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# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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### FHFA RELEASES 2009 BUDGET

**Washington, DC** – Director James B. Lockhart today announced a Fiscal Year (FY) 2009 budget of \$120.8 million for the new Federal Housing Finance Agency (FHFA), created in the Housing and Economic Recovery Act of 2008 passed in July. The FY 2009 budget reflects the costs of regulating Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. FHFA is funded by semiannual assessments from its regulated institutions and not by the taxpayers.

Fannie Mae's and Freddie Mac's component of the FY 2009 budget totals \$75.8 million, a 14.8 percent increase from FY 2008. This increase reflects the costs associated with FHFA's new responsibilities as conservator and as overseer for mission regulation of the Enterprises. The budget also reflects the Enterprises' share of start-up costs for FHFA's new infrastructure and a strengthened supervision program for the Enterprises.

The Banks' component of the FY 2009 budget totals \$42.0 million, an 8.2 percent increase from FY 2008. This increase reflects the Banks' share of start-up costs for FHFA's new infrastructure and a strengthened supervision program for the Banks.

	<u>FY 2008</u>	<u>FY 2009</u>	<u>Percent Change</u>
Enterprises	\$66.0	\$75.8	14.8%
Banks	\$38.7	\$42.0	8.5%
WCF		\$3.0	
Total	\$104.7	\$120.8	15.4%

FHFA is establishing a working capital fund (WCF) of \$3 million in FY 2009, in line with other federal financial regulators. FHFA's regulated entities will share in the funding of the WCF.

FHFA's FY 2009 budget of \$120.8 million represents only .002 percent of the \$6.2 trillion of mortgages funded by the Enterprises and the Federal Home Loan Banks.

"As regulator of Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks, it is critical that we have the resources necessary to ensure the safety and soundness of these institutions which play such an important role in our nation's housing finance system," said Director Lockhart.

FHFA is comprised of approximately 400 employees from the Office of Federal Housing Enterprise Oversight (OFHEO), the Federal Housing Finance Board (FHFB) and the GSE mission office of the Department of Housing and Urban Development (HUD).

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*The Federal Housing Finance Agency (FHFA) combines the responsibilities of the Office of Federal Housing Enterprise Oversight (OFHEO), the Federal Housing Finance Board (FHFB) and the HUD government-sponsored enterprise (GSE) mission team to regulate Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. Together, these 14 GSEs provide funding for \$6.2 trillion of residential mortgages in the U.S.*