

**MEMO# 28070**

April 29, 2014

## **ICI Jointly Submits Letter to Congress Supporting Amendment Regarding Eminent Domain**

[28070]

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TO: CLOSED-END INVESTMENT COMPANY MEMBERS No. 15-14  
FIXED-INCOME ADVISORY COMMITTEE No. 5-14  
INVESTMENT ADVISER MEMBERS No. 15-14  
SEC RULES MEMBERS No. 15-14 RE: ICI JOINTLY SUBMITS LETTER TO CONGRESS  
SUPPORTING AMENDMENT REGARDING EMINENT DOMAIN

On April 28, ICI, along with several other trade associations, submitted the attached letter to the chairman and ranking member of the Senate Committee on Banking, Housing and Urban Affairs, recommending support of an amendment to a recent Senate housing finance reform bill. The amendment would incorporate into the bill provisions prohibiting the use of power of eminent domain.

The letter explains that communities across the country are considering entering into an agreement with an investment fund that envisions using a municipality's eminent domain power to acquire performing but underwater mortgage loans held by private-label mortgage-backed securities and then refinance the loans through programs administered by the Federal Housing Administration. The letter states that these actions would severely impact the return of private capital to the mortgage markets, and would therefore undermine any chance of success of the new system as envisioned in the Senate bill. The letter asserts that using the power of eminent domain in this manner would harm our nation's housing markets and the very communities it is intended to help. For these and other reasons, the letter urges support of the eminent domain amendment.

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Senior Counsel

[Attachment](#)

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