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Sent: Friday, April 10, 2009 2:16 PM
To: LLCComments
Subject: Legacy Loans Program

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

Dear Mr. Feldman

Thank you for the opportunity to submit comments on the Legacy Loans Program.

One issue that was raised on the April 9 call for investors sought clarification for the type of real estate loans that will be eligible for the program. For example, many institutions partner with others and, instead of originating a whole loan, purchase a participation in a loan. Subordinate positions, such as mezzanine loans, B-Notes and junior participations in loans, are also common in the real estate industry. In addition, loans secured by pledges of direct or indirect interests in companies that own, lease and operate real estate, including owners of multi-family, retail, industrial and office properties as well as hotels, should be eligible. The Legacy Loans Program should be as flexible as possible and include as many of these categories as possible. Otherwise, the applicability of the program would be too limited and its policy goal may not be achieved.

Also, as indicated on the March 27 call with bankers, clarification is needed regarding whether insured depository institutions that are foreign-owned will be eligible to participate as sellers in the program. There is inconsistency among the existing economic recovery programs on this point. For example, with respect to the Capital Purchase Program, control by a foreign bank or company precludes an otherwise eligible entity from qualifying for the program. However, with respect to the Term Asset-Backed Securities Loan Facility (TALF), foreign ownership or control does not preclude an otherwise eligible borrower participant as long as the entity is not owned by a foreign government and is not a foreign central bank. To maximize the liberation of capital and expand credit availability, a policy goal similar to TALF, participation in the Legacy Loans Program should include any insured depository institution with a U.S. presence.

Respectfully submitted,

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