

From: CEO [mailto:ceo@u-drift.com]
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To: LLPCComments
Subject: Legacy Loans Program

"5. 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?"

To bring in a diverse range of investment participation, allow the actual homeowners to bid; e.g. the one thing that would be *right* to do would be to allow the actual borrower on each toxic note the right of first refusal. I mean, if I have a loan that some bank considers toxic, shouldn't I be allowed to pay the winning bid price if I can scrounge up the money? Parents. Work. 401k. Friends. Etc.

Yeah, let me buy my discounted mortgage!

And hey, no harm if I can't or don't take the option to buy within some reasonable amount of time like 14 days. But give me the chance. I've got an interest in that loan out there, after all.

Hold a reverse auction, starting at 100% and working down until finally an approved bidder takes it at some lower discount, then give the homeowner 14 days to come up with that much money to buy the discounted note.

The approved bidder wins it if the homeowner doesn't pony up. Charge me a couple of points so that the Approved Bidder doesn't get completely shafted, but give me a chance to buy my own home loan back.

Kind Regards,

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