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ONE HUNDRED TENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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October 20, 2008

Mr. Herbert M. Allison, Jr.
Chairman and Chief Executive Officer
Fannie Mae
3900 Wisconsin Avenue, NW
Washington, DC 20016

Dear Mr. Allison:

The Committee on Oversight and Government Reform has scheduled a hearing on November 20, 2008, on the financial collapse of Fannie Mae and Freddie Mac, their takeover by the federal government, and their role in the ongoing financial crisis. To assist the Committee in preparing for this hearing, please provide the following documents and information:

1. All documents or communications, including e-mails, transmitted to or from you or your two predecessors, Franklin Raines and Daniel Mudd, during your respective tenures as CEO of Fannie Mae relating to: (a) the level of risk or leverage associated with Fannie Mae's investment portfolio; (b) the likelihood that Fannie Mae could suffer significant losses or collapse; or (c) the systemic risk or impact on the economy that could follow from significant losses by or collapse of Fannie Mae.
2. All documents or communications, including e-mails, transmitted to or from you, Mr. Raines, or Mr. Mudd relating to: (a) changes to Fannie Mae's risk assessment standards or computer models; (b) the decision in 2006 to hire a permanent chief risk officer; (c) the increase in Fannie Mae's market share of subprime or other riskier loans; (d) efforts to encourage commercial lenders to increase the origination of subprime loans; or (e) recommendations by the chief risk officer or any other company official regarding the fees that Fannie Mae should charge for handling riskier loans.
3. Any reports or presentations prepared at the request of the Fannie Mae Board of Directors or Mr. Raines or Mr. Mudd relating to the Office of Federal Housing Enterprise Oversight (OFHEO) or accounting problems.

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4. All monthly risk management reports prepared for Fannie Mae senior management or the Office of Federal Housing Enterprise Oversight or the Federal Housing Finance Agency during the tenures of Mr. Raines or Mr. Mudd as CEO.
5. All documents or communications, including e-mails, transmitted to or from Fannie Mae senior management during the tenures of Mr. Raines or Mr. Mudd as CEO related to the management of risk of Fannie Mae's portfolios of mortgages and mortgage-backed securities, including documents or communications related to the purchase of "nonprime" loans or loans with reduced documentation requirements ("Alternative-A" mortgages).
6. All documents or communications, including emails, transmitted to or from Fannie Mae senior management during the tenures of Mr. Raines or Mr. Mudd relating to the management of risk and maintenance of capital requirements at Fannie Mae, including documents or communications transmitted to or from Marc Gott or Enrico Dallavecchia.
7. All documents or communications, including e-mails, between any member of Fannie Mae senior management during the tenures of Mr. Raines or Mr. Mudd as CEO and any of the following government officials: Kevin M. Warsh, Keith Hennessy, or Jason Thomas.
8. All documents or communications, including e-mails, relating to the compensation (including severance and perquisites) of Mr. Raines and Mr. Mudd, including minutes from compensation committee meetings or board of director meetings; recommendations to the compensation committee or the board of directors; presentations to the compensation committee or the board of directors; resolutions of the board of directors; and employment and other agreements. In addition, please provide:
 - a. The value of the compensation of Mr. Raines and Mr. Mudd, in table format, broken out by individual and year and type of compensation (e.g., base salary, cash bonus, stock grants, etc.).
 - b. For equity or equity-based awards to them, the grant date value of the award and an estimate of its current value.
 - c. A list of all instances in which Mr. Raines, Mr. Mudd, or any board member exercised stock options or sold company shares. For each instance, provide the date, number of shares, and the value of the transaction.

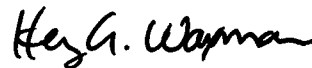
You should provide the documents and information to the Committee by Friday, October 31, 2008. In addition, you should advise the Committee by Tuesday, October 21, 2008, whether Fannie Mae will comply with this request on a voluntary basis.

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The Committee on Oversight and Government Reform is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X. An attachment to this letter provides additional information about how to respond to the Committee's request.

If you have any questions about this request, please contact me or ask your staff to contact Roger Sherman or David Levis of the Committee staff at (202) 225-5051.

Sincerely,

A handwritten signature in black ink that reads "Henry A. Waxman". The signature is written in a cursive, slightly slanted style.

Henry A. Waxman
Chairman

Enclosure

cc: Tom Davis
Ranking Minority Member