



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

STATEMENT

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FOR IMMEDIATE RELEASE

May 06, 2008

**STATEMENT OF OFHEO DIRECTOR JAMES B.
LOCKHART**

"I am pleased to announce that OFHEO has lifted its 2006 Consent Order with Fannie Mae. This action reflects two years of hard work by Fannie Mae in remediating their problems. OFHEO will continue its ongoing oversight of the Enterprise, including of items that were remediated under the Order. I want to express appreciation for the work done by OFHEO's Office of Compliance and the Office of Examination in oversight of the remediation effort.

OFHEO continues its OFHEO-directed requirement of a surplus over minimum capital, which was lowered from 30 to 20 percent in the March 19, 2008 agreement with Fannie Mae in return for their commitment to raise significant additional capital. The company announced such a capital raising initiative today. As indicated in the agreement, OFHEO intends to further lower the OFHEO-directed requirement to 15 percent upon the successful completion of the fund raising effort. OFHEO indicated to Fannie Mae its intention to reduce the OFHEO-directed requirement a further five percent in September based upon the company's continued commitment to maintain capital well above OFHEO's regulatory requirement and no material adverse changes to ongoing regulatory compliance. The lowering of the prudential cushion was appropriate in line with the company's progress and with the need to maintain safe and sound operations."

Termination of 2006 Consent Order Follows

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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.

United States of America
Office of Federal Housing Enterprise Oversight
Order No. 2008-4

In the Matter of
The Federal National Mortgage Association

Order

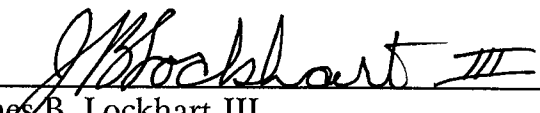
Whereas, on May 23, 2006, the Office of Federal Housing Enterprise Oversight (OFHEO) entered into a Stipulation and Consent to the Issuance of a Consent Order with Fannie Mae and issued Consent Order 2006-1 directing actions by Fannie Mae regarding accounting, internal controls, corporate governance, the Board of Directors, personnel, reports and disclosures and a civil money penalty;

Whereas, OFHEO in the conduct of its supervision had determined that Fannie Mae is in compliance with the terms of the Order and has put in place methods for facilitating ongoing supervision of remediated items of the Order; and,

Whereas, Fannie Mae has requested termination of the Order pursuant to paragraph IV. 4 of the Stipulation;

Now Therefore, in light of the above and the Director's determination it is appropriate to terminate the Order and to indicate below by his signature that the Order is in fact terminated,

It Is Ordered, this 6th day of May 2008, that Order 2006-1 is terminated.



James B. Lockhart III
Director, Office of Federal Housing Enterprise Oversight