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# FEDERAL HOUSING FINANCE AGENCY



## STATEMENT

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### **FHFA DIRECTOR JAMES B. LOCKHART STATEMENT ON "MAKING HOME AFFORDABLE" PROGRAM**

"FHFA was pleased to work with the White House, the Treasury Department, the Department of Housing and Urban Development, other regulators, and Fannie Mae and Freddie Mac in the development of the 'Making Home Affordable' loan modification program that Treasury announced today. This program is a major step forward in reducing preventable foreclosures and stabilizing the housing market.

Fannie Mae and Freddie Mac will participate in the Home Affordable Modification program both for their loans that they own or guarantee and as administrators on behalf of the Treasury Department for all other loan modifications under this program.

Fannie Mae and Freddie Mac will also undertake Home Affordable Refinance, a program that is designed to reduce mortgage rates for 4 to 5 million people whose loans are owned or guaranteed by Fannie Mae or Freddie Mac. The refinance option will allow borrowers that currently owe between 80 and 105 percent of the value of their home to refinance their mortgages.

In addition, as previously announced, Treasury will support low mortgage rates through strengthening confidence in Fannie Mae and Freddie Mac by increasing the Preferred Stock Purchase Agreements to \$200 billion each.

We encourage all homeowners that are having serious difficulties making their mortgage payments to contact their mortgage servicer. With the concerted effort of mortgage servicers, mortgage insurers, Fannie Mae, Freddie Mac and all other holders of first and second mortgages, we will be able to prevent millions of foreclosures. Taken together, these are extremely important steps toward achieving a recovery for housing markets and the entire economy."

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*The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$6.3 trillion in funding for the U.S. mortgage markets and financial institutions.*