

FM POLICY FOCUS

NEWS RELEASE

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Statement of FM Policy Focus Chairman J.C. Watts on House Passage of GSE Reform Legislation

“We commend the House of Representatives for passing bi-partisan legislation (H.R. 1427) to create a strong single regulator for Fannie Mae, Freddie Mac and the Federal Home Loan Banks. This very important reform bill will not only expand homeownership opportunities for low- and moderate-income Americans, but also provide the regulator with the necessary authority to make sure that the GSEs adhere to their mission of providing liquidity in the secondary market.

“Today’s bi-partisan vote takes us one step closer to reforms that both Democrats and Republicans agree is long overdue.

“Further, today’s favorable vote owes a great deal to the skillful leadership of Financial Committee Chairman Barney Frank in working out a comprehensive and balanced bill with Treasury Secretary Henry Paulson. This landmark legislation is a victory for the American housing market – for lenders and other financial institutions as well as today’s homeowners and tomorrow’s homebuyers.

“We now look forward to working with members of the Senate Banking Committee to pass comparable reform legislation that will subject the GSEs to strong regulation thus assuring the health and stability of the secondary mortgage market.”