

UNITED STATES OF AMERICA

FEDERAL HOUSING FINANCE AGENCY

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**In Re: Stress Testing of Freddie Mac**  
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) Order No. 2014-OR-FHLMC-2  
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**ORDER ON REPORTING BY REGULATED ENTITIES OF  
STRESS TESTING RESULTS AS OF SEPTEMBER 30, 2014**

WHEREAS, section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) requires certain financial companies with total consolidated assets of more than \$10 billion, and which are regulated by a primary Federal financial regulatory agency, to conduct annual stress tests to determine whether the companies have the capital necessary to absorb losses as a result of adverse economic conditions;

WHEREAS, FHFA’s rule implementing section 165(i)(2) of the Dodd-Frank Act is codified as 12 CFR part 1238 and requires that “[e]ach regulated entity must file a report in the manner and form established by FHFA.” 12 CFR § 1238.5(b);

WHEREAS, 12 CFR § 1238.3(b) requires that FHFA issue to each regulated entity scenarios to be used in conducting annual stress testing;

WHEREAS, the Director of FHFA considers it appropriate to Order each regulated entity to report to FHFA results of stress testing under 12 CFR part 1238 using scenarios supplied by FHFA;

WHEREAS, FHFA issued to each regulated entity the required scenarios and reporting templates on November 14, 2014, fifteen calendar days following the Federal Reserve Board’s release of global shock scenario elements for use in its Dodd-Frank stress testing exercises; and

WHEREAS, section 1314 of the Safety and Soundness Act, 12 U.S.C. § 4514(a) authorizes the Director of FHFA to require regulated entities, by general or specific order, to submit such reports on their management, activities, and operations as the Director considers appropriate.

NOW THEREFORE, it is hereby Ordered as follows:

Each regulated entity shall conduct annual stress testing and report to FHFA and to the Board of Governors of the Federal Reserve System the results of such stress testing as

required by 12 CFR part 1238, in the form and with the content described therein and in the Summary Instructions and Guidance accompanying this Order, using the scenarios and assumptions issued on November 14, 2014, and provided in Appendices 4 through 11 to the Summary Instructions and Guidance that accompanies this Order.

IT IS SO ORDERED, this 1<sup>st</sup> day of December 2014.

**FEDERAL HOUSING FINANCE AGENCY**



By: \_\_\_\_\_  
Melvin L. Watt  
Director

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