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I. Introduction

On September 7, 2008, the Federal Housing Finance Agency (FHFA), under authority granted by the Housing and Economic Recovery Act of 2008 (HERA), placed the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively referred to as government-sponsored enterprises [GSEs]) into conservatorship. Conservatorship is “a statutory process designed to stabilize a troubled institution with the objective of returning the [GSEs] to normal business operations.” Under the conservatorship, FHFA is operating the GSEs and will continue to do so until they are stabilized. The GSEs’ placement in conservatorship was the result of spiraling losses and deteriorating economic conditions that threatened the GSEs’ solvency and their dual public missions of providing stability and liquidity to the housing finance system.

Winston Sale is a recent graduate of Georgetown University Law Center. He is currently clerking for Goulston & Storrs, P.C. and Telesis Corporation and will be joining the HUD Legal Honors Program this fall.