



We make home possible™

Robert E. Bostrom
Executive Vice President,
General Counsel & Corporate Secretary

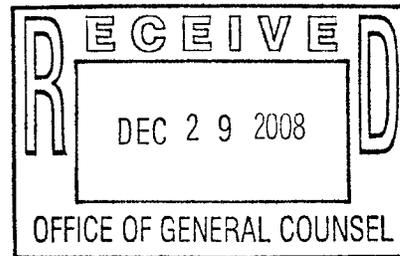
Tel: (703) 903-2690
Fax: (703) 903-2623
robert_bostrom@freddiemac.com

6200 Jones Branch Drive
MS 200
McLean, VA 22102-3110

Via Electronic Mail

December 29, 2008

Alfred M. Pollard, General Counsel
Christopher Curtis, General Counsel
Federal Housing Finance Agency
Fourth Floor
1700 G Street, NW
Washington, DC 20552



Re: Golden Parachute and Indemnification Payments - Proposed Amendments
RIN 2550-AA08, 73 Fed. Reg. 67424 (November 14, 2008)

Dear Messrs. Pollard and Curtis:

Freddie Mac is pleased to submit these comments concerning the golden parachute and indemnification payments amendments proposed by the Federal Housing Finance Agency ("FHFA") on November 14, 2008. The proposed amendments (the "Proposed Amendments" or the "Amendments") would amend FHFA's Interim Final Golden Parachute Payments and Indemnification Payments regulation, published originally in the Federal Register on September 16, 2008, with subsequent amendments published on September 19, 2008 and September 23, 2008.

FHFA proposed the Amendments pursuant to its authority under Section 1318(e) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the Housing and Economic Recovery Act of 2008. The Proposed Amendments describe the circumstances under which indemnification payments to entity-affiliated parties of Freddie Mac, Fannie Mae and the Federal Home Loan Banks may be limited or prohibited.

The Proposed Amendments would establish standards regarding prohibited and permissible indemnification payments that are substantially similar to the standards adopted by the Federal Deposit Insurance Corporation ("FDIC") for FDIC-insured institutions. 12 CFR Part 359. We believe that the adoption of indemnification standards that are well-understood and consistent with the standards that apply to other financial institutions will enhance the clarity and administrative effectiveness of FHFA's new regulations. Accordingly, we support FHFA's decision to include FDIC-consistent standards in the Proposed Amendments.¹

¹ Freddie Mac also concurs in FHFA's view that "it would be in the best interest of the regulated entities to permit indemnification of first and second tier civil money penalties where the administrative proceeding or civil action relates to conduct that occurs while the regulated entity was in conservatorship." 73 Fed. Reg. at 67425.

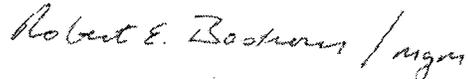
Messrs. Pollard and Curtis
December 29, 2008
Page 2

Our understanding is that FHFA intends for the Proposed Amendments to apply prospectively only – that is, the Amendments would apply only to conduct that occurs on or after the effective date of the Amendments. We support such prospective implementation because it also would be consistent with the FDIC's approach when it adopted its indemnification rules in 1995. In proposing golden parachute and indemnification regulations, the FDIC clarified that it would not seek to limit or prohibit payments "sought to be made pursuant to contracts and agreements which were entered into prior to the effective date of the final regulation." 60 Fed. Reg. 16069, 16074 (Mar. 29, 1995).

In addition, such prospective implementation would follow the well-established presumption against retroactive application of regulations promulgated to implement new statutory restrictions.² And, such implementation would provide certainty to entity-affiliated parties that pre-existing indemnification rights (which may not be based on agreements and which may provide for greater indemnification than would be permitted by the Proposed Amendments³) would continue to be generally applicable with respect to conduct that occurs prior to the Proposed Amendments' effective date, whether or not an administrative proceeding or civil action related to such conduct commences after the effective date.

Thank you for providing us with the opportunity to comment on the Proposed Amendments. Please do not hesitate to contact me if you have any questions or would like any further information.

Sincerely,



Robert E. Bostrom

² See *Bowen v. Georgetown University Hospital*, 488 U.S. 204 (1988).

³ Indemnification rights for most entities affiliated with Freddie Mac are based in the corporation's bylaws, which provide for greater indemnification rights in certain respects than would the Proposed Amendments.