



## Infographic

# Unaccountable Risks at Fannie Mae and Freddie Mac

**MEGHAN MILLOY, DAN BOSCH | JUNE 5, 2018**

After Fannie Mae and Freddie Mac, the two housing finance government-sponsored enterprises (GSEs), entered government conservatorship in 2008, they continued adding risk to the U.S. housing market at the very time they should have been acting most conservatively. Just in the past few years, the GSEs have created billions of dollars of new programs—all without any public notice and comment period. And their conservator, the Federal Housing Finance Agency (FHFA) under the guidance of Mel Watt, has done nothing to stop or slow them down. According to American Action Forum research, and as shown in the infographic below, new programs from Fannie and Freddie have racked up a bill totaling over \$63 billion.

For example: Fannie Mae's Connecticut Avenue Securities (CAS), created in 2013, has already issued \$22.5 billion in debt. Freddie Mac's Structured Agency Credit Risk (STACR) has issued \$23.9 billion in debt note transactions. Two other Freddie Mac programs, Structured Agency Credit Risk Securitized Participation Interests (STACR SPI) and Whole Loan Securities (FWLS) have issued \$190 million and \$2.8 billion respectively in total offerings. On the other hand, Fannie Mae's Credit Insurance Risk Transfer (CIRT) has issued \$5.4 billion in counterparty liabilities.

As troubling as these unchecked programs are, there are even more programs that are less transparent. Several programs at Freddie Mac, such as Integrated Mortgage Insurance (more commonly known as IMAGIN) and Freddie Mac's initiative to offer credit to non-bank lenders, have no public documents to show, at a minimum, how much taxpayer money these programs are putting at risk. With these programs continuing to increase risks for taxpayers and returning lending standards to pre-crisis levels, Congress and the GSEs' regulators must exert their oversight power to ensure that Fannie and Freddie don't spark another housing crisis.

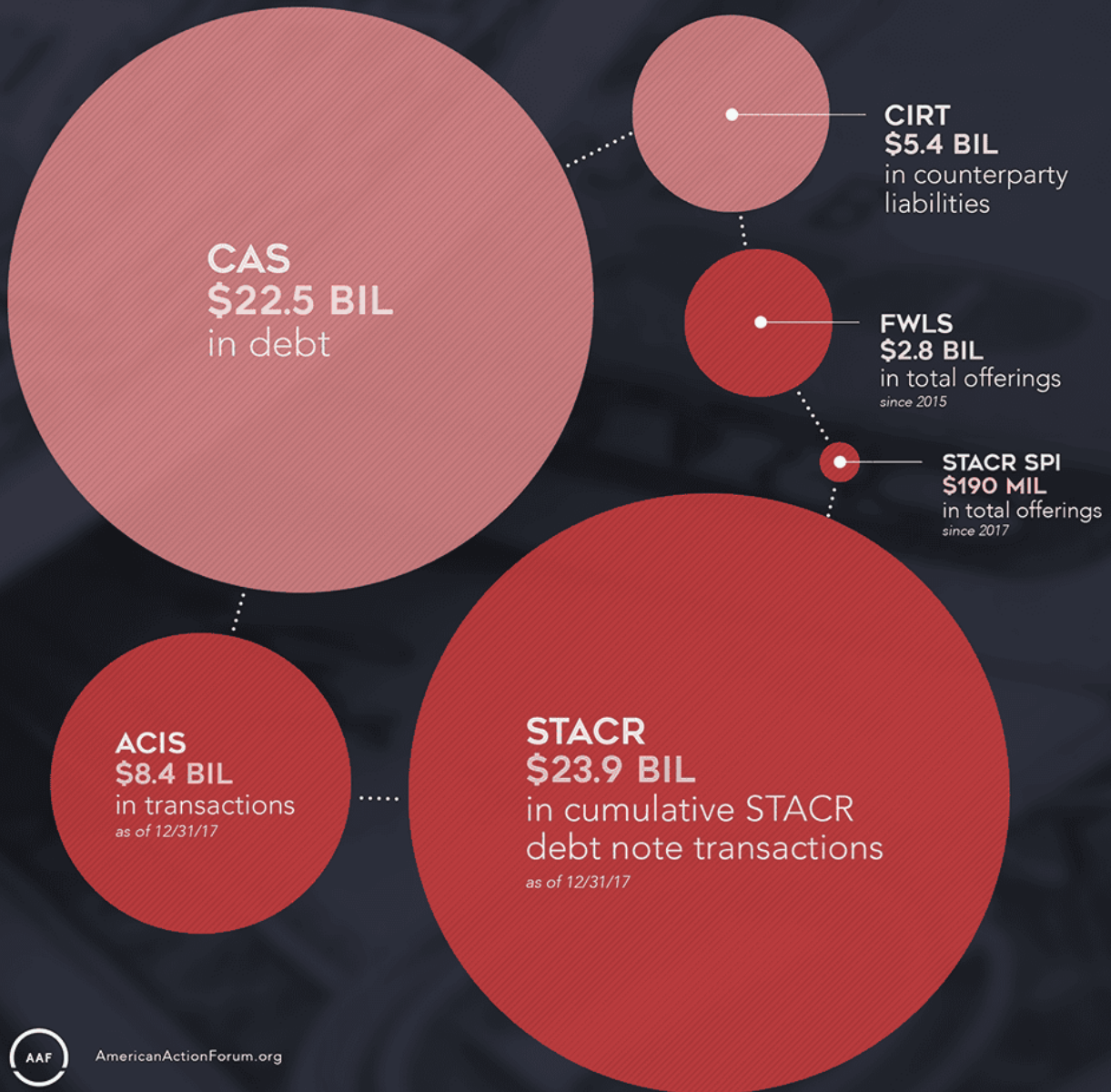
# FANNIE & FREDDIE GOING ROGUE

Since the GSEs went into conservatorship, a period during which they should be proceeding with caution, they've taken an opposite approach. Just in the past few years, the GSEs have created billions of dollars in new programs – and they've all been done without any notice and comment period. And their conservator, FHFA under the guidance of Mel Watt, has done nothing to stop or slow them down.

KEY

● FANNIE MAE PROGRAM

● FREDDIE MAC PROGRAM



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