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December 8, 2010

Via Electronic Mail

Gary Cohen, Esq.
General Counsel
Financial Crisis Inquiry Commission
1717 Pennsylvania Avenue, NW
Suite 800
Washington, DC 20006

Re: Potential Use of a Quote Attributed to Thomas Lund

Dear Mr. Cohen,

I am writing in response to your December 2, 2010 letter soliciting comments regarding the possibility that the Financial Crisis Inquiry Commission ("FCIC" or "Commission") might include in its upcoming Report to Congress ("Report") a particular quote attributed to our client, Thomas Lund.

We appreciate the opportunity to review for accuracy and potential confidentiality all statements attributed to Mr. Lund that the Commission might include, by way of reference or quotation, in its Report. Because our assessment of the accuracy and potentially confidential nature of any quote that the FCIC might incorporate in its Report will be informed by the context in which it purportedly was made, we appreciate receiving from the FCIC staff, on Friday, December 3, 2010, a copy of the Memorandum for the Record ("MFR") that the FCIC compiled from its notes of Mr. Lund's interview.

We note that there is a difference between the quote as provided in your December 2, 2010 letter and the MFR of Mr. Lund's interview. Specifically, your December 2, 2010 letter states that the Commission might include or paraphrase the following statement:

Lund said that Fannie had "more comfort that the relationship between risk and price was correct after August."

The Memorandum for the Record, however, states (at page 8):

Fannie Mae continued to expand its purchases of riskier loans as pricing improved after an August 2007 liquidity shock. The repricing of risk caused by the liquidity shock

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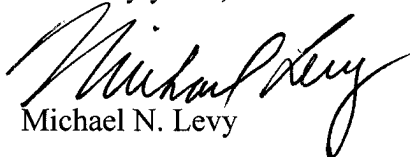
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and the dropping out of competitors gave Fannie Mae more comfort that the relationship between risk and price was correct.

Depending on the context in which it appears in the Report, if at all, the truncated statement identified in your December 2, 2010 letter easily could be rendered inaccurate and potentially even misleading to readers. Accordingly, please let us know if the Commission's Report will include the entirety of the statement as presented on page 8 of the MFR or the version presented in your December 2, 2010 letter. If the Commission intends to use only the truncated statement identified in your December 2, 2010 letter, please advise us of the surrounding information that the Commission intends to use to place this otherwise abbreviated and ambiguous statement in the proper, accurate context. Once the Commission explains exactly what statement it intends to use and how it intends to provide the correct context for that statement, we will be in a better position to comment on the Commission's proposed use of the statement attributed to Mr. Lund.

Thank you for your attention to this matter. We look forward to continuing to work cooperatively with the FCIC to further the accuracy of the Commission's Report.

Sincerely yours,



Michael N. Levy

cc: Jeffrey Kilduff, Esq., O'Melveny & Myers LLP
Cassidy Waskowicz, FCIC
Sarah Zuckerman, FCIC
Sarah Knaus, FCIC