
FEDERAL HOUSING FINANCE AGENCY



Statement by Federal Housing Finance Agency on FHFA Lawsuit Against Illinois Tax Officials

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“The Federal Housing Finance Agency recognizes the difficulties faced by local officials that are struggling with shrinking tax bases. However, FHFA must resist when local governments impose unlawful tax-raising programs on Fannie Mae and Freddie Mac that, in turn, create a cost for taxpayers across the country.

“Longstanding federal statutes and Supreme Court rulings preclude states, counties and municipalities from imposing real estate transfer taxes on Fannie Mae and Freddie Mac, yet, several counties in Illinois are requiring or threatening to require them to pay such taxes. Federal law does provide for Fannie Mae and Freddie Mac to pay real estate taxes on the value of properties they hold, but does not sanction taxes tied to the transfer of properties.

“As conservator of Fannie Mae and Freddie Mac, FHFA must protect taxpayers from local taxation that clearly runs counter to long-established federal law. This lawsuit asserts that Fannie Mae and Freddie Mac are exempt from the Illinois transfer taxes and asks the court to block this improper taxation.”

[Link to FHFA Filing](#)

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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 \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.