



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

STATEMENT

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Statement of OFHEO Director James B. Lockhart

"I concur with the decision by Freddie Mac to limit retained mortgage portfolio growth, as recommended by OFHEO. Freddie Mac has a need to address the size and scope of its portfolio, particularly in light of current operational problems surrounding accounting and internal controls. A large retained portfolio presents both inherent risks as well as a distraction from the task at hand for the enterprise – implementing its various remedial plans. The Board and management have taken a meaningful step with this commitment. As the Enterprise works to meet its statutory mission, this limit on portfolio growth provides public assurance that the Enterprise is committed to fixing its internal controls, reducing operational risks, and improving its accounting and thereby emerging as a stronger firm."

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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.