

**Bingham McCutchen LLP Comments on the Memorandum for the Record  
of Thomas Lund's March 4, 2010 FCIC Interview**

- Page 2, 1st bullet, 2nd sentence: Remove “and municipalities.” This is inaccurate and does not reflect what Mr. Lund said during his interview.
- Page 2, 2nd bullet, 2nd sentence: Insert “bulk” before “loan acquisition process,” and remove “both bulk and flow loan acquisitions”
- Page 2, 4th bullet: Insert “Single Family” before “Chief Acquisition Officer” in both sentences.
- Page 2, 6th bullet, 1st sub-bullet:
  - Replace “Consumer bump” with “DU bump”
  - 2nd sentence: Replace “threshold” with “level”
  - 3rd sentence: Replace “eligible to be purchased” with “priced as such”
- Page 2, 8th bullet, 2nd sentence: Replace “2004” with “2006 or 2007”
- Page 3, 3rd bullet: 1st sentence: Insert “, in retrospect,” before “Fannie Mae”
- Page 3, 6th bullet:
  - 1st sentence: Replace “affordable housing mandates” with “minority lending targets”

- 2nd sentence: Remove “affordable housing mandates (e.g.,” and the final parenthesis after “targets” so that the sentence reads “Mr. Lund explained that housing goals were set by Congress and minority lending targets were set by Fannie Mae.”
- Page 3, 8th bullet, 3rd sentence:
  - Replace “goals were” with “guidance was”
  - Replace “2007” with “2006”, put a period after 2006, and remove the remainder of the sentence so that the sentence reads “Interagency guidance was released in September 2006.” The sentence in the MFR does not reflect what Mr. Lund said during his interview.
- Page 4, 1st bullet, 4th sentence: Replace “the primary” with “also a”
- Page 4, 4th bullet, 2nd sentence: Replace “priced” with “assessed”
- Page 5, 3rd bullet, 2nd sentence: Replace “SVP” with “EVP”
- Page 5, 4th bullet, 2nd sentence: Insert “may have” before “helped”
- Page 5, 7th bullet, 3rd sentence: Replace “enter the subprime” with “meet the”
- Page 6, 1st bullet: Remove “toxic BBB, BB, and B”. This does not reflect what Mr. Lund said during his interview.
- Page 6, 6th bullet, 1st sentence: Replace “and” with “through” after Board

- Page 7, 2nd bullet:
  - 2nd sentence: Replace “Alt A transformation facility” with “Alt-A transformation strategy”
  - 2nd sentence: Replace “expand Desktop Underwriter to include” with “acquire”
  - 2nd sentence: Replace “lower credit quality with “certain Alt-A”
  - 2nd sentence: Insert “through the flow channel” after “loans” so that the sentence reads “Fannie Mae established an Alt-A transformation strategy which was put in place to acquire certain Alt-A loans through the flow channel.”
  - 3rd sentence: Replace “facility” with “strategy”
- Page 7, 3rd bullet, 3rd sentence: Replace “facility” with “strategy”
- Page 7, 4th bullet:
  - 1st sentence: Remove the period after “market”
  - 2nd sentence: Insert “when” before “pricing,” replace “were still” with “became,” replace “unfavorable” with “favorable,” and remove “not” before “being compensated” so that the sentence reads “Mr. Lund explained that Fannie Mae gradually entered the Alt A market when pricing levels became favorable, and he felt that Fannie Mae was being compensated enough to participate in the Alt A market.”
- Page 7, 6th bullet:

- 1st sentence: Remove “risk was mispriced prior to” and insert “allowed Fannie Mae to better price these products” after “November 2006” so that the sentence reads “Mr. Lund suggested that we look at GAP reports from 2006 to see Fannie Mae’s view that the liquidity crisis of November 2006 allowed Fannie Mae to better price these products”
- 2nd sentence: Replace “that showed that Wall Street banks were charging less than” with “indicating”
- Page 7, 7th bullet:
  - 1st sentence: Remove “the market pricing environment and”
  - 2nd sentence: Remove “These reports should show that Wall Street banks were charging less than the risk level associated with the loans.” This sentence is inaccurate and does not reflect what Mr. Lund said during his interview.
- Page 8, 1st bullet, 3rd sentence: Remove “Senior management pointed to the”, add “were” after “profits”, and replace “to” with “there were” so that the sentence reads “Profits were being made by Wall Street banks that were purchasing riskier loans and there were low default rates bolstered by rising home prices.”
- Page 8, 7th bullet:
  - 1st sentence: Remove “liquidity” This is inaccurate and does not reflect what Mr. Lund said during his interview

- 1st and 2nd sentences: Remove “the summer of 2007. In June 2007” so that these sentences read “Mr. Lund stated that Fannie Mae felt it was great at managing risk, and Fannie Mae was not guaranteeing any subprime loans before Fannie Mae launched a program to see if they could ‘do subprime better than everyone else.’” The sentences in the MFR are inaccurate.
- Page 9, 4th bullet, 3rd sentence: Replace “20%” with “30%”
- Page 9, 7th bullet, 3rd sentence: Insert “30 to 40%” after “predicted”
- Page 9, 8th bullet, 5th sentence: Replace “laid out in the American public and that they sought input after getting into trouble” with “made in the light of day”
- Page 10, 2nd bullet:
  - 1st sentence: Replace “and its business practices” with “, the affordable housing demands, and the needs of its shareholders” so that the sentence reads “Mr. Lund stated that Fannie Mae struggled to balance between its mission to provide liquidity to the market, the affordable housing demands, and the needs of its shareholders during the tumultuous 2008 market.”
  - 2nd sentence: Replace “should” with “could”
- Page 10, 3rd bullet: Replace “about” with “whether” and insert “resigned or was fired” after “Wilkinson” so that the sentence reads “Mr. Cooper asked Mr. Lund whether Beth Wilkinson resigned or was fired to which Mr. Lund responded that he believed Herb Allison fired her.”

- Page 10, 5th bullet, 2nd sentence: Replace “bringing this to his attention” with “saying that.”
  
- Page 10, 6th bullet:
  - Sub-bullet 1: Replace “Lack of regulation” with “Regulatory failure”
  
  - Sub-bullet 4: Remove this sub-bullet. It is inaccurate and does not reflect what Mr. Lund said during his interview.
  
  - Sub-bullet 5: Remove “foreign”
  
- Page 10, 7th bullet: 5th sentence: Replace “U.S.” with “area”
  
- Page 11, 1st bullet, 2nd sentence: Replace “underperformed” with “underpredicted” and replace “underestimated” with “underpredicted”