

Small Investor Program



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Comparison with Multi-bank Structure

| | Multibank | SIP |
|----------------------------|------------------|--------------|
| Promote Feature | No | Yes |
| Collateral Location | Dispersed | Concentrated |
| Management Fee | 0.5% UPB | 1.0% UPB |

Investor Match Program

- The Investor Match Program was developed to encourage and facilitate interaction between small and MWO investors, asset managers and large investors to bring sources of capital together with the expertise needed to participate in structured sales programs.
- The Program is executed via an automated online networking system. The networking platform enables participants to identify potential partners and provides a forum to connect with them.
- Closed community, invitation only. You must receive an invitation to participate in the IMP.
- You control what information is viewed. Once matches are made, it is up to partners to determine the level of information sharing needed to partner.



Investor Match Program

Goals and Objectives

- Feedback gathered from investor seminars and conversations with small and MWO investors and asset managers indicated a need to build consortiums or develop partnerships with other investors in order to enhance qualifications and compete more effectively in FDIC structured sales programs.
- The FDIC believes in the value of facilitating a cooperative solution between large investors, small and MWO investors and asset managers to increase participation in the assets sales process; allowing investing experience and knowledge transfer to be key components of the program's success.

Goals

- Increase participation in FDIC structured sales program.
- Increase the diversity of participation in FDIC structured sales program.

Objectives

1. Match large investors with small and MWO investors and asset managers.
2. Match small and MWO investors and asset managers interested in participating in syndicates with other small and MWO investors and asset managers.
3. Facilitate knowledge transfer between large investors, small and MWO investors and asset managers.

IMP Features/Functionality

- The platform has a full suite of online capabilities that allow users to utilize a multitude of networking features.
- Email exchanges, notifications and meeting setup are the primary methods to network and connect with potential partners to facilitate offline partnerships.

Find

Investors that match your co-investment needs

- Search by Attributes
 - Expertise (Investor, Asset Mgr, Servicer)
 - Firm Size
 - Previous Bids
- Search by Geography
- Company Mapping
 - Select the partner with similar needs

Connect

With other investors utilizing the features available on the platform

- Private Messaging
- Scheduling Meetings

Partner

Utilizing online platform to facilitate and develop offline partnerships

- Partner finder
- FDIC Communications
 - Announcements
 - Polling
- “Of Interest” notifications

CRA Related Assets

CRA Eligible Assets Received from Failed Institution Portfolios are in the form of Partnerships, Preferred Stock, Equity Funds Limited Liability Companies and Mortgages. CRA eligible investments may include:



- Low Income Housing Tax Credits
- Small Business Administration Loans
- Small Businesses Investment Companies
- Economic Development Real Estate Projects
- Other Types of Projects Eligible for CRA Credit

“Other” CRA Related Assets

Collateral Trust Notes in Funds designed to make loans to low income communities.

Community Development Corporations (CDC' s)

- CDC activities may include economic development, education, community building and affordable housing development.

NMTC – New Markets Tax Credit

- Provides tax credit incentives to investors for equity investments in certified Community Development Entities (CDE' s), which invest in low-income communities.

Asset Documentation

If the asset is in a Limited Partnership structure, during your due diligence you may review documents such as:

- Private Placement Memorandum or Offering Document
- Partnership or Operating Agreement
- Subscription Agreement
- Capital Contribution Note and Security Agreement
- Schedule of Benefits or Projected Benefits

CRA Related Sales Process

- Publish the Bid Package
- Pre-Qualification Process
- Due Diligence as Performed by Investor
- Offer and Acceptance (Sale and Purchase Agreement Document Typically Provided by FDIC Legal Counsel)
- Closing



Purchasing CRA Related Assets

Every Investor must be Pre-Qualified to bid or purchase, completing the same documents required for both the FDIC Structures Sale Auctions and Investor Match Program:

- **Pre-Qualification Request***
- **Purchaser Eligibility Certification***
- **Contact Information Form***

*Found on www.fdic.gov



Once pre-qualified, it is recommended that each potential investor reach out to the FDIC CRA Specialist to become acquainted with new investment opportunities in the FDIC Sales pipeline.

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Securitization Program



Summary of Securitization Transactions

| Types of Securitizations | Residential Performing | Residential Non-Performing | Commercial |
|--------------------------|------------------------|----------------------------|------------|
| # Transactions 2010-2012 | 2 | 1 | 2 |
| Class A Percentage | 85% | 34% | 80% |
| Class A Guarantee | yes | no | yes |
| Years completed | | | |
| 2010 | 1 | 0 | 0 |
| 2011 | 1 | 1 | 1 |
| 2012 | 0 | 0 | 1 |

Residential Securitization Transaction Key Details

| Dates | Performing or Non-Performing | Percentage Represented by Each Class | Class | Coupon |
|--------------|---|---|--------------|---------------|
| 2010 | P | 85% | A | 2.184% |
| | | 5% | M | 4.025% |
| | | 10% | OC | |
| 2011 | P | 84% | A | 2.672% |
| | | 5% | M | 4.098% |
| | | 11% | OC | |
| 2011 | NP | 12% | A-1 | 4.5% |
| | | 12% | A-2 | 4.5% |
| | | 10% | A-3 | 4.5% |
| | | 13% | B | |
| | | 53% | OT | |

Commercial Securitization Transactions Key Details

| Dates | Percentage Represented by Each Class | Class | Coupon |
|--------------|---|----------------------------------|---|
| 2011 | 80% 10% 10% | A B C | 1.840% 5.000% 5.000% |
| 2012 | 80% 10% 10% | A B C | 0.840% 4.500% 4.500% |

Due Diligence Periods for Securitization Transactions

- Dependent upon Transaction

For Commercial Securities

**Longer Investor Due Diligence
Period ranging from 6 – 8 weeks
due to sale of subordinate
classes**

For Residential Securities

**Shorter Investor Due
Diligence when only selling
Class A certificates**

Qualification and Bidding Process

- Depending upon transaction, Bidder must be “Qualified Institutional Buyer” as defined in Rule 144A under the Securities Act of 1933 or “Institutional Accredited Investor” within the meaning of Rule 501(A),(1),(2),(3) or (7) of Regulation D of the Securities Act of 1933.
- While no security deposit is required, a bidder must confirm ability to close and that it will pay cash for certificates at close
- Final Bids are good for 60 days
- Bids are not revocable
- Certificates may only be transferred to another “Qualified Institutional Buyer”
- FDIC has sole discretion to determine the winning bid

To Learn More

Contact either:

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