



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

NEWS RELEASE

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**OFHEO RECEIVES \$66.6 MILLION IN PRESIDENT'S
FY 2009 BUDGET REQUEST**

Washington, DC – OFHEO announced today the President's FY 2009 budget request and notes OFHEO's progress in accomplishing improvements identified last year through the government-wide Program Assessment Rating Tool (PART). The Budget again calls for legislation to create a unified stronger regulator for Fannie Mae, Freddie Mac and the Federal Home Loan Banks.

"The current mortgage markets present growing challenges and risks to the housing GSEs and their regulators. The need for an empowered, unified regulator is even more critical than in the past," said OFHEO Director James B. Lockhart.

The President's FY 2009 Budget calls for \$66.6 million for OFHEO, which regulates Fannie Mae and Freddie Mac. This request is \$0.6 million more than OFHEO's FY 2008 enacted budget of \$66.0 million.

Budget funds that OFHEO receives are not from General Revenues, but rather from the two Enterprises it regulates. Unlike other federal financial regulators, OFHEO's funds are appropriated by Congress. That means that OFHEO may only collect assessments from Fannie Mae and Freddie Mac equaling the total amount of its annual appropriation.

OFHEO made great strides in the last year in making improvements called for in last year's PART review, completing two of three action items. The third action item, enactment of GSE reform legislation, depends on Congressional action. The House of Representatives did pass a balanced GSE Reform bill in May of 2007. OFHEO continues to be proactive in assisting the Administration and the Congress in support of making these changes. In the last year,

- OFHEO completed the first two action items by developing and rating the Enterprises through bank regulator-like risk measures. OFHEO reported the results in the FY 2007 Performance and Accountability Report issued November 15, 2007.
- OFHEO made even further improvements by developing an improved risk rating structure—GSE Enterprise Risk—and began

to apply it to the Enterprises for the third quarter of the CY 2007 assessment. GSE stands for Governance, Solvency, and Earnings, and the term Enterprise Risk stands for credit, market and operational risks.

- The revised structure combines the two sets of ratings structures that OFHEO used in 2006 and 2007. OFHEO will use the revised structure in tandem with the prior sets for the CY 2007 examination conclusions as a transition for this year.

Link to budget language where GSE reform is discussed in Analytical Perspectives:

<http://www.whitehouse.gov/omb/budget/fy2009/pdf/spec.pdf> (page 81)

Link to OFHEO PART assessment released 2006:

<http://www.whitehouse.gov/omb/expectmore/summary/10006241.2006.html>

Link to PART Assessment detail with new improvement plans and completed actions as of Feb. 2008:

<http://www.whitehouse.gov/omb/expectmore/detail/10006241.2006.html>

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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.