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# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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For Immediate Release  
June 13, 2011

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### **FHFA's Report to Congress Details Annual Examinations of Fannie Mae, Freddie Mac and Federal Home Loan Banks** **Fannie Mae and Freddie Mac Remain Critical Supervisory Concerns**

**Washington, D.C.** – The Federal Housing Finance Agency (FHFA) today released its third *Report to Congress*, detailing the findings of the agency's 2010 annual examinations of Fannie Mae, Freddie Mac, the 12 Federal Home Loan Banks (FHLBanks), and the FHLBanks' Office of Finance.

"Since being placed under conservatorship in 2008, Fannie Mae and Freddie Mac remain critical supervisory concerns," FHFA Acting Director Edward J. DeMarco wrote to Congress. "These ratings are a result of continuing credit losses in 2010 from loans originated during 2005 through 2007 as well as forecasted losses from loans originated during that time. As a result of the conservatorships, federal government support and an improved corporate governance structure, the Enterprises accomplished their statutory mission of facilitating stability and liquidity for single-family and multifamily housing finance."

Other details in the 2010 *Report to Congress*:

- Key challenges facing Fannie Mae and Freddie Mac include, but are not limited to: credit risk, operational risk, modeling risks and retention of qualified leadership and personnel.
- In 2010, Enterprise losses totaled \$28 billion.
- The Enterprises completed 950,000 loan modifications and other foreclosure alternative actions in 2010.
- All FHLBanks recorded positive annual earnings in 2010, though some recorded losses in individual quarters. Advances (loans to members) at year-end 2010 totaled \$479 billion, down from \$631 billion at year-end 2009.
- The 2010 financial condition and performance of the FHLBanks stabilized but several FHLBanks continued to be negatively affected by their exposure to private-label mortgage-backed securities.

[Link to Report to Congress](#)

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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 \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.*