
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

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FHFA Sends Notice to *Federal Register* on Use of Eminent Domain to Restructure Performing Loans

Washington, DC – The Federal Housing Finance Agency (FHFA) has sent to the *Federal Register* a Notice indicating its concern with the proposed use of eminent domain to restructure performing home loans and inviting public input.

As conservator of Fannie Mae and Freddie Mac and regulator of 12 Federal Home Loan Banks, FHFA has significant concerns about the use of eminent domain to revise existing financial contracts and the alteration of the value of the companies' securities holdings. FHFA has determined that action may be necessary on its part to avoid a risk to safe and sound operations at its regulated entities and to avoid taxpayer expense. Additionally, FHFA has concerns that such programs could negatively affect the extension of credit to borrowers seeking to become homeowners and on investors that support the housing market.

FHFA is accepting submissions from the public on or before Sept. 7, 2012. These may be sent to eminentdomainOGC@fhfa.gov or FHFA OGC, 400 Seventh St., SW, Eighth Floor, Washington, DC 20024. Submissions may be made public.

[Link to Notice](#)

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.