



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

STATEMENT

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FOR IMMEDIATE RELEASE

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**STATEMENT OF OFHEO DIRECTOR JAMES B.
LOCKHART**

"Freddie Mac today announced plans to raise a significant amount of common and preferred capital per the March 19, 2008 agreement with OFHEO. Freddie Mac continues to make progress in remediating its past problems including eliminating all material weaknesses and making progress in the SEC registration process.

OFHEO continues its OFHEO-directed requirement of a surplus over minimum capital, which was lowered from 30 to 20 percent in the March 19, 2008 agreement with Freddie Mac in return for its commitment to raise significant additional capital. As indicated in the agreement, OFHEO intends to reduce the OFHEO-directed requirement to 15 percent upon the successful completion of the capital raising effort, assuming there are no material changes to ongoing regulatory compliance. OFHEO indicated to Freddie Mac its intention to reduce the OFHEO-directed requirement a further five percent in September 2008 based upon the company's continued commitment to maintain capital well above OFHEO's regulatory requirement, no material adverse changes to ongoing regulatory compliance, completion of the registration with the SEC and the company's completion of the remaining Consent Order requirement (i.e., the separation of the CEO and Chairman). The lowering of the prudential cushion is appropriate in line with the company's progress, additional capital and the need to maintain safe and sound operations."

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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.