

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

MISSION REGULATION OF FANNIE MAE  
AND  
FREDDIE MAC

Congress established important oversight responsibilities for HUD under Title XIII of the Housing and Community Development Act of 1992 (P.L. 102-550) pertaining to mission regulation of Fannie Mae and Freddie Mac, Government-Sponsored Enterprises (GSEs) in the secondary mortgage market. These responsibilities include:

- Setting, monitoring, and enforcing the GSEs' goals for the purchases of mortgages made to low- and moderate-income families, mortgages on properties located in underserved areas, and mortgages made to very low-income families and low-income families in low-income areas, including mortgages on multifamily properties;
- Reviewing the GSEs' requests for approval of new programs;
- Prohibiting discrimination in the GSEs' mortgage purchase activities, including reviewing and commenting on their underwriting guidelines; and
- Establishing a public use data base on the GSEs' mortgage purchases.

The Department plans to intensify its research and analysis underlying its regulatory activities in several areas in fiscal year 2003, including enhanced mission oversight of the GSEs, review and verification of the accuracy of the data provided to the Department by the GSEs, monitoring the GSEs' compliance with anti-discrimination requirements, and evaluation of the impact of the Department's goals for the GSEs on housing affordability.

Under the provisions of P.L. 102-550, these GSEs are assessed for the costs of their financial safety and soundness regulation by the Director of the Office of Federal Housing Enterprise Oversight (OFHEO), who is responsible for ensuring that Fannie Mae and Freddie Mac are adequately capitalized and operating safely. The Director is authorized to collect annual assessments from the GSEs to provide for OFHEO's costs and expenses. However, the GSEs are not currently assessed for the costs of mission regulation.