

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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)
 THE BANK OF NEW YORK MELLON, (as Trustee)
 under various Pooling and Servicing Agreements and)
 Indenture Trustee under various Indentures), *et al.*)
)
 Petitioners,)
)
 v.)
)
 WALNUT PLACE LLC, *et al.*)
)
 Respondents.)

11-CV-5988

**APPEARANCE AND CONDITIONAL OBJECTION OF
THE FEDERAL HOUSING FINANCE AGENCY AS CONSERVATOR
FOR THE FEDERAL NATIONAL MORTGAGE ASSOCIATION
AND THE FEDERAL HOME LOAN MORTGAGE CORPORATION**

In accordance with the order of the Honorable Barbara R. Kapnick of the New York State Supreme Court dated August 5, 2011, the Federal Housing Finance Agency (“FHFA”), as Conservator for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (the “Enterprises”), submits this appearance and conditional objection to the proposed settlement at issue in the above-captioned action.¹

The Enterprises hold certificates issued by certain of the Covered Trusts at issue in this action. FHFA, as Conservator for the Enterprises, files this conditional objection with the Court on the grounds that FHFA has insufficient information concerning the proposed settlement. FHFA seeks to be eligible to receive additional relevant information, if any, developed in discovery in the above-captioned action to assist FHFA in its ongoing due diligence with respect to the proposed settlement.

FHFA, as Conservator, considers it positive that the proposed settlement includes subservicing requirements, specific terms for the servicing of troubled mortgages and the curing of certain document deficiencies. Additionally, FHFA is encouraged that a consortium of significant market participants supports the proposed settlement. Nonetheless, to fulfill its statutory obligations to preserve and conserve Enterprise assets, the Conservator considers itself bound to object not only to obtain additional information developed in discovery, but also to be in position to voice a substantive objection to the proposed settlement, should a now unforeseen issue arise that is to the detriment of the Enterprises.

¹ This action was removed to this Court on August 26, 2011. FHFA takes no position here with respect to whether removal of this action was proper.

DATED: New York, New York
August 30, 2011

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