

**MEMO# 1467**

October 11, 1989

# **INSTITUTE SUBMISSION TO SEC CONCERNING THE STATUS OF ASSET- BACKED SECURITIES POOLS UNDER THE INVESTMENT COMPANY ACT OF 1940**

October 11, 1989 TO: BOARD OF GOVERNORS NO. 62-89 SEC RULES COMMITTEE NO. 62-89  
RE: INSTITUTE SUBMISSION TO SEC CONCERNING THE STATUS OF ASSET- BACKED  
SECURITIES POOLS UNDER THE INVESTMENT COMPANY ACT OF 1940

In recent months, commercial banks and others have been securitizing auto, credit-card and other personal loans and selling them to small retail investors. Attached is a copy of a letter submitted by the Institute to the SEC concerning the status of these asset-backed securities pools under the Investment Company Act of 1940. While taking no position concerning the status of issuers of mortgage-backed securities, the Institute argues that the staff should consider whether issuers of pools of consumer receivables should be regulated as investment companies. The letter also states that the Institute would not raise objections if such consideration resulted in the proposal of a well-crafted exemptive rule. We will keep you informed of developments. Matthew P. Fink Senior Vice President and General Counsel Attachment

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