



## Stein Law, PLC Recent Developments

July 2009

### Treatment For Troubled Assets

From its inception, the Public Private Investment Program (PPIP) was considered to be a key component of the Treasury Department's Financial Stability Plan. The PPIP was designed to attract private capital with financing incentives to acquire various troubled legacy loans (including residential and commercial mortgages) and the legacy securities backed by such loans from FDIC-insured institutions. Broad strokes of the program were released in March with greater details planned for the end of June. Since that time, however, the program has faced much scrutiny and last month the FDIC formally postponed the legacy loan-buying portion of the program.

Many are now wondering about the future of the PPIP and whether this is the magic pill to cure bank's toxic balance sheets. Nevertheless, Herbert Allison, the new Assistant Treasury Secretary for Financial Stability, testified before the TARP Congressional Oversight Panel assuring them that the PPIP program is making "a great deal of progress" and that "it shouldn't be long before we announce the--the first stage in that program." During his testimony, questions arose about the troublesome future of the commercial real estate and the ticking time bomb coming from the inability to refinance billions in debt soon coming due. In response, Allison suggested that it is "too early to draw conclusions about how serious the commercial real estate crisis will be over time" and the importance of considering the counterbalancing impact from the government's initiatives.

While some wonder how and when those government's initiatives will be open for business, in the meantime, savvy private investors are buying notes directly from banks and searching for opportunities outside of a formalized program and without a "public" partner. Since the dawn of time, with great risk, there is also the potential for great reward. We help businesses and investors structure and negotiate the purchase of toxic assets, navigating the troubled waters of today's financial environments.

For more information about strategies in approaching the opportunities in today's market and the details and analysis of government programs, please contact **Scott J. Stein** at (480) 889-8948 / [scott@steinlawplc.com](mailto:scott@steinlawplc.com) and visit [www.steinlawplc.com](http://www.steinlawplc.com).

### Upcoming Speaking Engagements

Scott J. Stein will be presenting a webinar with *Buildings* magazine ([www.buildings.com](http://www.buildings.com)) on August 4th entitled "Stimulus and Treasury Department Lending and Financing Opportunities". Two other speakers, including former U.S. Senator **John Sununu**, will be participating in the three-part *BuildingsU* series on "How the Stimulus Plan Affects Commercial Real Estate."

Scott J. Stein will be speaking at the Valley of the Sun Jewish Community Center ([www.vosjcc.org](http://www.vosjcc.org)) on August 20th and discussing commercial loan workouts and modifications and ways in which commercial landlords and tenants are agreeing to modify and revise existing commercial leases.

### Website & Blog

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