



THE WHITE HOUSE  
PRESIDENT  
GEORGE W. BUSH

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For Immediate Release  
Office of the Press Secretary  
September 7, 2008

## Statement by the President

Today, the Federal Housing Finance Agency (FHFA), the regulator of Fannie Mae and Freddie Mac, determined that these housing mortgage companies cannot continue to operate safely and soundly, and fulfill their public mission – posing an unacceptable risk to the broader financial system and our economy. FHFA announced that it will place the companies in conservatorship and appoint new leadership.



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The Treasury Department and the Federal Reserve are taking additional steps that complement FHFA's actions and will support market stability, add to mortgage availability, and protect taxpayers. These agencies are taking the necessary steps to prevent a disruption of our financial system.

Putting these companies on sound financial footing, and reforming their business practices, is critical to the health of our financial system and to making further progress with the housing correction that today is weighing heavily on our economy. Allowing the companies to fail or further deteriorate would damage our home mortgage market, and could weaken other credit markets that are unrelated directly to housing. Americans should be confident that the actions taken today will strengthen our ability to weather the housing correction and are critical to returning the economy to stronger sustained growth in the future.

The actions taken today are temporary, and will support housing finance in the near term. As we determine the appropriate role for the companies in the future, it is crucial that they not pose similar risks to our economy or the financial system again.

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