

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA ALEXANDRIA DIVISION**

UNITED STATES OF AMERICA)	
and)	
OFFICE OF FEDERAL HOUSING, ENTERPRISE OVERSIGHT,)	
Petitioners,)	No. Misc. 03-MC-57
v.)	
LELAND BRENDSEL)	
Respondent.)	

SECOND DECLARATION OF DAVID W. RODERER

I, David W. Roderer, declare as follows:

1. I am a Deputy General Counsel in the Office of Federal Housing Enterprise Oversight (OFHEO), where I have been employed for the past three years. My current business address is OFHEO, 1700 G Street, N.W., Washington, D.C. 20552.

2. This Declaration supplements my earlier declaration, dated December 3, 2003, in this matter.

3. On December 12, 2003, OFHEO issued a Report of the Special Examination of Freddie Mac ("Report") (cited portions attached as Exhibit A).¹ This Report documented certain of the examination team's findings and conclusions regarding the company's accounting and disclosure misstatements. This report was issued to provide the public and Congress greater insight into the practices and conduct of Freddie Mac related to the restatement of earnings and was intended to provide the examination team's findings and conclusions to date. The Report reflected months of review of documents and conduct of interviews of some of Freddie Mac's current and former officers, directors, and employees. As part thereof, OFHEO sought to interview Mr. Leland Brendsel (the former Chairman and CEO). The Report does not constitute a final determination of any matters related to the Special Examination. The Report makes recommendations to the Director of OFHEO for future action. Report at 163-172.

4. OFHEO's special examination of the matters addressed in the Report is continuing. In particular, OFHEO continues to examine the role of various parties in causing the transactions, accounting misstatements and corporate governance failures that are detailed in the Report. The role of Mr. Brendsel is necessarily and inextricably intertwined with the roles of these other parties. They also include various third-party broker-dealers, whose roles in the transactions at issue are also being studied by the ongoing special examination. Although, as a by-product of the special examination, appropriate subjects of enforcement actions have been identified, the underlying purpose of the special examination is a determination of weaknesses in accounting practices, corporate governance and controls that need to be addressed and may be appropriate areas for future rulemaking or examination guidance. Mr. Brendsel, as the most senior executive at Freddie Mac, plainly has information relevant to the examination. In addition,

¹ The entire report is available at <http://www.ofheo.gov/media/pdf/specialreport122003.pdf>.

the testimony of Mr. Brendsel is needed to get a better understanding of the relationships that Freddie Mac had with the broker-dealers and how Freddie Mac worked with them to develop and execute the transactions. For these reasons, the issuance of the Report neither ends nor moots the information that is sought from Mr. Brendsel. OFHEO's interest in Mr. Brendsel will continue until OFHEO obtains all relevant information he may have or know about the matters being examined.

5. On December 17, 2003, OFHEO filed a notice of charges against Mr. Brendsel, which commenced an administrative enforcement action against Mr. Brendsel and Freddie Mac seeking appropriate remedies for his involvement in the events that gave rise to the restatement of and delays in audited financial statements at Freddie Mac and related actions and omissions.

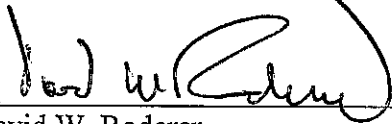
6. The supervisory role of OFHEO (of which the examination process is the critical part) is distinct from the adjudicative authority of the agency to impose remedial and punitive sanctions upon the enterprise or its officers or directors, including former officers and directors. The agency's supervisory role is broad and continuous and includes an evaluation of facts and circumstances to determine whether individual enforcement actions should be brought. By contrast, the exercise of adjudicative authority is more narrowly focused upon particular parties, transactions or events. The adjudicative process cannot begin until a notice of charges is filed in a case. In this case, the agency's adjudicative authority did not focus upon Mr. Brendsel until December 17, 2003, when the notice of charges was filed. No administrative subpoena was issued against him after that date.

7. Since early in the examination process, OFHEO has sought to obtain interviews or testimony from Mr. Brendsel, but has been met by a series of excuses and delays from him. It is because of Mr. Brendsel's delays that the Report and the notice of charges preceded his testimony.

8. Mr. Brendsel's cooperation with the examination process is important, among other reasons, because as a former chief executive officer of Freddie Mac, his testimony was and continues to be relevant to OFHEO's ongoing examination of Freddie Mac.

9. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 7th day of January, 2004.



David W. Roderer
Deputy General Counsel
Office of Federal Housing Enterprise Oversight