From: Douglas D'Agata [mailto:ddagata@dpef.com]
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To: LLPComments
Subject: LEGACY LOANS PROGRAM

In order to assure full funding of a pool purchase, it is our suggestion that the FDIC guaranteed debt be issued in one of two ways:

1. The Government issues the debt from a previous Congressionally-designated pool of funds. These funds would be wired directly to the selling bank and the debt would be paid back from the PPIF to the issuing agency. This would assure a high degree of consistency in loan documentation, as well as assurance to the PPIF and selling bank that a full funding and closing will take place.

2. Once the terms of a pool sale have been determined the FDIC will allow member banks to view the pool details and purchase price over a period of 10 days. These banks will submit bids to the FDIC and winning PPIF to provide funding for the debt portion of the purchase price. The PPIF will then select a lender. Should none of the terms be deemed acceptable to the PPIF, or should no bids be presented, the PPIF will have the option of backing out of the sale. The Government would have the option of stepping in with debt at this point in order to close the sale.

These mechanisms should allow for proper market-based risk-adjusted pricing of the massive amounts of debt that will be required throughout this program. It will also assure that PPIF's will not undergo the time and expense of pool evaluation and successful bidding, only to end up unable to complete the purchase due to a lack of debt funding.

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