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To: LLPComments
Subject: Legacy Loans Program

Having worked for one of the likely major sellers of "toxic" assets for 20 years I can understand how this program might help them.

However there is an assumption that by helping the banks you help the general public.

This may happen indirectly through pump-priming credit (or it may not- global banks have global problems) but there are in any event direct effects on the U.S. public which depend on how you construct the program and its conditions.

All of these assets will be impaired. It is the biggest workout in history.

Sometimes workouts are well run and sometimes they aren't. In particular the impact on the borrowers (who by definition are struggling to service the loans) depends upon how the lender behaves.

May be I missed it in the questions but what controls will be put around the behaviour of these workout PPIPs, interaction with individual borrower bankruptcies and encouragement of creative solutions to enable people to stay in their homes etc?

This is a great opportunity to encourage "better" or "responsible" lender behaviour- if this can be achieved you really will help the wider public in America (directly). I appreciate there are other initiatives here (i.e. Efforts to Improve Affordability for Responsible Homeowners) but how "joined up" are the programmes going to be?

Selling assets to the "highest bidder" is fraught with difficulties if you do not include proper provisions as to how that bidder behaves.

With good wishes from the UK,

Marcus Morris