
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

For Immediate Release
June 18, 2012

Contact: Corinne Russell (202) 649-3032
Stefanie Johnson (202) 649-3030

Federal Housing Finance Agency Establishes Additional Anti-Fraud Measure for Fannie Mae, Freddie Mac and Federal Home Loan Banks

Washington, DC – The Federal Housing Finance Agency (FHFA) has announced an initiative to complement current fraud reporting by Fannie Mae, Freddie Mac, and the Federal Home Loan Banks. FHFA is taking this additional step to ensure the regulated entities are not exposed to unnecessary risk from doing business with individuals or businesses with a demonstrated history of fraudulent conduct.

The initiative, called the Suspended Counterparty Program, will require Fannie Mae, Freddie Mac and the Federal Home Loan Banks to notify FHFA whenever an individual or company with whom they do business is adjudicated to have engaged in fraud or other financial misconduct. Likewise, FHFA will consider information received from other government sources.

FHFA will determine whether an individual or company should be suspended from doing business with Fannie Mae, Freddie Mac or the Federal Home Loan Banks as a threat to their safe and sound operations. Affected parties will have an opportunity to show cause why they should not be suspended. In appropriate cases, FHFA will issue orders directing the regulated entities to stop doing business with the individual or company based on a history of fraud. This program becomes effective Aug. 15, 2012.

###

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.