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Sent: Thursday, April 09, 2009 6:23 PM
To: LLCComments
Subject: Legacy Loans Program

Financing for land should be cash flow based or have a nominal pay rate associated with it. The RTC S series deals had a cash flow based debt structure that worked effectively.

They need to include reasonable fee structures for the private side to incorporate into the bid structure.

They may want to consider smaller pools - say 250 MM to 500 MM to broaden participation.

The idea of warrants is counter intuitive - if anyone should get warrants of upside it should be the private investor-asset managers who should get an incentive profits structure. In the RTC based Land Funds the private partner invested 25 % of the equity and received 50% of the profits. If fees aren't provided for and there is not a profit participation, the private investor works twice as hard to make half as much.

Last comments - executive comp should not be any part of this program. Let good business sense and a fair bidding platform provide for the best method to limit compensation. As a private investor I would prefer to not have government in our business other than auditing our operation of the partnership.



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