



OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

NEWS RELEASE

FOR IMMEDIATE RELEASE

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Statement of OFHEO Director Armando Falcon

I want to compliment Fannie Mae and Freddie Mac for their voluntary compliance with SEC disclosure requirements under provisions of the Securities Exchange Act of 1934.

In my recent letter to the OMB, I stressed the importance of adequate and mandatory disclosure and the role that it plays in safety and soundness. Through their action today, Fannie Mae and Freddie Mac have fulfilled a major part of our disclosure initiative. This step furthers the goals of the President's ten-point plan for corporate responsibility. OFHEO will promulgate a rule on disclosure that will facilitate the implementation of this voluntary action.

In addition, together with the SEC, we will review the adequacy of information disclosures related to mortgage backed securities. Also, the review will consider the appropriate manner for creating a more level playing field and greater comparability of disclosures that will enhance Enterprise safety and soundness.

Accordingly, OFHEO is not pursuing a securities registration regime for Fannie Mae and Freddie Mac.

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OFHEO was established as an independent entity within the Department of Housing and Urban Development by the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Title XIII of P.L. 102-550). OFHEO's primary mission is ensuring the capital adequacy and financial safety and soundness of Fannie Mae and Freddie Mac.