

110TH CONGRESS
2D SESSION

S. RES. 658

Expressing the sense of the Senate that the former chief executive officers of Fannie Mae and Freddie Mac should not receive lavish severance packages at taxpayer expense.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 12, 2008

Mr. NELSON of Nebraska submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs

RESOLUTION

Expressing the sense of the Senate that the former chief executive officers of Fannie Mae and Freddie Mac should not receive lavish severance packages at taxpayer expense.

Whereas, on September 7, 2008, the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) were placed into conservatorship by the Federal Housing Finance Agency;

Whereas the Department of the Treasury has announced that up to \$200,000,000,000 of tax dollars will be invested in senior preferred stock of Fannie Mae and Freddie Mac, with billions more lent to the companies via the Govern-

ment Sponsored Entity Credit Facility, and invested in mortgage backed securities issued by the companies;

Whereas the Federal Housing Finance Agency, as conservator, has all the rights, titles, powers, and privileges of the companies and of any stockholder, officer, or director of the companies, and has been charged with the duty to operate the companies;

Whereas media reports indicate that the former chief executive officers of Fannie Mae and Freddie Mac may be paid severance packages worth a combined \$24,000,000 in pay, bonuses, and benefits;

Whereas these chief executive officers presided over Fannie Mae and Freddie Mac in the time that led to a taxpayer-funded rescue and Federal takeover, and should not be rewarded; and

Whereas the conservator of Fannie Mae and Freddie Mac has a duty both to the stability of the financial markets, and to the best interest of the American taxpayer, whose dollars are being invested in the companies: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that—
 2 (1) the former chief executive officers who pre-
 3 sided over the Federal National Mortgage Associa-
 4 tion (Fannie Mae) and the Federal Home Loan
 5 Mortgage Corporation (Freddie Mac) during the pe-
 6 riod that led to a Federal takeover should not be re-
 7 warded with lavish severance packages paid for by
 8 American taxpayers; and

- 1 (2) the severance packages of both former chief
- 2 executive officers should be carefully examined and
- 3 eliminated or reduced to an appropriate level.

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