

BEFORE THE UNITED STATES)
FEDERAL DEPOSITORY INSURANCE)
CORPORATION)

OFFICE OF THE CHAIRMAN)

) Proceeding our company’s view and
) Eligibility to the FDIC’s Legacy Loans
) Program (“LLP”).

) **Action: Motion in Favor of the**
) **participation of our “Liquidity Real**
) **Estate Partners, LP” fund to the**
) **FDIC’s Legacy Loans Program.**
)

Comments of Real Estate Liquidity Partners, LP (“REL” or the “Fund”), Pursuant to Order Noticing and Requesting for Comments Issued on March 31, 2009 by the Federal Deposit Insurance Corporation Register

BY: REAL ESTATE LIQUIDITY PARTNERS, LP
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Comments

Real Estate Liquidity Partners Fund, LP (the “Fund”) is a private equity distressed debt limited partnership organized to operate as a pooled investment vehicle through which the assets of its Shareholders are invested in the distressed and delinquent residential asset class. The investment objective of the Fund is to achieve superior absolute returns on capital; the primary objective is to create long-term capital appreciation for long-term investors.

In pursuing the Fund's investment objective, the Investment Manager as defined in the Fund's Private Placement Memorandum, will utilize nonperforming and sub-performing American residential mortgages, illiquid securities, or other types of financial instruments.

COMMENTS ON THE LEGACY LOANS PROGRAM (“LLP”)

Based on the foregoing, current developments and previous experience and facts, our Fund has the following comments:

1. In the Public-Private Investment Program (PPIP) of the Legacy Loans Program, there is no evaluation or requirements on what the Highest Bidders at the auction of these assets or pool of loans are going to do with them until final liquidation. What will be the economic, social and environmental impacts of holding and liquidating these assets? What will be the best benefit to the public as to how private fund managers will control and manage the assets?
2. This really should be a Pre-qualification Selection Process where there will be a combination of points for the highest bidder, best asset management program and the unique qualifications of the fund manager to include local, minority and women fund managers... This process is done all over the country in Design-Build construction projects and in the award of Real Estate Development Projects. At an auction you hardly have to give your name. The bidding on construction of a housing development project must have a comprehensive set of specifications for quality development and, there doesn't seem to be much of a difference on this program.
3. How will FDIC insure that this program will accomplish the broadest purposes of the Stimulus Program? The program appears to be just another Wall Street program, with possibly some benefits to Main Street if the loan pools are broken down and not bundled, and no benefits to Martin Luther Blvd., Caesar Chavez Way or Chinatown without specific program considerations. The program of Real Estate Liquidity Partners, LP will help cleanse the bank balance sheets of troubled legacy loans, bring profit to the investors, relief to homeowners, benefits to the taxpaying public and a most acceptable plan of liquidation. That is not too much to strive for.

Thank you for your consideration of this matter.

Frederick Jordan, Managing Partner
Hausmann-Alain Banet, PhD. Managing Partner

Enclosure: