
FEDERAL HOUSING FINANCE AGENCY



STATEMENT

For Immediate Release
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Statement of FHFA Acting Director Edward J. DeMarco on Recent Standard & Poor's Rating Action

“On August 5th and 8th, 2011, Standard & Poor's rating agency announced its lowering of the rating of long-term securities issued by the U.S. government, federal agencies, and other entities, including Fannie Mae, Freddie Mac, and the Federal Home Loan Banks, from AAA to AA+. With regard to this action, consistent with guidance provided by the banking regulators with respect to capital rules, the Federal Housing Finance Agency provides the following guidance for the Federal Home Loan Banks: the risk weights for Treasury securities and other securities issued or guaranteed by the U.S. Government, government agencies, and government-sponsored entities do not change for purposes of calculating risk-based capital.

The government commitment to ensure that Fannie Mae and Freddie Mac have sufficient capital to meet their obligations, as provided for in the Treasury's Senior Preferred Stock Purchase Agreement with each Enterprise, remains unaffected by the Standard and Poor's action.

We will evaluate any other implications for FHFA's regulated entities and issue additional clarification if necessary.”

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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.