CALIBER 360
CAPITAL ADVISORS

April 10, 2009

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW.,
Washington, DC 20429

REFERANCE: Comments; Legacy Loan Programs

Dear Mr. Feldman:

With regards to Public-Private Investment Funds (PPIFs) strategy for legacy loans we respectfully submit the following comments.

Our goal is geared to meet the needs of smaller funds that should also have the ability to participate in the legacy loan program and strategies. More often than not these funds are concentrated in smaller geographical areas such as those that are outside of the 50 largest US Metropolitan Statistical Areas (MSA's). Because these funds are smaller, usually closely held and locally managed they may have a better perspective on the value of the assets they are evaluating than the larger, national funds that are usually not situated in the same or nearby MSA. Also, these funds may target assets that are community centers and are crucial to the wellbeing of neighborhoods and those communities and may be better adept in their management. Larger funds may overlook these assets as they are usually not large enough to merit a nationwide chain or anchor. They are also too small to support a management fee structure related to a larger asset with higher volume in rents.

These funds usually carry between five and ten million dollars of equity that may or may not be leveraged; may be minority, veteran or female owned. Once again this program and its benefits should be attainable by all interested parties who qualify in terms of operating management and compliance of requirements.

Kind Regards,

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5. How can the FDIC encourage a broad and diverse range of investor participation?

These comments apply to the Legacy Loan Program

In the area of the Legacy Loan program the FDIC and the UST have been stated that one of the government's objectives will be to "encourage participation by small, veteran, minority, and women – owned firms (SVMW-owned)". In order to promote these objectives we recommend the following:

The SVMW owned firms have historically had limited access to the private equity markets. Therefore, if the requirements for capital raising ability made for the PPIF capital structure are set too high their participation will be negligible. Although we recognize that from a management and control standpoint it would be more manageable for the FDIC and Treasury to oversee a relatively small group of PPIF's which could be limited by setting capital fund requirements at minimum levels of $500 million (which is the requirement being established in the Legacy Securities Program) , setting the capital raising requirements at these levels will lead to a negligible participation on the part of the SVMW -owned firms since these firms have historically had limited access to the private equity markets.

Therefore, if the capital raising requirements to be established for the PPIF capital structure for the SVMW-owned firms should be set much lower. Caliber 360, which is a hispanic, minority-owned financial advisor recommends that the minimum requirement be set at $5milllion. This should really foster the growth and development of the above mentioned firms. The maximum capital such firms could manage should be set at $250 million. Beyond that level they should be treated just like the rest of the PPIF's.

Our experience is that the very large private equity funds will focus their investment efforts on national, regional and large (top 30) Metropolitan Statistical Areas (MSA's) areas . This will leave a vacuum of investment funds to be channeled to the smaller MSA, and the territories or possessions, such as, Puerto Rico, Northern Mariana Islands, Guam, American Samoa and the US Virgin Islands. We believe that the SVMW firms will focus on the smaller markets since this is where they will be able to compete. An additional benefit will be that investment funds will be channeled into smaller community banks in the smaller MSA's.

However, since the SVMW-owned firms will have a smaller capital base it will be necessary to exempt them from the requirement to outsource the asset and management function. These firms will have to manage this function in-house in order to be able to manage asset portfolios of as low as $50 million.

9. THE FDIC should make available the complete credit files (including FDIC audit comments and reserve requirements) pertaining o the loan portfolios to be sold, including appraisals no older than 180 days. The process should be as transparent as possible therefore it should be treated just as a regular

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bank due diligence process is carried on. This documentation should be scanned in order to facilitate document management.

13. We believe that it makes sense to pool assets from different banks if these banks are too small. We recommend that the definitions for a small bank be set at those Banks with core capital below $1 billion. These portfolios should contain the following characteristics:

The portfolios should consists of the same asset class.

a. Commercial real estate which could include office, retail and shopping centers.
b. Construction loan portfolios
c. Residential mortgages

The portfolios should consist of assets in the same State in order to allow the PPIF to enjoy the benefits of achieving critical mass. If the portfolios were spread across a wide geographical area it would not be economically feasible to manage a small portfolio.

17. We recommend that the FDIC make available the results of their independent valuations in order to offer the greatest available transparency to the process. The objective is to re-establish the market pricing mechanism, therefore a pre-requisite is perfect information. This will be especially critical in the first phases of the auctions since many investors will be tempted to stay at the sidelines in order to gain some experience about the accuracy of the winning bids (post-auction prices). In other words, did the initial bidders over-bid or under-bid.

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