From: scott redsun [mailto:brykristdev@cox.net]
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To: LLPComments
Subject: Questions on Legacy Loan Program

Many of the loans to be included in the public-private whole loan program will require additional capital. Examples are loans for uncompleted construction projects, loans with unfunded commitments and loans collateralized by assets that need to be repositioned to different markets.

How will the public-private whole loan program provide for additional financing needed to accommodate these requirements? Example 1 – Investor A has a successful bid of $10,000,000 for a loan secured by a 50% completed condominium building. The cost to complete the condominium building is $10,000,000. Will public-private whole loan program provide debt and equity financing based upon the total cost of $20,000,000 or just the $10,000,000 on the acquisition of the loan? If the later, how will the agreements between Investor A and the FDIC provide Investor A with a return on the additional equity? Will the debt/equity ratios guaranteed by the FDIC provide for additional requirements?

Example 2 – Investor acquires a loan on 500 acres of raw land, and then forecloses on the property. There will be additional annual costs which include property taxes and the cost to entitle the property. Will the Treasury provide 50% of the annual maintenance costs of the property? If not, will the agreement between Investor A and the Treasury provide for Investor A with a return on the additional equity?

Development projects usually pay the manager a management fee. Will this be provided for under this program?