



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Fannie Mae and Freddie Mac foundations
Da: Wednesday, Feb. 8, 2006

Sen. Chuck Grassley, chairman of the Committee on Finance, has been reviewing whether government-chartered companies Fannie Mae and Freddie Mac may have abused the special tax status of their charitable foundations by using their foundations and other charitable contributions to skirt campaign-finance laws and lobbying laws. Grassley has been conducting a wide-ranging review of various aspects of non-profit practices and governance to determine whether charitable dollars are serving their intended purpose and whether non-profit groups fully warrant their special tax-exempt status. Non-profit groups generally are prohibited from engaging in political activities. Grassley made the following comment on his committee's review.

“I'm concerned that we're seeing more and more charities in general used in the best interests of lobbyists or special interests, and not in the public's interest. Recent reports about Fannie Mae and Freddie Mac and their charitable foundations are the latest to raise serious questions. My committee is reviewing this matter to gain a better understanding of the relationship between Fannie Mae and Freddie Mac and their charitable foundations.”