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Sent: Saturday, March 28, 2009 3:08 PM
To: LLPComments
Subject: Legacy Loans Program

Bidding Process

1. Since the Treasury will become an acquiring partner, is the highest bid always the winning bid? Would proven expertise within an asset class be considered when selecting a winning bid? For example, an experienced hotel operator/investor submits a bid on loan but loses out by a small margin to a wealthy passive investor with no prior hotel experience. One would expect that an experienced investor in an asset type would produce superior total returns to the Treasury.

2. Will the selling banks retain the sole decision to accept the bid after a widely marketed auction process? What assurance do bidders have that they will not be wasting time and money on due diligence costs, if the bank can decide not to sell. One could argue that as long as there is more than one bid and that 6/1 leverage is being provided, that it would be difficult for a bank to say that the winning bid is not the market price.

3. Will the Legacy Loan Program contain "Bad Boy" provisions that would exclude bidders who have created losses for banks from participating as either passive or active investors in the PPIFs? During the RTC sales, investors that had previously filed bankruptcy or had defaulted under loans to FDIC or FSLIC institutions were prohibited from bidding.

Management Process

1. Do PPIFs inherit any FDIC receivership rights? What legal status will the PPIFs have?

2. Will all PPIFs be required to use third party servicers or asset managers? What will be the compensation structure for servicers and asset managers?