

**Alfred M. Pollard, General Counsel,  
Federal Housing Finance Agency, Fourth Floor,  
1700 G Street, NW., Washington, DC 20552.**

**Attention: comments/RIN 2590-AA23**

Dear Mr. Pollard:

Regarding RIN 2590-AA23:

In that poorly written document, which is confusing and hard to understand, I found the following issues:

1. it seems the intention of the document is to justify Sept 8th, 2008 placement of Fannie Mae and Freddie Mac into conservatorship, without compensation to the shareholders. ( violation of the 5th amendment)

2. it seems the document indicates all common and (Junior) preferred shareholders would be equal, which is in violation of the preferred shares underwriting.

Enclosed please find a quotation from series O offering ( Fannie Mae preferred stock, series O)

**'Upon any voluntary or involuntary dissolution, liquidation or winding up of Fannie Mae, after payment or provision for the liabilities of Fannie Mae and the expenses of such dissolution, liquidation or winding up, the Holders of outstanding shares of the Series O Preferred Stock will be entitled to receive out of the assets of Fannie Mae or proceeds thereof available for distribution to stockholders, before any payment or distribution of assets is made to holders of Fannie Mae's common stock ( .....)**

....If the assets of Fannie Mae available for distribution in such event are insufficient to pay in full the aggregate amount payable to Holders of Series O Preferred Stock and holders of all other classes or series of stock of Fannie Mae, if any, ranking, as to the distribution of assets upon dissolution, liquidation or winding up of Fannie Mae, on a parity with the Series O Preferred Stock, the assets will be distributed to the Holders of Series O Preferred Stock and holders of all such other stock pro rata, based on the full respective preferential amounts to which they are entitled.....

(....)The shares of Preferred Stock of Fannie Mae designated "5.25% Non-Cumulative Preferred Stock, Series D" (the "Series D Preferred Stock"), "5.10% Non-Cumulative Preferred Stock, Series E" (the "Series E Preferred Stock"), "Variable Rate Non-Cumulative Preferred Stock, Series F" (the "Series F Preferred Stock"), "Variable Rate Non-Cumulative Preferred Stock, Series G" (the "Series G Preferred Stock"), "5.81% Non-Cumulative Preferred Stock, Series H" (the "Series H Preferred Stock"), "5.375% Non-Cumulative Preferred Stock, Series I" (the "Series I Preferred Stock"), "Variable Rate Non-Cumulative Preferred Stock, Series J" (the "Series J Preferred Stock"), "Variable Rate Non-Cumulative Preferred Stock, Series K" (the "Series K Preferred Stock"), "5.125% Non-Cumulative Preferred Stock, Series L" (the "Series L Preferred Stock"), 4.75% Non-Cumulative Preferred Stock, Series M (the "Series M Preferred Stock"), the 5.50% Non-Cumulative Preferred Stock, Series N (the "Series N Preferred Stock") and the "Non-Cumulative Convertible Series 2004-1 Preferred Stock" (the "Series 2004-1 Preferred Stock") shall be deemed to rank on a parity with shares of Series O Preferred Stock as to the payment of dividends and the distribution of assets upon dissolution, liquidation or winding up of Fannie Mae. Accordingly, the holders of record of Series D Preferred Stock, the holders of record of Series E Preferred Stock, the holders of record of Series F Preferred Stock, the holders of record of Series G Preferred Stock, the holders of record of Series H Preferred Stock, the holders of record of Series I Preferred Stock, the holders of record of Series J Preferred Stock, the holders of record of Series K Preferred Stock, the holders of record of Series L Preferred Stock, the holders of record of Series M Preferred Stock, the holders of record of Series N Preferred Stock, the holders of record of Series 2004-1 Preferred Stock and the Holders of the Series O Preferred Stock shall be entitled to the receipt of dividends and of amounts distributable upon dissolution, liquidation or winding up of Fannie Mae, as the case may be, in proportion to their respective dividend rates or amounts or liquidation prices, without preference or priority, one over the other.'

3. It seems, the participants of the employee stock ownership plan will be treated differently from all other shareholders.

Overall, it seems the document imposes new laws, disregarding previous arrangements.

I kindly suggest, the government should work on restoring GSEs financial situation, and shareholders' value, rather than working so hard at destroying it.

Thank you.

Sincerely,



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