



## Press Release

# Credit Risk Transfers and Capital Requirements for Fannie Mae and Freddie Mac

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Since the housing finance giants Fannie Mae and Freddie Mac went into conservatorship after the 2007-2008 financial crisis, the federal government has assumed the entirety of their risk — with one exception. The credit risk transfer (CRT) program, created in 2013, allows Fannie and Freddie to transfer risk to the private market, and this program has proven essential to the stability of the housing market and the broader economy, writes AAF's Director of Financial Services Policy Thomas Wade. Nevertheless, a new proposed capital rule for Fannie and Freddie threatens to undermine CRTs, which would be unacceptable given that they have been the only way to reduce taxpayers' risk exposure from the housing finance giants, Wade argues.

[Read the Primer Explaining CRTs](#)  
[Read the Analysis of the Capital Rule and CRTs](#)