including, but not limited to whether our existing business activities are permissible activities.

Accordingly, you should not place undue reliance on the forward-looking statements contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. These forward-looking statements speak only as of the date on which the statements were made. We undertake no obligation to update publicly or otherwise revise any forward-looking statements, except where expressly required by law.

DESCRIPTION OF CIT COMMON STOCK

This section contains a description of our common stock. The following summary of the terms of our common stock is not meant to be complete and is qualified by reference to our certificate of incorporation, as amended, and our by-laws, as amended. See [Where You Can Find More Information](#).

As of November 30, 2008, we had 600,000,000 shares of common stock, par value \$0.01 per share, authorized, of which 288,382,912 shares were issued and outstanding, and 20,419,041 shares were issued and held in treasury.

Each share of our common stock entitles the holder thereof to one vote on all matters, including the election of directors, and, except as otherwise required by law or provided in any resolution adopted by our board of directors with respect to any series of preferred stock, the holders of the shares of common stock will possess all voting power. Our certificate of incorporation does not provide for cumulative voting in the election of directors. Generally, all matters to be voted on by the stockholders must be approved by a majority, or, in the case of the election of directors, by a plurality, of the votes cast, subject to state law and any voting rights granted to any of the holders of preferred stock. Notwithstanding the foregoing, approval of the following three matters requires the vote of holders of 66 2/3 % of our outstanding capital stock entitled to vote in the election of directors: (1) amending, repealing or adopting of by-laws by the stockholders; (2) removing directors (which is permitted for cause only); and (3) amending, repealing or adopting any provision that is inconsistent with certain provisions of our certificate of incorporation. The holders of common stock do not have any preemptive rights. There are no

subscription, redemption, conversion or sinking fund provisions with respect to the common stock.

Subject to any preferential rights of any outstanding series of preferred stock that our board of directors may create, from time to time, the holders of common stock will be entitled to dividends as may be declared from time to time by the board of directors from funds available therefor. Upon liquidation of CIT, subject to the rights of holders of any preferred stock outstanding, the holders of common stock will be entitled to receive our assets remaining after payment of liabilities proportionate to their pro rata ownership of the outstanding shares of common stock.

DESCRIPTION OF PERPETUAL PREFERRED STOCK TO BE ISSUED PURSUANT TO CAPITAL PURCHASE PROGRAM

In October 2008, Congress passed the Emergency Economic Stabilization Act of 2008, under which the Troubled Asset Relief Program and the Capital Purchase Program have been created. Under the Capital Purchase Program, the U.S. Treasury may purchase senior perpetual preferred stock on standardized terms from qualifying financial institutions, including bank holding companies. The U.S. Treasury may purchase an amount of senior perpetual preferred stock of a participating qualifying financial institution equal to not less than 1% of its risk-weighted assets and not more than the lesser of (i) \$25 billion and (ii) 3% of its risk-weighted assets. If we were to participate in the program, the perpetual preferred stock we issue to the U.S. Treasury will rank senior to our common stock and *pari passu* with our existing preferred stock. Except under certain circumstances, the perpetual preferred stock will have a liquidation preference of \$1,000 per share. The perpetual preferred stock will pay a cumulative dividend rate of 5% per annum for the first five years and would reset to a rate of 9% per annum after year five, payable quarterly in arrears. The perpetual preferred stock will be non-voting, other than class voting rights on any amendment to the rights of the perpetual preferred stock or on other matters that could adversely affect the perpetual preferred stock. The perpetual preferred stock would be callable at par plus any accrued and unpaid dividends after the third anniversary of their issuance. Prior to the third anniversary of the issue date of the perpetual preferred stock, the perpetual preferred stock may be redeemed with the proceeds from an equity offering for cash of any Tier 1 qualifying perpetual preferred or common stock which results in gross proceeds of at least 25% of the issue price of the perpetual preferred stock. The U.S. Treasury may also transfer the perpetual preferred stock to a third party at any time.

For as long as any perpetual preferred stock issued pursuant to the Capital Purchase Program is outstanding, unless the participating qualifying financial institution has fully paid all of its dividend obligations under the perpetual preferred stock issued pursuant to the Capital Purchase Program, (i) no dividends may be declared or paid on the qualifying financial institution's junior preferred stock, preferred stock ranking *pari passu* with the perpetual preferred stock issued pursuant to the Capital Purchase Program, or common stock (other than, in the case of preferred shares ranking *pari passu* with the perpetual preferred stock issued pursuant to the Capital Purchase Program, dividends on a pro rata basis with the perpetual preferred stock), and (ii) the qualifying financial institution may not repurchase or redeem any junior preferred stock, preferred stock ranking *pari passu* with the perpetual preferred stock or common stock.

