From: Barbara Schick [mailto:bpschick@comcast.net]
Sent: Saturday, March 28, 2009 9:11 AM
To: LLPComments
Subject: Legacy Loans Program

I am writing in great doubt that this program will be fair to the taxpayers. I cite from the FAQ on this site. If I am interpreting this correctly, those who purchase these toxic assets will pay a fee to FDIC, and that fee will be the basis for the insurance on the investment in these toxic assets. So my question is, what happens when the liability exceeds the premiums paid to FDIC for these programs? Will the FDIC funds that now guarantee bank deposits of ordinary citizens be used to pay any of these debts from this PPIP program? Thank you.

Barbara Schick

What is the FDIC's role in the Legacy Loans Program?

The FDIC will provide oversight for the formation, funding, and operation of new PPIFs that will

purchase loan and other asset pools from participating banks. Such functions include approving the

asset pools from the participating banks, determining asset pool leverage levels, and conducting the

auctions. In addition, the FDIC will provide credit support for PPIF debt financing through a debt

guarantee issued by the PPIF. The FDIC will be responsible for managing such PPIF debt

guarantees. In its broad oversight function, the FDIC will ensure that both the FDIC and the

Treasury are provided with sufficient asset pool data to effectively oversee the investment pools.