



OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT
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NEWS RELEASE

FOR IMMEDIATE RELEASE

October 23, 2003

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Former Freddie Mac President David Glenn Consents to OFHEO Order

WASHINGTON, D.C. —Armando Falcon, Jr., Director of the Office of Federal Housing Enterprise Oversight (OFHEO), announced today that OFHEO has entered into a consent order with David W. Glenn, former Vice Chairman, President and Chief Operating Officer of Freddie Mac.

With this consent order ([attached](#)) in lieu of an OFHEO enforcement action, Mr. Glenn agrees to cooperate fully with OFHEO's special examination, pay a civil money penalty of \$125,000 and is precluded from serving in any capacity at Freddie Mac or Fannie Mae. Glenn has been terminated for cause from Freddie Mac and, as a result, will lose approximately \$13-million dollars.

"This consent order represents a significant development in OFHEO's ongoing examination of Freddie Mac's accounting and management practices. I anticipate that Mr. Glenn's cooperation will be valuable to our investigation," Director Falcon said.

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United States of America
Office of Federal Housing Enterprise Oversight

Order No. 2003-01

In the Matter of

DAVID GLENN:

Consent Order

The Office of Federal Housing Enterprise Oversight ("OFHEO") believes and states as follows:

WHEREAS, OFHEO is authorized by federal law to conduct examinations of government sponsored enterprises ("GSEs"), such as the Federal Home Loan Mortgage Corporation ("Freddie Mac"), in order to ensure their safety and soundness. Federal Housing Enterprises Financial Safety and Soundness Act of 1992, 12 U.S.C. §§ 4501 *et seq.*;

WHEREAS, OFHEO is in the process of conducting a special examination of Freddie Mac and its present and former officers, directors and employees arising from disclosures of certain matters affecting the management, operations and business practices of this GSE;

WHEREAS, the on-going special examination has uncovered facts which raise serious and substantial issues regarding the management, operations and business practices of Freddie Mac for a period during which David Glenn served as an officer and director;

WHEREAS, Freddie Mac terminated David Glenn for cause on June 6, 2003, for reasons relating to his performance;

WHEREAS, OFHEO believes that sufficient grounds exist to initiate supervisory and/or enforcement proceedings against David Glenn, including a claim for the award of civil money penalties and other relief;

WHEREAS, OFHEO has determined that it is in the public interest and consistent with its statutory and regulatory authority to enter into this Consent Order;

WHEREAS, solely for the purpose of this Consent Order, David Glenn neither confirms nor denies the allegations listed above, and avers that by entering into this Consent Order he neither confirms nor denies any liability for the allegations of OFHEO listed above, and denies that he engaged in any reckless or intentional wrongful conduct;

WHEREAS, OFHEO and David Glenn intend that this Consent Order shall, upon execution, have the effect of (i) releasing and discharging Glenn from any and all supervisory and/or enforcement actions relating to his employment at Freddie Mac that OFHEO may initiate as of the effective date of this Agreement; and (ii) releasing OFHEO, its Director, officials, employees and agents from any and all actions that Glenn may initiate against OFHEO and such persons.

WHEREAS, it is the Parties' intent that the admissibility in evidence of this Consent Order in any proceeding subject to the Federal Rules of Evidence ("FRE") shall be governed by Rule 408 of the FRE;

NOW, THEREFORE, in accordance with 12 U.S.C. §§ 4501 *et seq.*, it is this 22nd day of October, 2003 agreed by the Parties, as follows:

1. David Glenn shall, within 5 business days of this Order, tender to the General Counsel of OFHEO a check payable to the United States Treasury in the amount of \$125,000.00, which sum shall constitute a Civil Money Penalty pursuant to 12 U.S.C. § 4636. In making such payment, David Glenn neither admits nor denies any violations of any applicable OFHEO statute or regulation.

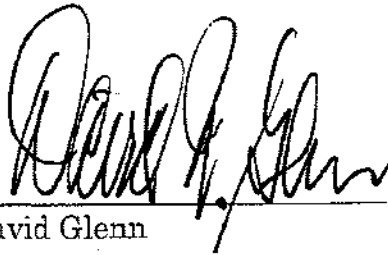
2. David Glenn shall not participate, without prior written approval of the Director, in any manner in the conduct of the affairs of Freddie Mac or Fannie Mae or in any activity that would cause him to be considered to be an institution-affiliated party as defined by 12 U.S.C. Section 1813(u) as if either of these enterprises were insured institutions.

3. As part of this Consent Order, David Glenn agrees to cooperate fully with OFHEO in the on-going special examination referenced above, as well as any supervisory and/or enforcement proceeding initiated by OFHEO.

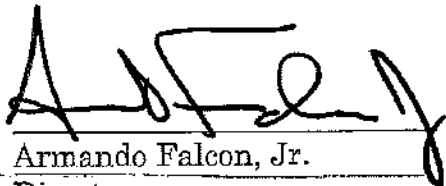
4. The Consent Order shall be binding on David Glenn, his heirs, successors, agents and executors, and also shall be binding on the Director of OFHEO, its officials, agents, employees and successors.

5. This Consent Order is, upon execution, final and not subject to appeal.

Entered and Agreed this 22nd day of October, 2003, in Washington, D.C.



David Glenn



Armando Falcon, Jr.

Director

Office of Federal Housing Enterprise Oversight

1700 G Street, N.W.

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