
FEDERAL HOUSING FINANCE AGENCY



STATEMENT

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STATEMENT OF FEDERAL HOUSING FINANCE AGENCY DIRECTOR JAMES B. LOCKHART

“I am pleased that the Federal Home Loan Bank of Chicago, partnering with Fannie Mae, will provide greater liquidity to the mortgage market through its new mortgage product, MPF Xtra. This is an excellent example of how the synergies created by merging OFHEO and FHFB into the new FHFA can help to provide greater liquidity and stability to the mortgage markets. Through MPF Xtra, the FHLBank of Chicago can offer its membership a mortgage acquisition service without taking onto its balance sheet the associated credit or market risk.

Fannie Mae may find it more efficient to manage one relationship – with the FHLBank of Chicago – than to work with a number of smaller, individual institutions. The Federal Home Loan Banks continue to be an integral part of the nation’s housing finance system, playing a vital role in helping to finance homeownership for millions of Americans.”

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The Federal Housing Finance Agency (FHFA) combines the responsibilities of the Office of Federal Housing Enterprise Oversight (OFHEO), the Federal Housing Finance Board (FHFB) and the HUD government-sponsored enterprise (GSE) mission team to regulate Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. Together these 14 GSEs provide funding for \$6.2 trillion of residential mortgages in the U. S.