



FEDERAL HOUSING FINANCE AGENCY Office of the Director

January 30, 2019

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

The Honorable Sherrod Brown
Ranking Member
Committee on Banking, Housing
and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Chairwoman Waters and Ranking Member Brown:

Thank you for your January 25, 2019, letter regarding my priorities as I serve as Acting Director for the Federal Housing Finance Agency (FHFA). I appreciate your interest in housing finance and your request for details about my priorities for FHFA.

FHFA is the regulator of Fannie Mae and Freddie Mac (the Enterprises), the Federal Home Loan Bank System, and has served as the conservator for the Enterprises since 2008. The Agency's mission is to ensure that the regulated entities operate in a safe and sound manner so that they serve as a reliable source of liquidity and funding for housing finance and community investment. The statutory duties of the FHFA Director support this mission:

- Oversee the prudential operations of each regulated entity;
- Ensure that each regulated entity operates in a safe and sound manner, including maintenance of adequate capital and internal controls;
- Ensure the operations and activities of each regulated entity foster liquid, efficient, competitive, and resilient national housing finance markets, including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities;
- Ensure each regulated entity complies with the law and the rules, regulations, guidelines, and orders issued under the law and the authorizing statutes;
- Ensure each regulated entity carries out its statutory mission only through activities that are authorized under and consistent with the law and the authorizing statutes;
- Ensure the activities of each regulated entity and the manner in which each regulated entity is operated are consistent with the public interest; and
- Manage the ongoing conservatorships of Fannie Mae and Freddie Mac in order to protect taxpayers from potential losses.

As the Presidentially-designated Acting FHFA Director, I intend to carry out these duties and responsibilities and lead the agency in accomplishing its mission. As you are aware, my duties

began January 7th, and as we begin the journey of evaluating the Enterprises and developing a framework for ending conservatorship, I would welcome your insight and perspective.

Sincerely,



Joseph M. Otting
Acting Director