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**From:** George Kenner [mailto:g.kenner@yahoo.com]  
**Sent:** Wednesday, April 01, 2009 3:57 PM  
**To:** LLCComments  
**Subject:** Legacy Loan Programs: REQUESTED COMMENTS

George F. Kenner Jr.  
3308 Razuki Lane  
Jamul, Ca.

Federal Deposit Insurance Corporation  
Robert E. Feldman, Executive Secretary,  
RE: Requested Public Comment on Legacy Loan Programs.

Dear Sir;

I am a Real Estate Broker in the State of Ca. with 19 years of experience. I was involved in this industry in the early 1990s when the Resolution Trust Corporation disposed of what are now being called Toxic Bank Assets. Of course with the financial instruments as they have been developed over the years the problems you face now are not the same problems faced by the RTC.

Looking at my industry now the explosion of Asset Managers and Information Transfer Platforms has change the entire REO Business and not for the better. Frequently Asset Managers are large Corporations that have become one stop shopping centers for the banks.

Many of these asset managers in fact collect fees from every portion of the transaction. Fidelity and First American are just such companies. Through their affiliate Asset Management companies they are charging both the Banks and the Real Estate Agents fees. Yes, they are collecting fees from the listing agents. They are also controlling the sale of their affiliated services including title insurance and this is likely a RESPA Violation.

They are acting as "Third Party Brokers" without disclosure and are not licensed in many cases to do that within the state they are operating. In our fine State of California even attorneys are not permitted to perform and collect for Real Estate related services with out having Department of Real Estate licenses. These silent "Third Party Brokers" have no training in Agency Law or Ethics that bind our practice in this industry, nor do they have any training in Fair Housing Law. Many of the people I have spoke to carrying the title "Asset Manager" have no real estate experience , one did not even know what a HUD -1 was.

If pools of non performing mortgages are transferred or sold to "Investors or Servicers" it will be important that they consider "Short Sale" programs and have some set of criteria to make this decision. We do our Country no service by putting more families on the street when an orderly sale could have benefited both the investor and home owner. Currently there is no incentive for the lenders to accept a short sale. The big Companies like First America and Fidelity in fact have more to gain if the property goes through the entire foreclosure process. The bottom line is that even today the same banks that have taken TARP money are approaching the disposure of assets with less care than the FDIC used with INDY MAC Bank. To me this is unacceptable public policy.

I have followed the FDIC program and it appears that Prescient and C.B. Richard Ellis will be super brokers for your process of disposing of some of your toxic assets. Extending this type of system would be similar to the days of the RTC as I knew them. Currently agents have the ability to buy this business from Asset Managers. This is not true for HUD Assets in fact nothing could

be further from the truth. Hud regulates the distribution process for these assets in an orderly and fair system. HUD does not merely allow the assets to be disposed of by Fidelity of First American washing their hands of any wrong doing.

I would suggest that you strongly consider the experience level and license of potential candidates to be allowed to sell these toxic assets into the retail market, so you may maximize the value of the property. This is no different than the FDIC setting standards of education for employment in your agency. Holding the highest license available in my state I find it amazing that so much REO property is handled by people that have less experience and a lower level of license. Distribution of these "Toxic Assets" needs to be based upon what you know, your experience and the quality of your license, not who you know or that your willing to pay an asset manager to play.

Sincerely,

George F. Kenner, Jr.  
Cal. Brokers Lic. Number 01229951