PRESS RELEASE

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FDIC Closes on Sale of $233 Million of Notes Backed by Commercial Real Estate Loans

Fourth SSGN Transaction Provides Liquidity to DIF

On May 18, 2010, the FDIC closed a sale of notes backed by commercial real estate loans from twenty-two financial institutions, for which the FDIC was appointed receiver during the period from August 2008 to March 2009. The sale was conducted through a private offering to qualified purchasers.

The $233 million of notes are backed by performing and non-performing commercial real estate loans with a related aggregate unpaid balance of approximately $1.0 billion. The notes were originally issued in January 2010 to the FDIC as receiver for the twenty-two financial institutions in connection with the creation of an LLC to hold the aforementioned assets, and are guaranteed by the FDIC in its corporate capacity. The FDIC still retains its 60% equity interest issued by the LLC, and ColFin DB Funding, formed by entities affiliated with Colony Capital, still owns the 40% equity interest sold to it by the FDIC in January 2010.

The sale of notes features three classes of notes with maturities of approximately 1.6 years, 2.6 years, and 3.6 years from the closing date. The notes do not accrue interest or make payments prior to maturity, but rather are sold at a discount to their principal balance and allow investors to earn the difference between the sale price and the principal balance paid at maturity.

The timely payment of principal due on the notes is guaranteed by the FDIC, and that guaranty is backed by the full faith and credit of the United States.

The $222 million in proceeds generated from the sale of the notes will go to the respective receiverships of the twenty-two financial institutions. Thus the sale of the notes will increase recoveries for the receiverships and recover substantial funds for the FDIC's Deposit Insurance Fund.

Barclays Capital Inc., New York, New York, served as the sole bookrunner, restructuring agent, and financial advisor to the FDIC on the sale of Structured Sale Guaranteed Notes (SSGN 2010-L3).

This offering marks the fourth sale of structured sale notes by the FDIC since the early 1990s, and the fourth sale of FDIC guaranteed debt backed by the full faith and credit of the United States.

Attachments:

Transaction Summary
Deal Diagram (PDF Help)