From: Danny Coffey [mailto:danny.coffey@southcentralbank.com]
Sent: Friday, April 03, 2009 4:42 PM
To: LLPComments
Subject: Comments on LLPC

First of all, I hope this program works as envisioned.

It appears we have designed a program to provide a large subsidy to Wall Street. The same folks who helped get us in this mess are going to be allowed to be the largest investors with little down side risk should the assets be over valued. I do not see much in the plan to encourage the "private sector" to buy the bad assets. We are nationalizing the profits for the banks and the Investor Partners and socializing the potential losses. It is simply a bad plan for the taxpayers. We are setting up a system where large middlemen are going to buy these loans and sell them to investors.

By subsidizing large private investors, we are already guaranteeing the overpayment for these assets. Since private investors are only contributing half the equity as proposed, we could potentially allow them to leverage their investment up to 14 times. In contrast, regulators are pushing banks to hold minimal levels of capital of 12%. Please consider requiring a higher initial equity position by private investors.

As I understand it, the loan portion from the FDIC is non-recourse. Should the valuations be incorrect and the asset values are smaller, taxpayers once again, will foot the bill with very little loss to the private investors. It is an extremely large put option for private investors. They only lose the premium put in since their loan is non-recourse.

Thank you for the opportunity to comment. Danny Coffey, 104 Springdale Dr. Russellville, KY 42276