



OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT
1700 G STREET NW WASHINGTON DC 20552 (202) 414-3800
Office of General Counsel

January 9, 2007

Kevin M. Downey, Esq.
Williams & Connolly LLP
725 Twelfth Street, N.W
Washington, D.C. 20005-5901

RE: Demand Letter Related to Notice of Charges 2006-1

Dear Mr. Downey:

OFHEO is in receipt of your December 18, 2006, demand letter. In the letter, you request that the Director recuse himself from any further regulatory actions affecting Mr. Franklin Raines.

This letter could be considered an *ex parte* communication sent to the Director contrary to the provisions of Title 12 of the Code of Federal Regulations Section 1780.8(b). The provision prohibits such *ex parte* communications with the Director during an administrative enforcement proceeding. Your attention is directed to the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, Title 12, United States Code, Section 4631 *et seq.*, regulations issued pursuant to that Act, Title 12, Code of Federal Regulations, Part 1780.1 *et seq.*, and the Administrative Procedure Act, Title 5, United States Code, Section 500 *et seq.* which govern the present proceeding.

Contemporaneous with this writing, we are moving to have your letter docketed in the administrative proceeding against Mr. Raines. In this way, your letter and your concerns may be addressed appropriately and on the record.

Future correspondence to OFHEO or pleadings related to Notice of Charges 2006-1 should be directed to Deputy General Counsel David A. Felt or Associate General Counsel Charlotte A. Reid until counsel for OFHEO formally have noted their appearances with the Administrative Law Judge.

With all best wishes, I am

Sincerely,

Alfred M. Pollard

cc: Steven M. Salky, Esq.