

CIM Group would like to address several questions put forth by the FDIC:

1. Which asset categories should be eligible for sale through the LLP? Should the program initially focus only on legacy real estate assets or should any asset on bank balance sheets be eligible for sale? Are there specific portfolios where there would be more or less interest in selling through the LLP?

To maximize the likelihood that bank assets are sold, we believe that all real estate asset categories should be eligible for sale through the Legacy Loans Program (LLP). Narrowly tailored portfolios that have a concentrated geographic and / or functional and / or asset-class focus will generate more interest from real estate investors and better pricing for banks.

2. How can the FDIC best encourage a broad and diverse range of investment participation? How can the FDIC best structure the valuation and bidding process to motivate sellers to bring assets to the PPIF?

As real estate investors have distinct strategies and geographic market expertise, we believe PPIF investors will be most interested in acquiring loan portfolios that have a more narrow geographic and / or functional and / or asset-class focus, as opposed to broader diverse offerings. Furthermore, real estate investors seek direct negotiation to create narrowly tailored pools for auction.

3. How should on-going servicing requirements of underlying assets be sold to a PPIF and paid for? Should value be separately attributed to control of the servicing rights?

The investor should always control the servicing rights because it will maximize the value of the securities.

4. Should the program permit multiple selling banks to pool assets for sale? If so, what constraints should be applied to such pooling arrangements? How can the PPIF structure equitably accommodate participation by smaller institutions? Under what process would proceeds be allocated to selling banks if they pool assets?

Different financial institutions should be able to pool loans for sale that have a concentrated geographic and / or functional and / or asset-class focus, narrowly tailored portfolios will generate more interest and better pricing.

5. What parameters of the note and its rate structure would be essential for a potential private capital investor to know at the time of the equity auction to provide equity?

Investors need access to the loan documents to make a fully informed bid at the time of an equity auction. Investors also need current reliable data on the performance of the underlying collateral that form the basis of the cash flow streams that will repay the loan.

Thank you for the opportunity to provide feedback.

Sincerely,

Matt Wexler
Vice President, Investments
CIM Group
7250 Woodmont Avenue, Suite 300
Bethesda, MD 20814
(301) 469-3580 (phone)
(301) 469-3581 (fax)