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## NEWS RELEASE

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**FOR IMMEDIATE RELEASE**

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### **OFHEO RELEASES 2006 PERFORMANCE AND ACCOUNTABILITY REPORT**

Washington, D.C. – James B. Lockhart, Director of the Office of Federal Housing Enterprise Oversight, safety and soundness regulator for Fannie Mae and Freddie Mac, today released the agency's 2006 Performance and Accountability Report (PAR). The report details OFHEO's operations and accomplishments in the fiscal year ended September 30, 2006.

"I am pleased to submit this report about the agency's progress in 2006," said Lockhart. "This report is a sign of our commitment to improving transparency and the public's understanding of our important role in keeping the nation's housing finance system strong."

For the ninth straight year, OFHEO received a clean audit opinion from the agency's external auditors and achieved numerous other accomplishments, detailed in the report.

- The agency completed its special examination of Fannie Mae which brought to light serious accounting and management problems.
- OFHEO advanced its oversight of remediation efforts at both Enterprises.
- The agency worked to support legislation needed to enhance the regulatory oversight of Fannie Mae and Freddie Mac.
- The agency continued to beef up its supervision program by establishing an Office of Supervision and by launching initiatives to enhance measurement of operational

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risk, improve the financial analysis of the Enterprises, and update the OFHEO Supervision Handbook.

- OFHEO made progress on the President's Management Agenda, including the areas of human capital and financial performance, and revised its strategic plan for the next five years.

The report provides a three-part summary of OFHEO's operations, progress toward achieving the agency's goals, and a financial summary for FY 2006.

"OFHEO's progress this past year has been significant but there is much more to be done," Lockhart said. "FY 2007 will be a year of challenges for the Enterprises, their regulator and the nation's housing finance system. The enhanced powers and resources proposed by Congress and the Administration are needed to fully equip the agency to meet the many challenges ahead."

THE PAR REPORT IN PDF FORMAT IS AVAILABLE AT:

<http://www.fhfa.gov/webfiles/2084/OFHEOPARNovember2006.pdf>

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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.*