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To: LLCComments

Subject: Comments on Legacy Loan Program

Several comments on the program as announced so far, and some comments for consideration:

1. Size of pools. It was interesting that the minimum size category in the preliminary interest questionnaire was \$1B-\$5B. You should note that if this is the minimum size it will preclude participation by the vast majority of interested investors in the program. It will also be directly contradictory to the stated objective of involving smaller investors, women, minorities, etc. A pool of this size will have very significant asset management requirements, data processing needs, and require fairly sophisticated servicing follow-up.

It is strongly suggested that a major focus be given to creating pools in the \$150 MM to \$400 MM range. This implies private capital raises of \$20-50 MM, which is a comfortable and customary raise amount for the private real estate investment markets. It will also allow the creation of distinctly regional or local asset pools which can be worked in the context of one or two specific city/state markets.

2. PPIF structure and Management: It is recommended that the FDIC require a standard management structure and compensation rate for the PPIF general partners to avoid any issues of unjust enrichment. Essentially, the PPIF's should be set up as LLC's with one general, or managing partner, and numerous limited equity partners, one of which will be the UST. The general manager should be compensated by a flat percentage of assets (e.g. 1.5%), with only program direct expenses chargeable above that. Program direct expenses should be defined (legal, admin, property maintenance for OREO, etc.) and the allowable categories published.

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