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Sent: Monday, April 06, 2009 9:03 PM
To: LLPComments
Cc: Borod, Ronald S.; Black, Jonathan C.; Apstein, Erin G.; Sroka, Andrew M.
Subject: Legacy Loans Program

Ladies and Gentlemen:

We would like to take this opportunity to thank the Federal Deposit Insurance Corporation and Chairman Baird for allowing us to provide questions with respect to the Legacy Loans Program. Based on feedback from potential qualified bidders that we are working with, it would be helpful for us to gain an understanding with respect to the following:

1. What is the structure of the due diligence, bidding and closing timeframes and mechanisms?

2. What will be the established guidelines for qualified bidders (groups are interested in qualification as bidders and wish to understand what the thresholds are)?

3. If a group qualifies as a bidder, can it change the participants who are contributing capital as part of a qualified bid?

4. Does the qualification of a bidding group occur with respect to each bid? Or, once a bidding group is qualified, does it remain qualified for future bids or is it required to re-qualify for each separate bid?

5. What will be the decision-making structure with respect to the PPIF, and will it vary depending on the type of decision (disposition of assets, foreclosure, capital events)?

6. Will the DSCA be the sole source of funding costs of the PPIF?

7. Will there be a mechanism for additional capital contributions with respect to the PPIF, especially with respect to events like tenant improvements, property rehabilitation, repair, etc...? If private investor capital is required for these purposes, what adjustment will be made to the allocation and distribution of profits (vis a vis the Treasury investment) to take into account the incremental equity investment by the private investor?

8. What is the anticipated mechanism with respect to conversion of assets through foreclosure and other remedial action?

9. Are procedures and reserves expected to be established for the rehabilitation and repositioning of assets acquired through foreclosure?

10. Are set mechanisms to be established for acquiring assets from the PPIF on a prescribed basis, such as (i) strike or release prices for release from the PPIF and the FDIC guaranteed debt; or (ii) a buy-sell mechanism?

11. It will be helpful to understand certain characteristics of the FDIC-guaranteed debt, such as: (i) projected term; (ii) projected interest rate; (iii) conditions for release of assets from the lien of the FDIC-guaranteed debt; (iv) amortization schedule; and (v) whether it is anticipated that the FDIC-guaranteed PPIF debt is anticipated to be purchase money financing running from the PPIF to and in favor of the Participant (selling) Bank.

12. Are structured bids (ie., bids which permit the Participating Bank to receive a carried interest or other form of participation in the future performance of the assets sold) permitted and how will the carried interest be evaluated for purposes of awarding the bid?

Your consideration of and comment on these points is greatly appreciated.

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