

Easter, Stacy

From: Killian, Chris <(b)(6)@sifma.org>
Sent: Thursday, July 25, 2013 8:28 PM
To: Pollard, Alfred
Subject: Fwd: RMBS: Hockett Optimistic on Federal Role in Eminent Domain

Hi Alfred,

Yet another "FYI"

Regards,
Chris

Mobile: (b)(6)

RMBS: Hockett Optimistic on Federal Role in Eminent Domain

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By Jody Shenn

July 25 (Bloomberg) -- Federal agency or agencies may soon back mediation process to expand aid to underwater homeowners with mortgages in non-agency securities through steps such as loan sales, according to Cornell University professor Robert Hockett.

* Hockett, a prominent supporter of using eminent domain for mortgages, spoke yesterday in telephone interview; said he's pushed for federal intervention for about a year

* "That's finally beginning to yield real fruit, and I'm actually optimistic, believe it or not, that we may get a preliminary version of this structure in place before" month-end "to open a possibility for an amicable

agreement among parties” as Richmond, California prepares to bid for loans, a step proceeding any use of eminent domain

* NOTE: Hockett wrote in June paper published by Federal Reserve Bank of NY eminent domain needed to overcome collective action problems. Guggenheim Securities, Compass Point said paper may revive interest

* Has advised proponent Mortgage Resolution Partners, which was hired by Richmond; paid “nominal fee” last year for legal research by firm

* Hockett says he recently completed study for Seattle on underwater mortgages; city council may start discussing potential solutions starting in September

* Now working on studies for Newark, Irvington in NJ, two more Northeast cities, at least two others in Midwest. Not paid for research, may receive small fees such as to travel for hearings

* Hockett says also advising two potential new advisors to municipalities for eminent domain for mortgages; one is nonprofit, other would have model similar to MRP

* Nonprofit would seek to tap MBS holders for funding for loan purchases along with nonprofit sources such as foundations, TARP hardest-hit funds

* For-profit company may announce existence in few weeks.

* Federally backed mediation could leave any eminent domain action as “equivalent to a court formally approving what had substantially been an out-of-court settlement”

* NOTE: Loan Seizure Plan Decried by DoubleLine Secs New Life: Mortgages

* NOTE: Eminent Domain Debate for Mortgages Revived by N.Y. Fed Paper

* NOTE: Cusack Sparring Pimco On Underwater Mortgages as Risk Falls

* NOTE: Financial Services Groups See Risk in Eminent Domain:

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Chris Killian

Managing Director

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