



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

STATEMENT

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**STATEMENT OF OFHEO DIRECTOR
JAMES B. LOCKHART ON CONFORMING LOAN
LIMIT INCREASE**

We are very disappointed in the proposal to increase the conforming loan limit as we believe it is a mistake to do so in the absence of comprehensive GSE regulatory reform. To restore confidence in the markets we must ensure that the GSEs' regulator has all the necessary safety and soundness tools.

Yesterday Chairman Dodd talked about moving a GSE reform bill early this year. We are ready to work with him and the Senate Banking Committee. We will also be working with Fannie Mae and Freddie Mac to ensure that any increase in the conforming loan limit moves through their rigorous new product approval process quickly and has appropriate risk management policies and capital in place.

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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.