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# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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### **FHFA Approves Fannie Mae and Freddie Mac Agreements with Counterparties**

**Washington, DC** – FHFA has approved three separate agreements reached by Fannie Mae and Freddie Mac (the Enterprises) with two counterparties – Ally Financial and Bank of America – to resolve certain claims related to mortgages sold to the Enterprises. Fannie Mae’s agreement with Ally Financial regarding business with the former GMAC also includes resolution of FHFA’s subpoena regarding GMAC-issued private-label securities purchased by Fannie Mae. Each agreement was negotiated by the respective Enterprise with its counterparty and reviewed and approved by the Enterprise’s Board of Directors. FHFA reviewed these agreements and approved them as consistent with market practice and FHFA’s conservatorship responsibilities.

“Combined, the agreements provide \$3.3 billion in recovery to the Enterprises and, thereby, to taxpayers,” said FHFA Acting Director Edward J. DeMarco. “The agreements also reflect FHFA’s ongoing efforts to ensure the Enterprises enforce claims for violations of representations and warranties incurred by the Enterprises or breaches of other legal obligations.”

Each agreement covers a different book of business and each has specific and different limitations with regard to what claims have been settled. For example, none of the agreements address representations and warranties with regard to mortgage servicing or foreclosure processing. Also, in each case there has been an ongoing process of repurchases by these counterparties prior to these agreements, so similar claims have previously been resolved with these counterparties.

“While these agreements are an important step, the Enterprises have other outstanding claims across a range of counterparties and they are being pursued,” said DeMarco.

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*The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.9 trillion in funding for the U.S. mortgage markets and financial institutions.*