Statement

Statement from FHFA Director Melvin L. Watt on Capital Reserve for Fannie Mae and Freddie Mac

FOR IMMEDIATE RELEASE

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"The Federal Housing Finance Agency (FHFA), as conservator of Fannie Mae and Freddie Mac, and the Department of the Treasury have agreed to reinstate a $3 billion capital reserve amount under the Senior Preferred Stock Purchase Agreements for each Enterprise beginning in the fourth quarter of 2017. While it is apparent that a draw will be necessary for each Enterprise if tax legislation results in a reduction to the corporate tax rate, FHFA considers the $3 billion capital reserve sufficient to cover other fluctuations in income in the normal course of each Enterprise's business. We, therefore, contemplate that going forward Enterprise dividends will be declared and paid beyond the $3 billion capital reserve in the absence of exigent circumstances."

Fannie Mae Letter Agreement

Freddie Mac Letter Agreement

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 11 Federal Home Loan Banks. These government-sponsored enterprises provide more than $6.0 trillion in funding for the U.S. mortgage markets and financial institutions. Additional information is available at **www.FHFA.gov**, on Twitter **@FHFA** , **YouTube** and **LinkedIn** .

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