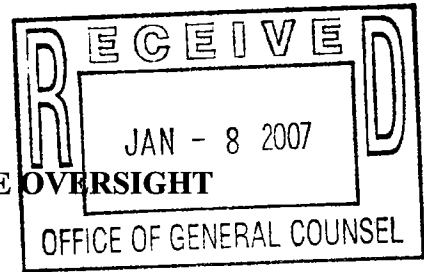


UNITED STATES OF AMERICA
OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT



Notice Number 2006-1

In The Matter Of:)

FRANKLIN D. RAINES)

J. TIMOTHY HOWARD)

LEANNE G. SPENCER)
_____)

**J. TIMOTHY HOWARD'S FIRST REQUEST TO OFHEO
FOR THE PRODUCTION OF DOCUMENTS**

J. Timothy Howard, through undersigned counsel, hereby propounds the following requests for the production of documents to the Office of Federal Housing Enterprise Oversight ("OFHEO") pursuant to OFHEO's Rules of Practice and Procedure, 12 C.F.R. §§ 1780.26 & 1780.27. Mr. Howard requests that OFHEO produce the documents to undersigned counsel at their offices within thirty days of service of these requests and agrees in advance to pay for copying and shipping as required by 12 C.F.R. § 1780.27(b).

INSTRUCTIONS

1. As specified in 12 C.F.R. § 1780.27(a), produce all documents within OFHEO's possession, custody, and control, regardless of the source, as they are kept in the usual course of business or label and organize them to correspond with the appropriate request or requests.

2. As specified in 12 C.F.R. § 1780.27(c), these requests are continuing in character so as to require you to file supplemental responses and produce additional documents as set forth in that subsection.

3. If any document is withheld under a claim of privilege, separately identify each document for which such privilege is claimed, and the particular request to which such document is responsive, together with the following information:

- (a) the date of, or appearing on, the document;
- (b) the document's author;
- (c) the identity of each recipient of a copy of the document;
- (d) a description of the contents of the document;
- (e) the privilege claimed;
- (f) the basis on which the privilege is claimed.

4. If OFHEO claims that any request is beyond the scope of permissible discovery, specify in detail each and every ground on which such claim rests.

5. If OFHEO finds any document request or term used in a request to be vague, ambiguous, subject to varying interpretations, or unclear, state what portion of the request or term you find to be vague, ambiguous, subject to varying interpretations, or unclear, state your understanding of the request or term, and respond in accordance with that understanding.

6. Draft or non-identical copies are to be considered separate documents for purposes of these requests.

7. Any document, as defined in definition number five below, which consists of information stored in some electronic or other non-paper mode is to be produced in a form from which information can be obtained in a reasonably usable form.

8. Whenever the singular is used, it shall also be taken to include the plural, and vice versa.

DEFINITIONS

1. "OFHEO" means the Office of Federal Housing Enterprise Oversight and any of its divisions or departments, or any of its current or former officials, employees, contract employees, accountants, examiners, agents, attorneys, consultants, or any other person or entity acting for, at the direction of, or on behalf of OFHEO.

2. "Fannie Mae" means the Federal National Mortgage Association and all current or former Fannie Mae employees, officers, directors, accountants, and/or other agents or representatives of, or advisors or consultants to, Fannie Mae and/or its Board of Directors.

3. The term "you" and "your" refers to OFHEO as described in Definition No. 1.

4. The term "concerning" is used in its broadest sense and means anything that embodies, constitutes, comprises, reflects, identifies, states, refers to, comments on, responds to, relates to, describes, analyzes, contains information concerning, or is in any way pertinent to the subject matter of the document request.

5. The term "document" is used in its broadest sense and its definition shall include the types of materials set forth in 12 C.F.R. § 1780.26(a). The term encompasses to all materials and tangible objects conveying or carrying spoken, visual, or literal information, including, without limitation, the original and all copies of: all writings, drawings, graphs, charts, tables,

notes, memos, photographs, videotapes, audio tapes, electronic files and materials, computer files, and computer data storage devices; all correspondence, telegrams, telexes, e-mails, and other written communications; all reports and recordings of telephone and other communications, interviews, meetings, or conversations; all appointment books, diaries, calendars, messages (including, but not limited to, reports of telephone conversations and conferences), and desk pads; all confirmations, invoices, receipts, adding machine tapes, calculations, ledgers, journals, books of account; all notes, memoranda, analyses, reports, studies, forecasts, work papers, and minutes of meetings; and all other writings, including drafts and copies of any of the foregoing, however denominated. Any documents with marks such as notes, initials, comments or notations of any kind made on or attached to it should not be deemed to be identical to the one without such marks and should be produced as a separate document.

Materials located on premises other than OFHEO's own are specifically included in the definition of the term "documents" to the extent they nevertheless are in OFHEO's possession, custody, or control. The term "documents" encompasses materials in OFHEO's possession, custody, or control regardless whether they were generated or prepared by OFHEO or collected from a source other than OFHEO.

6. The term "Notice of Charges" ("NOC") means the Notice of Charges OFHEO issued against Mr. Raines, Mr. Howard, and Ms. Spencer on December 18, 2006.

