

# *Emerald Bay Partners, LLC*

April 9, 2009

Chairman Sheila Bair  
C/O Mr. Robert E. Feldman, Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17th Street, N.W., Washington, DC 20429

By email: [LLPComments@FDIC.gov](mailto:LLPComments@FDIC.gov)

Re: Federal Deposit Insurance Corporation's ("FDIC")  
Legacy Loan Program – Request for Comments

Dear Chairman Bair:


This letter is submitted in response to the FDIC's request for comment on its Legacy Loans Program (the "LLP"). Emerald Bay Partners, LLC (NV) is a privately-held partnership involved in the acquisition, management and liquidation of distressed consumer lending and commercial assets.

We respectfully suggest that charged-off consumer debts should be included in the category of assets eligible for auction under the LLP. Numerous FDIC member institutions carry charged-off consumer debts which are typically valued at zero for regulatory capital purposes. Opening up the LLP auction to include charged-off consumer debts would create the following benefits:

1. Enhancing Member Institution Capital Positions. Including charged-off consumer debts in the category of assets eligible for the LLP would allow FDIC member institutions to enhance their capital positions through converting assets with no value (from a regulatory perspective) into cash which, subject to tax circumstances, could be immediately applied to the institutions balance sheet to increase capital.
2. Reducing the Likelihood for Failed Auctions. Since charged-off consumer debts typically have no value from a regulatory perspective, auctioning such debts will not result in a reduction to the capital position of the selling institution. Consequently, selling institutions will be less likely to reject an auction of such assets.
3. Increasing the Number of Potential Investors. Including charged-off consumer debts will increase the numbers and types of investors participating in the LLP. Expanding the asset category to include charged-off consumer debts will lure companies like mine who specialize in evaluating and purchasing distressed consumer debt.

We appreciate your consideration of these comments.

Sincerely,



Christine D. Martin  
Managing Member