In conjunction with the purchase of perpetual preferred stock from a qualifying financial institution, the U.S. Treasury will receive warrants to purchase a number of shares of common stock with an aggregate market price equal to 15% of the amount of the U.S. Treasury's preferred investment. The initial exercise price and the market price for determining the number of shares of common stock subject to the warrants will be based on the 20-day trailing average of the market price of the common stock on the date of the sale of the perpetual preferred stock.

Participating qualifying financial institutions must adopt the U.S. Treasury's standards for executive compensation and corporate governance for the period during which the U.S. Treasury holds any equity or debt securities of the qualifying financial institution. Pursuant to the interim final rule, such standards include, without limitation, (i) ensuring that incentive compensation for senior executives does not encourage unnecessary and excessive risks that threaten the value of the financial institution; (ii) required clawback of any bonus or incentive compensation paid to a senior executive based on statements of earnings, gains or other criteria that are later proven to be materially inaccurate; (iii) prohibition on the financial institution from making any golden parachute payment to a senior executive as defined in the applicable Internal Revenue Code provision; and (iv) agreement not to deduct for U.S. federal income tax purposes executive compensation in excess of \$500,000 for each senior executive.

On November 12, 2008, CIT submitted an application to participate in, and requested an investment under, the Capital Purchase Program. The application requested that the U.S. Treasury purchase \$2.5 billion of perpetual preferred stock of CIT consistent with the guidelines established by the U.S. Treasury. There can be no assurances as to when or if CIT will be successful with respect to our application to become a bank holding company under the BHC Act or eligible for the Capital Purchase Program, and if successful, exactly what the structure or amount of the U.S. Treasury investment will be.

Terms and conditions of the Capital Purchase Program are set forth on a standard form of securities purchase agreement, letter agreement, certificate of designations and warrant and summarized on a term sheet published by the U.S. Treasury. You may obtain copies of the Program Documentation, the term sheet and any other documentation made available to the public by the U.S. Treasury from the U.S. Treasury's website (www.treasury.gov). Information contained on the U.S. Treasury's website does not constitute part of this prospectus supplement.

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

Our common stock is listed on the New York Stock Exchange under the symbol **CIT** . As of November 30, 2008, there were 288,382,912 shares of our common stock issued and outstanding. As of September 8, 2008 there were approximately 75,241 beneficial owners of CIT common stock. The following table sets forth the high and low reported closing prices for our common stock for the applicable periods indicated. The last reported sale price of our common stock on the New York Stock Exchange on December 17, 2008 was \$4.48 per share.

	<u>Low</u>	<u>High</u>
Fiscal 2006:		
First Fiscal Quarter	\$ 51.38	\$ 55.05
Second Fiscal Quarter	\$ 48.89	\$ 55.95
Third Fiscal Quarter	\$ 42.44	\$ 53.41
Fourth Fiscal Quarter	\$ 47.74	\$ 56.35
Fiscal 2007:		
First Fiscal Quarter	\$ 50.96	\$ 61.36
Second Fiscal Quarter	\$ 52.80	\$ 61.16
Third Fiscal Quarter	\$ 33.28	\$ 57.63
Fourth Fiscal Quarter	\$ 22.76	\$ 41.85
Fiscal 2008:		
First Fiscal Quarter	\$ 9.63	\$ 30.68
Second Fiscal Quarter	\$ 6.81	\$ 15.25
Third Fiscal Quarter	\$ 6.14	\$ 11.53
Fourth Fiscal Quarter (through December 17, 2008)	\$ 1.83	\$ 7.48

On November 28, 2008, we paid a dividend of \$0.10 per common share. During the third quarter of fiscal year 2008, we paid a dividend of \$0.10 per common share. During the second quarter of fiscal year 2008, we paid a dividend of \$0.10 per common share. During the first quarter of fiscal year 2008, we paid a dividend of \$0.25 per common share. During the year ended December 31, 2007, we paid a dividend of \$0.25 per common share each quarter for a total of \$1.00 per 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.

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 Series A, B and C Preferred Stock and our outstanding 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 outstanding Series A, B and C 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.

Furthermore, if we are successful with respect to our application to participate in the Capital Purchase Program and perpetual preferred stock is issued to the U.S. Treasury pursuant to such program, the consent of the U.S. Treasury will be required for any increase in common dividends per share until the third anniversary of the date of the investment unless prior to such third anniversary the perpetual preferred stock issued pursuant to the Capital Purchase Program is redeemed in whole or the U.S. Treasury has transferred all of the perpetual preferred stock to third parties. See Risk Factors Risks Related to our Common Stock.

