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### **FHFA Website Information on Conservatorship**

United States: Federal Housing Finance Agency (FHFA)

<https://elischolar.library.yale.edu/ypfs-documents/1054>

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# CONSERVATORSHIP

## Goals of Conservatorships

The overall goals of the conservatorships are to:

- help restore confidence in **Fannie Mae** and **Freddie Mac**,
- enhance their capacity to fulfill their mission,
- and mitigate the systemic risk that contributed directly to instability in financial markets.

**Conservatorships Strategic Plan** goals:

1. **MAINTAIN**, in a safe and sound manner, foreclosure prevention activities and credit availability for new and refinanced mortgages to foster liquid, efficient, competitive and resilient national housing finance markets.
2. **REDUCE** taxpayer risk through increasing the role of private capital in the mortgage market.
3. **BUILD** a new single-family securitization infrastructure for use by the Enterprises and adaptable for use by other participants in the secondary market in the future.

## Conservatorship Scorecard

The annual Conservatorship Scorecard is FHFA's mechanism for communicating its priorities and expectations for the Enterprises and providing transparency to the public about these expectations.

- [2017 Scorecard](#)
- [All Scorecards](#)

## Conservatorship Progress Reports

FHFA Conservatorship Progress Reports detail the activities Fannie Mae, Freddie Mac, and Common Securitization Solutions made throughout the year in furtherance of FHFA's conservatorship goals: **Maintain**, **Reduce**, and **Build**.

- [2016 Progress Report](#)
- [All Progress Reports](#)

## Why Fannie Mae and Freddie Mac are in Conservatorships

Fannie Mae and Freddie Mac are in conservatorships to preserve and conserve their assets and property and restore them to a sound financial condition so they can continue to fulfill their statutory mission of promoting liquidity and efficiency in the nation's housing finance markets.

### Role as Conservator

Conservatorship is intended to stabilize troubled institutions with the objective of maintaining normal business operations and restoring financial safety and soundness.

As conservator, FHFA has the powers of the management, boards, and shareholders of Fannie Mae and Freddie Mac. However, Fannie Mae and Freddie Mac continue to operate as business corporations.

While FHFA has very broad authority, the focus of the conservatorships is not to manage every aspect of Fannie Mae's and Freddie Mac's operations. Instead, under conservatorship, we are responsible for the overall management of Fannie Mae and Freddie Mac and have delegated many operational and other duties to their management and boards. However, they must consult with, and obtain approval from us, as conservator, on critical matters.

### Conservator Authority

On July 30, 2008, President George W. Bush signed Public Law 110-289, the [Housing and Economic Recovery Act of 2008](#) (HERA), which established FHFA, giving the agency authority to place regulated entities into conservatorship or receivership.

### When Placed in Conservatorships

Fannie Mae and Freddie Mac were placed into conservatorships on September 6, 2008. The Boards consented on September 6, 2008. FHFA and Treasury publicly announced details on September 7, 2008. Read more on [History of Conservatorships](#) page.

Other Related Information:

[Treasury and Federal Reserve Purchase Programs for GSE and Mortgage-Related Securities](#)

<https://www.fhfa.gov/Conservatorship>

Data on activities by the Department of the Treasury and the Federal Reserve System to support mortgage markets through purchases of securities issued by Fannie Mae, Freddie Mac, and the Federal Home Loan Banks and by Ginnie Mae, a federal agency that guarantees securities backed by mortgages insured or guaranteed by the Federal Housing Administration, the Department of Veterans Affairs, and other federal agencies.

## Capital Requirements

**Common Securitization Platform** - link to information and public input about a new securitization infrastructure that will support single-family mortgage securitization activities, including the planned issuance of the single mortgage-backed security (**Single Security**) under development by the Enterprises.

## Required Reporting

On October 3, 2008, the President signed the Emergency Economic Stabilization Act of 2008 (EESA), providing broad authorities to the Treasury to undertake measures to strengthen financial institutions. The EESA included provisions to assist homeowners facing foreclosure and protect tenants. Section 110 of EESA charges federal property managers (FPM) to develop and implement plans to maximize assistance for homeowners and encourage servicers of underlying mortgages to take advantage of programs to minimize foreclosures. In addition, each FPM is required to report to Congress every 30 days, specific information on the number and types of loan modifications made and the number of actual foreclosures during the reporting period. The Federal Housing Finance Agency (FHFA) is a designated FPM in its role as conservator for Fannie Mae and Freddie Mac under Section 110 of the EESA.

FHFA commenced reporting as FPM with its initial transmission to Congress on **December 2, 2008**, and the format and content of the reports has evolved over time. FPM Reports to Congress prior to the May 2012 report included refinance activity. Beginning in May 2012, the FPM had the same content as the monthly and quarterly Foreclosure Prevention Reports which are available [here](#). FHFA's Refinance reports were separate and are available [here](#). FHFA's Federal Property Manager's reports from December 2008 – April 2012 are available [here](#).