



Advanced Search

Search FDIC...

Each depositor insured to at least \$250,000 per insured bank[Home](#) | [Deposit Insurance](#) | [Consumer Protection](#) | [Industry Analysis](#) | [Regulations & Examinations](#) | [Asset Sales](#) | [News & Events](#) | [About FDIC](#)[Press Releases](#) | [Online Press Room](#) | [Conferences & Events](#) | [Financial Institution Letters](#) | [Special Alerts](#) | [Letters to the Editor/Opinion Editorials](#) | [Speeches & Testimony](#)[Home](#) > [News & Events](#) > [Press Releases](#)

Press Releases

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

*Fourth SSGN Transaction Provides Liquidity to DIF***FOR IMMEDIATE RELEASE**
May 24, 2010**Media Contact:**
David Barr (202) 898-6992
Email: dbarr@fdic.gov

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 \(PDF Help\)](#)

###

Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's 7,932 banks and savings associations and it promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars – insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). **PR-120-2010**

Last Updated 5/24/2010

communications@fdic.gov

[Home](#) | [Contact Us](#) | [Search](#) | [Help](#) | [SiteMap](#) | [Forms](#)

[Freedom of Information Act \(FOIA\) Service Center](#) | [Website Policies](#) | [USA.gov](#) | [FDIC Office of Inspector General](#)

[FDIC Open Government Webpage](#) | [No FEAR Act Data](#)