Management is considering whether to make a recommendation to the board of directors to reduce or eliminate dividends for the fourth quarter of fiscal year 2008. However, management has not made a decision whether or not to recommend any such reduction or elimination of dividends to the board of directors at this time, and if management elects to make such a recommendation, no final decision will be made by our board of directors until January 2009.

CAPITALIZATION

The following table is for illustrative purposes only, and the assumptions contained therein are not intended to indicate CIT's expectations as to whether or not we will be able to sell \$2,500,000,000 of perpetual preferred stock pursuant to the Capital Purchase Program. It was prepared on the basis of a number of assumptions detailed below regarding the Subordinated Notes Exchange, the Equity Unit Exchange and this offering.

The following table sets forth as of September 30, 2008 on a consolidated basis:

- the actual capitalization of CIT;
- the capitalization of CIT on a pro forma basis to reflect the consummation of this offering, the Subordinated Notes Exchange, the Equity Unit Exchange and the sale of perpetual preferred stock to the U.S. Treasury, assuming (i) the issuance of \$300,000,000 aggregate amount of common stock in this offering at \$4.00 per share, with proceeds to CIT of \$3.80 per share after underwriting discounts and commissions but before expenses and no exercise of the underwriters' over-allotment option; (ii) the exchange of \$1,700,000,000 of the old notes for up to \$550,000,000 in cash and \$1,150,000,000 of new notes in the Subordinated Note Exchange (based on a clearing price of \$1,000), (iii)

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71% participation in the Equity Unit Exchange, and (iv) the sale of \$2,500,000,000 of perpetual preferred stock to the U.S. Treasury.

This table should be read in conjunction with the Selected Consolidated Financial Information of CIT Group Inc. elsewhere in this prospectus supplement and the historical consolidated financial statements and related notes that are contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007 (as superseded by the Current Report on Form 8-K filed on November 6, 2008 reflecting certain discontinued operations), and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008, June 30, 2008 and September 30, 2008, each of which is incorporated by reference into this prospectus supplement.

	As of September 30, 2008	
	Actual	Pro Forma
	(in millions, except share data and per share amounts)	
Debt:		
Bank credit facilities	\$ 5,200.0	\$ 5,200.0
Secured borrowings	16,827.2	16,827.2
Senior unsecured notes ⁽¹⁾	42,197.1	40,497.1
Junior subordinated notes ⁽²⁾	1,440.0	949.8
New notes ⁽¹⁾	<u> </u>	<u>1,150.0</u>
Total Debt	65,664.3	64,624.1
Deposits	2,248.3	2,248.3
Total Debt and Deposits	67,912.6	66,872.4
Equity		
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
Series C 11,500,000 with a liquidation preference of \$50 per share	575.0	575.0
Perpetual preferred stock issued pursuant to the Capital Purchase Program		2,500.0
Common stock: \$0.01 par value, 600,000,000 authorized		
Issued: 308,727,806 ⁽²⁾⁽³⁾ (as of September 30, 2008)	3.1	3.9
Outstanding: 285,499,225 (as of September 30, 2008)		
Paid-in capital, net of deferred compensation of \$44.5 ⁽²⁾⁽³⁾	11,272.8	11,867.4
Accumulated deficit ⁽¹⁾⁽²⁾	(5,608.7)	(5,510.7)
Accumulated other comprehensive income	139.9	139.9
Less: treasury stock, 23,228,581 shares, at cost	<u>(1,166.1)</u>	<u>(1,166.1)</u>
Total Common Stockholders' Equity	<u>4,641.0</u>	<u>5,334.4</u>

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Total Stockholders Equity	<u>5,716.0</u>	<u>8,909.4</u>
Total Capitalization	<u>\$73,628.6</u>	<u>\$75,781.8</u>
Book Value per Common Share	<u>\$16.43</u>	<u>\$14.38</u>
Tangible Book Value per Common Share	<u>\$14.02</u>	<u>\$12.54</u>

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As of September 30, 2008

	Actual	Pro Forma
	(in millions, except share data and per share amounts)	
Estimated Tier 1 Capital Ratio ⁽⁴⁾		<u>10%</u>
Estimated Total Capital Ratio ⁽⁴⁾		<u>13%</u>

¹ Assumes decrease of \$1,700 million in senior unsecured notes and increase of \$1,150 million in subordinated notes upon successful completion of the Subordinated Notes Exchange. No gain or loss on debt extinguishment is expected due to par auction clearing price.

² Reflects 71% participation rate in the Equity Unit Exchange. The gain on extinguishment of debt is based on an estimated fair value equal to 80% of book value. The tax on the gain is expected to be offset by the release on valuation allowance on deferred tax assets arising from the net operating loss.

