



Neighborhood Economic Development Advocacy Project

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BY EMAIL: LLPComments@FDIC.gov

April 10, 2009

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

Dear Executive Secretary Feldman:

Thank you for the opportunity to submit comments on the FDIC's proposed plan for Public-Private Investment Funds (PPIFs) and the Legacy Loan Program (LLP). The Neighborhood Economic Development Advocacy Project (NEDAP) is a resource and advocacy center that works with community groups to promote economic justice in low and moderate income neighborhoods and communities of color in New York City.

NEDAP supports the comments filed by the Partnership to Preserve Affordable Housing, dated April 9, 2009. NEDAP joins the groups in urging the FDIC to incorporate into the plan additional restrictions with respect to assets connected with low and moderate income, multi-family rental housing has been subject to "predatory equity." This category of housing constitutes a critical and sizeable portion of New York City's affordable housing stock. There is potentially much at stake in the FDIC's proposal for tenants, neighborhoods, and the entire city.

NEDAP encourages the FDIC to create a Multi-Family Preservation Program that will assist with de-leveraging these assets and bring relief to hundreds of thousands of low and moderate income renters, not only in New York, but across the country. Under the program, over-leveraged loans should be de-leveraged to a "fair market value," based on the assumption that the current rental income will be adequate for the proper operation and maintenance of the property, along with reasonable reserve payments and debt service. The plan must include strong accountability and regulatory mechanisms that ensure sustainable and affordable rents, for properties that either fail the fair market test or that are in default. In all cases, final disposition of this targeted housing stock must include protections for renters and use restrictions to ensure the long-term financial and physical health of the properties.

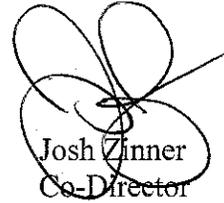
The FDIC might consider creating a special purpose entity, analogous to the Resolution Trust Corporation, to carve out these assets and resell them pursuant to the accountability principles described above.

Thank you again for the opportunity to comment on this important proposal.

Sincerely,



Sarah Ludwig
Co-Director



Josh Zinner
Co-Director