
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

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FHFA Sends Proposed Rule on Practice and Procedure to *Federal Register*

Washington, DC – The Federal Housing Finance Agency (FHFA) today sent a Notice of Proposed Rulemaking to the *Federal Register* on Rules of Practice and Procedure. The proposed rule would consolidate in FHFA the civil enforcement authorities of the Office of Federal Housing Enterprise Oversight (OFHEO), former safety and soundness regulator of Fannie Mae and Freddie Mac, and the Federal Housing Finance Board (FHFB), former regulator of the Federal Home Loan Banks.

The proposed rule would address procedural and related rules for enforcement proceedings. The rule would provide FHFA personnel, the regulated entities, entity-affiliated parties, and other interested parties with clear guidance in administrative enforcement actions and would increase the efficiency and transparency of FHFA's administrative enforcement hearings.

The proposed rule implements stronger cease and desist and civil money penalty provisions enacted by the Housing and Economic Recovery Act of 2008 (HERA). The HERA amendments authorize FHFA to remove or suspend individuals associated with a regulated entity if specified grounds are demonstrated. In each case, FHFA must provide the regulated entity or entity-affiliated party with notice and an opportunity for a hearing presided over by an impartial presiding officer, usually an Administrative Law Judge. The proposed rule also spells out the process for removal or suspension of a person charged with or convicted of a felony.

The Federal Housing Finance Agency was created when HERA was signed into law, merging OFHEO, the FHFB and an office of the Department of Housing and Urban Development (HUD). Comments are due 60 days after publication in the *Federal Register*.

[Link to Proposed Rule](#)

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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.