³ Reflects issuance of 75,000,000 common shares at \$4.00 per share, with proceeds to CIT of \$3.80 per share after underwriting discounts and commissions but before expenses.

⁴ Tier 1 Capital and Total Capital as a percentage of risk weighted assets; adjusted to include changes to CIT's securitization-related risk-weighted assets.

The actual amounts in the table above are as of September 30, 2008. The pro forma information adjusts the September 30, 2008 amounts only for the securities transactions described above. Other transactions, including the issuance of 2.83 million shares in November 2008 related to the payment of preferred dividends, are not included in the pro forma amounts.

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, 2007 and December 31, 2006 and for the years ended December 31, 2007, December 31, 2006 and December 31, 2005 were derived from the audited consolidated financial statements of CIT incorporated by reference into this prospectus supplement and which has been updated to present activities on a continuing operations basis as set forth in CIT's Form 8-K filed on November 6, 2008. The financial data at December 31, 2005, December 31, 2004 and December 31, 2003 and for the years ended December 31, 2004 and December 31, 2003 were derived from audited financial statements that are not incorporated by reference into this prospectus supplement. The historical information presented may not be indicative of our future performance. In addition, our results for the nine months ended September 30, 2008 are not necessarily indicative of results expected for the full fiscal year ending December 31, 2008. You should read the selected consolidated financial data below in conjunction with our consolidated financial statements. See "Where You Can Find More Information" in this prospectus supplement.

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	At or for the Nine Months Ended September 30		At or for the Years Ended December 31,				
	2008	2007	2007	2006	2005	2004	2003
Results of Operations							
Total net revenue	\$1,577.9	\$2,317.2	\$3,239.1	\$2,678.6	\$2,614.8	\$2,271.8	\$1,974.4
Provision for credit losses	609.2	112.4	241.8	159.8	165.3	159.5	332.4
Valuation allowance for receivables held for sale ⁽¹⁾	103.9	22.5	22.5	15.0	86.6	15.7	
Salaries and general operating expenses	928.0	1,026.4	1,389.6	1,276.1	971.4	923.9	816.1
Net income (loss) continuing operations, before preferred stock dividends	(505.2)	729.6	792.0	925.7	918.5	742.4	522.0
Net (loss) income from discontinued operation	(2,109.4)	(687.4)	(873.0)	120.3	30.6	11.2	44.9
Net (loss) income (attributable) available to common stockholders	(2,658.9)	19.7	(111.0)	1,015.8	936.4	753.6	566.9
Income per share from continuing operations diluted	(2.22)	3.68	3.93	4.41	4.30	3.45	2.45
Income (loss) per share from discontinued operation diluted	(8.54)	(3.58)	(4.50)	0.59	0.14	0.05	0.21
Net income (loss) per share diluted	(10.76)	0.10	(0.57)	5.00	4.44	3.50	2.66
Dividends per share	0.45	0.75	1.00	0.80	0.61	0.52	0.48
Balance Sheet Data							
Total finance receivables	\$54,534.0	\$52,596.3	\$53,760.9	\$45,203.6	\$35,878.5	\$29,892.1	\$27,940.6
Reserve for credit losses	855.7	527.8	574.3	577.1	540.2	553.8	609.8
Operating lease equipment, net	12,359.5	11,930.3	12,610.5	11,017.9	9,635.7	8,290.9	7,615.5
Goodwill and intangible assets, net	688.7	1,459.1	1,152.5	1,008.4	1,011.5	596.5	487.7
Assets of discontinued operation	44.2	10,486.1	9,308.6	10,387.1	8,789.8	5,811.5	3,674.4
Total assets	80,845.3	89,669.0	90,248.0	77,485.7	63,386.6	45,299.8	42,662.2
Total debt and deposits	67,912.6	68,470.6	69,018.3	60,704.8	47,864.5	37,724.8	33,668.6
Total stockholders' equity	5,716.0	7,169.4	6,960.6	7,751.1	6,962.7	6,055.1	5,394.2
Selected Data and Ratios							
Profitability (continuing operations)							
Net income (loss) before preferred dividend as a percentage of average common stockholders equity	(12.1%)	13.8%	11.6%	13.6%	14.8%	13.0%	10.1%
Net finance revenue as a percentage of average earning assets ⁽²⁾	2.27%	2.73%	2.71%	3.08%	3.38%	3.97%	3.63%

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Efficiency ratio(3)	58.8%	44.3%	42.9%	47.6%	37.2%	40.7%	41.3%
Credit Quality							
60+ days contractual delinquency as a percentage of finance receivable	2.70%	2.20%	2.26%	1.88%	1.50%		