

## **E. Recommendation Relating to Financial Asset Securitization Investment Trusts<sup>23</sup>**

### **1. Repeal financial asset securitization investment trust rules**

Recent commentary suggests that the financial asset securitization investment trust (“FASIT”) rules, which were first enacted in 1996, are not widely used in the manner envisioned by the Congress and thus have failed to further their intended purposes. The Joint Committee staff believes that the abuse potential inherent in the FASIT vehicle far outweighs any beneficial purpose that the FASIT rules may serve, and thus recommends that these rules be repealed.

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<sup>23</sup> Further discussion of this recommendation is provided in the description of the transaction known as Project Apache in Part Three of this Report.