

## **Opening Statement**

**Congressman Paul E. Gillmor (R-OH)**

**Subcommittee on Capital Markets, Insurance and Government Sponsored  
Enterprises**

**June 5, 2006**

*Hearing entitled: "OFHEO's Final Report on Fannie Mae."*

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I want to thank Chairman Baker for calling this hearing today. As a cosponsor of H.R. 1461, I am interested in long-term solutions to the reform needs of the housing GSEs and look forward to the recommendations of Mr. Lockhart for a comprehensive reform package that allows for liquidity in the secondary mortgage market while installing significant safeguards to protect the market.

Although the allegations contained in the final report raise serious questions about the accounting and executive management procedures at Fannie Mae, I would like to ask Mr. Lockhart about a specific provision included in H.R. 1461, which passed the House of Representatives by a vote of 331-90. My language would authorize the Federal Housing Finance Agency to require that Fannie Mae and Freddie Mac make publicly available, each year, the total value of contributions made to non-profit organizations during the previous fiscal year. It would also request specific disclosures on donations to insider-affiliated charities. I am interested to know if Mr. Lockhart believes this would be a helpful disclosure.

The housing GSEs, Fannie Mae and Freddie Mac, were established by congressional charter and given special privileges to provide a service to the American people by creating a secondary mortgage market. Given their unique status and responsibility to improve access to the housing market, it is both their shareholders' and the American public's right to know how their profits are being spent.

I was pleased to be supported by Chairman Oxley, Chairman Baker and Ranking Member Frank in the fight to promote charitable contribution disclosure and I look forward to getting a bill to President Bush that will provide for appropriate regulation of Fannie Mae and Freddie Mac.