



GE Asset Management

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February 22, 2010

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

Re: GE Asset Management, Inc.'s Comments on the FDIC's ANPR

Reference is made to the Federal Deposit Insurance Corporation's ("FDIC") Advanced Notice of Proposed Rulemaking ("ANPR") dated as of December 15, 2009, as well as the American Securitization Forum's ("ASF") draft comments on the ANPR dated as of February 9, 2010.

The Structured Products Group at GE Asset Management Incorporated ("GEAM") has reviewed the ANPR. Generally, we are supportive of the ASF's opinion and expected response on many of the questions that were raised in the ANPR, but wanted to provide specific comments that may differ from the ASF's response on certain questions posed therein:

Question #12 of the ANPR states, "*Should the disclosure at issuance also include the representations and warranties made with respect to the financial assets and the remedies for such breach of representations and warranties, including any relevant timeline for cure or repurchase of financial assets.*"

- **GEAM Response:** Yes, we believe that disclosure at issuance should include representations and warranties, including remedies for breaches and any relevant timeline for resolution. In our view, strong representations and warranties along with measures to monitor or back check at delinquency combined with an enforcement mechanism would substantially mediate many of the problems experienced in the non-agency mortgage market. Investors could then place different levels of value depending on the credit quality of the originator/seller and might, for example, require an escrow account to cover potential buybacks.

Question #20 of the ANPR states, "*Loss mitigation has been a significant cause of friction between servicers, investors and other parties to securitizations. Should particular contractual provisions be required? Should the documents allow allocation of control of servicing discretion to a particular class of investors? Should the documents require that the servicer act for the benefit of all investors rather than maximizing the value of to any particular class of investors?*"



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- GEAM Response: If certain performance triggers fail, we believe that 1) the controlling class of a securitization should have the ability to replace the servicer, and 2) the servicer should act for the benefit of the controlling class versus the trust as a whole

In addition, we wanted to briefly comment on the following question posed in the ANPR:

Question #9 of the ANPR states, "What are the principal benefits of greater transparency for securitizations? What data is most useful to improve transparency? What data is most valuable to enable investors to analyze the credit quality for the specific assets securitized? Does this differ for different asset classes that are being securitized? If so, how?"

- GEAM Response: For RMBS specifically, loan level data is very helpful for analyzing credit quality of the pool. However, while the data is available, it is prohibitively expensive for most investors to access. This information should be more widely available to all.

Please contact me at 203-708 2837 or pamela.westmoreland@ge.com with any inquiries or to discuss further.

Sincerely,

A handwritten signature in blue ink that reads "Pamela Westmoreland".

Pamela Westmoreland
Managing Director