From: EcoDevPro [mailto:mweaver@ecodevpro.com]
Sent: Thursday, April 02, 2009 11:29 AM
To: LLPComments
Subject: Legacy Loans Program

Robert E. Feldman, Executive Secretary FDIC

Good day:

The Federal Deposit Insurance Corporation (FDIC) plays an important roll in the new Public-Private Investment Partnerships (PPIP) since it appears to be the lead entity in the Legacy Loans Program (LLP). The FDIC's Request for Comment reflects an intention to assist in "cleaning up bank balance sheets so that banks can once again provide the lending to further the recovery of the U.S. economy." But the LLP does more that this in that it changes the mission of the FDIC, which until now has been fairly straight forward: maintain "the stability and public confidence in the nation’s financial system by insuring deposits, examining and supervising financial institutions, and managing receiverships."

Rather than close failed banks and sell loans from failed financial institutions with absolutely no FDIC guarantee of the performance of loans being offered for sale as is now the practice of the FDIC, the FDIC will begin selling loans from currently operating financial institutions and will guarantee the performance of the loans being sold. Now rather than supervise banks the FDIC will "partner" with banks. This does not increase my confidence in the U.S. banking system.

Of course the displeasure of one citizen (or even many citizens) will not stop implementation of the LLP. So I will only express a word of caution. Please, please, please, do not allow the LLP to become the new permanent method of dealing with insolvent banks, replacing the current 'no-cost-to-taxpayers' receivership system with a Treasury-line-of credit system for banks too-big-to-fail.

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