

MR. ROGERS, EXAM. BY MR. HEBERT

1 A. No, it -- you couldn't make that distinction, I'm
2 afraid. It's not a distinction that --

3 Q. So the interest buy-down was, in fact, a guarantee,
4 was it?

5 A. It was simply treated as part of -- The only role in
6 a loan guarantee -- in the interest buy-down was to have
7 the bank verify what the interest costs were. I think it
8 was on a monthly basis and --

9 Q. But you would agree with me --

10 A. -- to reimburse the bank.

11 Q. You would agree with me that an interest buy-down is
12 not a loan guarantee?

13 A. In federal terms they are treated the same because
14 they occur --

15 Q. But, legally? Legally, it's not a guarantee, is it?

16 A. The legal issues here are established by the
17 contract.

18 Q. Fair enough, but would you agree with me that the
19 interest buy-down was actually funds being expended by
20 the government, and, in this case, being paid to the
21 bank? So in a sense it was a grant as well?

22 A. No.

23 Q. All right, fair enough. I guess we're not going to
24 quibble over terminology at this point. But the point is
25 you were aware that when the Federal Government steps in