



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Mail Stop 4561

October 11, 2007

Brian E. Cote
Chief Financial Officer
Downey Financial Corp.
3501 Jamboree Road
Newport Beach, California 92660

**Re: Downey Financial Corp.
Form 10-K for the Fiscal Year Ended December 31, 2006
Form 10-Q for the Fiscal Quarters Ended March 31, 2007 and June
30, 2007
File No. 1-13578**

Dear Mr. Cote:

We have completed our review of your Form 10-K and related filings and have no further comments at this time.

Sincerely,

Sharon Blume
Reviewing Accountant