



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

NEWS RELEASE

Contact: Corinne Russell (202) 414-6921
Stefanie Mullin (202) 414-6376

For Immediate Release

April 15, 2008

**OFHEO RELEASES ANNUAL REPORT TO
CONGRESS**

WASHINGTON, DC — James B. Lockhart, Director of the Office of Federal Housing Enterprise Oversight (OFHEO) today released OFHEO's 2008 Report to Congress, detailing the agency's annual examination conclusions and regulatory oversight of the government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac, for the year 2007. The report concludes that both Enterprises made very good progress in remediating their operational areas and providing stability and liquidity to the mortgage markets, but they remain "a significant supervisory concern" because of increased mortgage market and credit risk.

"Fannie Mae and Freddie Mac should be commended for the timely filing of their 2007 annual statements," said Lockhart. "While they have made progress in fixing many of their systems, internal controls and risk management problems, they still have much work to do, especially with the continuing challenges of today's mortgage market."

"These challenges and the pressures on Fannie Mae and Freddie Mac to do even more to support the mortgage market require a stronger regulator," Lockhart said. "As I noted in my transmittal letter, last month both GSEs agreed that a 'world-class regulatory structure' is needed and they 'renewed a shared commitment to work for comprehensive GSE reform legislation. The time to act on the legislation is now.'"

In addition to the annual reports of examination for Fannie Mae and Freddie Mac, the report includes a review and summary of related topics, including:

- Executive Summary
- Financial Performance of the Enterprises
- Capital Classifications of the Enterprises
- OFHEO's Supervisory Actions
- OFHEO Research and Publications
- Accounting at the GSEs
- Historical data tables for the Enterprises

The full report is available
at: www.fhfa.gov/webfiles/2097/OFHEOReporttoCongress2008.pdf. To request a
printed copy, please send an e-mail to ofheoinquiries@ofheo.gov or
call (202) 414-6922.

###

*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.*