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# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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### **FHFA Directs Delisting of Fannie Mae and Freddie Mac Stock from New York Stock Exchange**

**Washington, DC** - The Federal Housing Finance Agency has directed Fannie Mae and Freddie Mac (the Enterprises), operating in conservatorship, to delist their common and preferred stock from the New York Stock Exchange and any other national securities exchange. Once the delisting is completed, each Enterprise's common and preferred stock is expected to be quoted on the Over-the-Counter Bulletin Board.

"FHFA's determination to direct each company to delist does not constitute any reflection on either Enterprise's current performance or future direction, nor does delisting imply any other findings or determination on the part of FHFA as regulator or conservator," said FHFA Acting Director Edward J. DeMarco. "The determination to direct delisting is related to stock exchange requirements for maintaining price levels and curing deficiencies," DeMarco said.

Each Enterprise's common stock price has hovered near the New York Stock Exchange (NYSE) minimum average closing price requirement of \$1 over thirty trading days for most months since the conservatorships were established in September 2008. Most recently, Fannie Mae's closing stock price has been below the required \$1 average price for the past thirty trading days. Per NYSE rules, a company in that condition must either drop from the exchange or undertake a 'cure' to restore the stock price above the \$1 mark if it does not meet the NYSE's minimum price requirements. The alternatives for putting in place such a cure do not assure maintaining the minimum price level or avoiding loss of shareholder value.

In view of Freddie Mac's share price being close to the \$1 mark and the common situation of both companies operating in conservatorship with support from the Treasury Department through the Senior Preferred Stock Purchase Agreements, FHFA has determined that Freddie Mac should also initiate an orderly delisting process.

"A voluntary delisting at this time simply makes sense and fits with the goal of a conservatorship to preserve and conserve assets," said DeMarco.

Each Enterprise's stock will continue to trade, but through a different trading mechanism. The Enterprises remain Securities and Exchange Commission registrants and subject to applicable federal securities laws.

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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.*