



**Office of Federal Housing Enterprise Oversight
(OFHEO)**

NEWS RELEASE

Contact: Corinne Russell (202) 414-6921
Stefanie Mullin (202) 414-6376

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**STATEMENT OF OFHEO DIRECTOR ARMANDO
FALCON, JR. REGARDING FANNIE MAE
ACCOUNTING ERROR**

"Today Fannie Mae disclosed an accounting error related to Financial Accounting Standards (FAS) 149 and 115 in the amount of approximately \$1.2 billion dollars. OFHEO is evaluating the circumstances surrounding this error, including the company's reliance on manual accounting systems.

"This error underscores the need for the special review OFHEO is about to begin of accounting policies, practices, and internal controls at Fannie Mae. This development also adds urgency to Congressional approval of the additional 2004 resources requested by the White House for OFHEO to fund this special examination and strengthen our staff and oversight."

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OFHEO's mission is to promote housing and a strong national housing finance system by ensuring the safety and soundness of Fannie Mae and Freddie Mac.