

September 11, 2008

Prevent Fannie and Freddie
Executives From Leaving With Millions of Dollars

[Cosponsor H.R. 6864](#)

*Current cosponsors: Walberg, Foxx, Bachus, Akin, Garrett, and Fortenberry,
LoBiondo*

Dear Colleague,

As many of you know, recent news reports have indicated that Daniel Mudd and Richard Syron, the respective former CEOs of Fannie Mae and Freddie Mac may pocket severance packages of up to \$15 million. As most of you also know, H.R. 3221, Housing and Economic Recovery Act of 2008, which was signed into law on July 30th, included provisions allowing the Federal Housing Finance Agency regulator to prohibit or limit these “golden parachute” payments.

Rather than leave any doubt in the mind of the FHFA regulator about whether or not Mudd, Syron, and their cronies deserve to be paid millions of dollars in severance pay for running Fannie and Freddie into the ground, I’ve introduced H.R. 6864, a companion bill to Senator Jim Bunning’s S. 3458, to REQUIRE the regulator to prohibit golden parachute payments from being made to the companies’ former executives and board members.

The mismanagement of Fannie and Freddie that ultimately led to the recent government takeover of those institutions has left taxpayers holding the bag of billions of dollars in liability. It is incredible to think that as taxpayers begin the process of assuming the financial responsibility for the irresponsible decision-making of these institutions’ leaders, those same leaders could walk away from the devastation they’ve wrought loaded down with millions of dollars in payouts.

Join me in sending a strong message to the American people about this Congress’ refusal to reward mismanagement and irresponsibility with a golden parachute to escape the crumbling institutions left behind. Contact Bentley.Graves@mail.house.gov (5-4426) in my office with questions or to cosponsor.

Sincerely,

Steve King

Member of Congress