

U.S. DEPARTMENT OF THE TREASURY

Press Center

**Paulson Statement on Senate Housing Legislation**

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Washington- *Secretary Henry M. Paulson, Jr. made the following statement today upon the passage of housing legislation by the Senate Committee on Banking, Housing and Urban Affairs, which included reform of the housing government sponsored enterprises.*

"We have long called for strong, comprehensive GSE reform. This is the most significant component of the legislation passed today, creating a world class financial regulator with appropriate authorities to oversee the GSEs' operations. Fannie Mae and Freddie Mac are guaranteeing a greater share of mortgages than ever before. It's never been more critical that markets have confidence in how these companies are overseen and regulated.

"As we all know, one element critical to reaching the end of this correction will be the cost of mortgage finance - the price of a mortgage will impact how many buyers come into the market and when they do so. Investor confidence in the secondary mortgage market is vital to the continued flow of affordable mortgage capital for American homebuyers. And a strengthened regulator for the two largest sources of mortgage finance is vital to the confidence of all mortgage market participants and regulators."

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