7. The term "KPMG" means KPMG, KPMG International, and all current and/or former employees, accountants, officers, directors, partners, officials, and/or member firms of KPMG and/or KPMG International.

8. The term “Internal Audit” means Fannie Mae’s Office of Auditing and all of its present or former officers, executives, accountants, attorneys, employees, agents, consultants, and anyone else acting under its behalf, including but not limited to Sampath Rajappa.

9. The term “Board of Directors” means Fannie Mae’s Board of Directors, including any Committee of the Board of Directors.

10. The term “Ernst & Young” means Ernst & Young and all current and/or former employees, accountants, officers, directors, and partners of Ernst & Young and any individuals under its authority or control, and anyone else acting on its behalf.

11. The term “Wilmer” means Wilmer Cutler Pickering Hale and Dorr LLP and WilmerHale and its predecessor law firms, including Wilmer Cutler Pickering LLP, and any of their former or present partners, associates, attorneys, employees, contract employees, accountants, consultants, agents, or any other person or entity acting for, at the direction of, or on behalf of them.

12. Any reference to Franklin D. Raines, Frank Raines, Mr. Raines, or Raines is a reference to the Franklin D. Raines against whom OFHEO has brought Notice of Charges Number 2006-1.

13. Any reference to J. Timothy Howard, Tim Howard, Mr. Howard, or Howard is a reference to the J. Timothy Howard against whom OFHEO has brought Notice of Charges Number 2006-1.

14. Any reference to Leanne G. Spencer, Leanne Spencer, Ms. Spencer, or Spencer is a reference to the Leanne G. Spencer against whom OFHEO has brought Notice of Charges Number 2006-1.

DOCUMENTS AND THINGS TO BE PRODUCED

1. All documents OFHEO intends to use at the hearing described in the first paragraph of the Notice of Charges.
2. All documents tending to disprove any of the allegations in the Notice of Charges and/or documents that could be used to impeach the testimony of any witness to be called by OFHEO.
3. All documents concerning Frank Raines, Tim Howard, and Leanne Spencer's responsibilities at Fannie Mae from January 1, 1998 until they either retired, resigned, or terminated their employment, including but not limited to their responsibilities for Fannie Mae's internal controls.
4. All documents concerning Fannie Mae's compensation for executive officers from January 1, 1998 through January 1, 2005.
5. All documents concerning OFHEO's review of Fannie Mae's compensation for executive officers from January 1, 1998 through January 1, 2005.
6. All documents concerning accounting for nonrefundable fees and costs associated with lending activities.
7. All documents concerning Fannie Mae's policies and practices for accounting for nonrefundable fees and costs associated with lending activities.
8. All documents concerning the allegations of paragraph 25 of the Notice of Charges, including, but not limited to:
 - a. the deferral of approximately \$200 million of estimated amortization expense,
 - b. the combination of interest only securities with mortgage backed securities to create "synthetic REMICs,
 - c. the accounting for guarantee fee buy ups,
 - d. the accounting for Low Income Housing Tax Credits,
 - e. the STIS transaction and the IRS ruling regarding the STIS transaction, and
 - f. the transfer of \$3.9 million from account no. 1622-00.
9. All documents concerning KPMG's knowledge of the matters described above in Request No.7.
10. All documents concerning the allegation that "Howard and his staff deliberately avoided discussion of buy-up accounting with KPMG" in paragraph 25(c).


11. All documents concerning the interest rate path used by Fannie Mae for the forecast for the third quarter of 1998.
12. All documents concerning the amortization of nonrefundable fees and costs associated with REMICs and synthetic REMICS in 1998 by Fannie Mae.
13. All documents concerning the calculation and projections of Purchase Discount Amortization (PDA) at Fannie Mae in 1998.
14. All documents concerning the amount of loans held by Fannie Mae in portfolio from January 1, 1998 through January 1, 2005.
15. All documents concerning the accounting infrastructure at Fannie Mae from January 1, 1998 through January 1, 2005.
16. All documents concerning the financial reporting infrastructure at Fannie Mae from January 1, 1998 through January 1, 2005.
17. All documents concerning the drafting of Fannie Mae's annual reports for 1998, 1999, 2000, 2001, 2002, 2003, 2004 and 2005.
18. All documents concerning Fannie Mae stock repurchases.
19. All documents concerning Fannie Mae's policies and practices of capitalizing, amortizing, and/or recording reconciliation differences.
20. All documents concerning a \$20 billion REMIC transaction at Fannie Mae in December 2001.
21. All documents concerning a \$10 billion REMIC transaction at Fannie Mae in March 2002.
22. All documents concerning internal control systems at Fannie Mae to account for REMIC transactions from January 1, 1998 through January 1, 2005.
23. All documents concerning financial disclosure controls at Fannie Mae from January 1, 1998 through January 1, 2005.
24. All documents concerning Raines, Howard or Spencer's knowledge of Fannie Mae's hedge accounting policies and practices with regard to its derivative portfolio from January 1, 1999 through January 1, 2005.
25. All documents concerning KPMG's knowledge of Fannie Mae's hedge accounting policies and practices with regard to its derivative portfolio from January 1, 1999 through January 1, 2005.

26. All documents concerning Fannie Mae debt buybacks.
27. All documents concerning Fannie Mae's policies and practices regarding debt buybacks.
28. All documents concerning Fannie Mae's allowance for loan losses.
29. All documents concerning Fannie Mae's policies and practices regarding allowance for loan losses.
30. All documents concerning Fannie Mae's accounting for Low Income Housing Tax Credits.
31. All documents concerning Fannie Mae's purchase of finite insurance policies.
32. All documents concerning the allegation that Raines or Howard knew or should have known that information contained in minimum capital reports from 1999 through 2004 was inaccurate or misleading.
33. All documents concerning OFHEO's determinations of the capital classification for Fannie Mae each quarter from 1999 through 2004.
34. All documents concerning the allegation that Raines, Howard, and Spencer "were aware that the Enterprise's accounting in regard to FAS 91, FAS 133, and other accounting standards was not GAAP compliant."
35. All documents concerning OFHEO's annual examination of the safety and soundness of Fannie Mae's internal controls and/or any aspect of Fannie Mae's internal control systems from January 1, 1998 through January 1, 2005.
36. All documents concerning KPMG's audit and/or evaluation of Fannie Mae's internal controls and/or any aspect of the internal control systems at Fannie Mae from January 1, 1998 through January 1, 2005.
37. All documents concerning any evaluation of Fannie Mae's internal controls and/or any aspect of the internal control system at Fannie Mae from January 1, 1998 through January 1, 2005.
38. All documents concerning Fannie Mae's process for developing accounting policies.
39. All documents concerning (a) the skills of Fannie Mae's accounting policy staff, including but not limited to Jonathan Boyles and (b) the staffing levels of Fannie Mae's accounting policy staff.

40. All documents between January 1, 1998 and January 1, 2005 concerning (a) staffing needs in the Controller's Office and (b) the experience and expertise of the staff in the Controller's Office.
41. All documents concerning the skills and job performance of Janet Pennewell, Jeffrey Juliane, Mary Lewers, Sampath Rajappa, and Tom Lawler at Fannie Mae.
42. All documents concerning the skills, job performance, duties and responsibilities of Daniel Mudd during the period of time he was COO of Fannie Mae.
43. All documents concerning the implementation of FAS 149 at Fannie Mae.
44. All documents concerning advice from KPMG to Fannie Mae regarding any accounting policy or practice at Fannie Mae from January 1, 1998 through January 1, 2005.
45. All documents concerning communications from Internal Audit to Frank Raines, Timothy Howard, and Leanne Spencer or from Frank Raines, Timothy Howard or Leanne Spencer to Internal Audit from January 1, 1998 through January 1, 2005.
46. All documents concerning communications from Internal Audit to the Board of Directors of Fannie Mae or from the Board of Directors to Internal Audit from January 1, 1998 through January 1, 2005.
47. All documents concerning communications from Internal Audit to KPMG or from KPMG to Internal Audit.
48. All documents concerning any OFHEO review, evaluation, or examination of Internal Audit at Fannie Mae, including but not limited to all communications from Fannie Mae to OFHEO concerning Internal Audit or from OFHEO to Fannie Mae concerning Internal Audit.
49. All documents concerning the internal audit function.
50. All documents concerning audit reports created by Internal Audit from January 1, 1998 through January 1, 2005.
51. All documents concerning Roger Barnes.
52. All documents concerning Michelle Skinner.
53. All documents concerning the Security Master project.
54. All documents concerning communications from Wilmer to OFHEO concerning Fannie Mae, or from OFHEO to Wilmer concerning Fannie Mae, from January 1, 2003 through January 1, 2005.

55. All documents concerning communications from Ernst & Young to OFHEO concerning Fannie Mae, or from OFHEO to Ernst & Young concerning Fannie Mae, from January 1, 2003 through January 1, 2005.
56. All notes or memoranda of any interview of any Fannie Mae employee or former employee conducted by the Securities and Exchange Commission from January 1, 2003 through the present.
57. All notes or memoranda of any interview of any Fannie Mae employee or former employee conducted by the Public Company Accounting Oversight Board from January 1, 2003 through the present.
58. All notes or memoranda of any interview of any Fannie Mae employee or former employee conducted by Paul, Weiss, Rifkind, Wharton & Garrison LLP from January 1, 2003 through the present.
59. All documents concerning communications from OFHEO to any member of the United States Congress regarding Fannie Mae.
60. All documents requested by Franklin D. Raines's First Set of Document Requests to the Office of Federal Housing Enterprise Oversight.
61. All documents requested by Leanne G. Spencer's First Request for Production of Documents to the Office of Federal Housing Enterprise Oversight.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 8th day of January, 2006 I caused to be served by hand delivery and electronic mail copies of J. Timothy Howard's First Request to OFHEO for the Production of Documents on:

Office of the General Counsel
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