



HUD's Affordable Housing Regulations: Serving Two Masters Redux

Monday, September 13, 2004, 2:00-4:00 p.m.
Wohlstetter Conference Center, Twelfth Floor, AEI
1150 Seventeenth Street, N.W., Washington, D.C. 20036

After numerous academic and other studies showed that Fannie Mae and Freddie Mac were not doing as much as banks to provide affordable and low income housing—a function that the GSEs describe as part of their “mission”—in April the Department of Housing and Urban Development proposed draft regulations that would increase the GSEs’ obligations in this area. Fannie and Freddie and some of their allies in Congress immediately complained that HUD had gone too far and that the revised standards might increase their risks and reduce their earnings. This response raises once again the question of whether a government “mission” can be performed by a shareholder-owned company.

In a June 2004 letter to the Office of Federal Housing Enterprise Oversight, commenting on OFHEO’s proposed corporate governance regulations, Ann M. Korologos, the chair of Fannie’s corporate governance committee, neatly outlined the essence of this conflict of interest. Fannie’s directors, wrote Korologos, “are concerned that the [OFHEO] proposal’s focus on the federal charters and ‘public mission’ of the Enterprises may detract from our role as representatives of Fannie Mae’s shareholders. As directors, our duty is to act in the best interest of the shareholders.” At this conference, experts will review the HUD regulations and consider whether Fannie and Freddie are suitable vehicles for performing a government mission. Representatives of Fannie and Freddie were invited, but declined to participate.

1:45 p.m. Registration

2:00 Introduction: PETER J. WALLISON, AEI

2:15 HUD’s Affordable Housing Regulations

Presenter: JOHN C. WEICHER, Department of Housing and Urban Development

Discussants: JAY BRINKMANN, Mortgage Bankers Association
JONATHAN BROWN, Essential Information
ANNE CANFIELD, Consumer Mortgage Coalition

Moderator: PETER J. WALLISON, AEI

4:00 Adjournment

I will attend the HUD event on Monday, September 13.

Name: _____
Title: _____
Affiliation: _____
Address: _____
City/State/Zip: _____
Telephone: _____ Fax: _____
E-mail: _____

Please check if this is a new address.

Please register online at www.aei.org/events or by faxing this form to 202.862.7171. Shortly after the event occurs, a video webcast will be available on the AEI website at www.aei.org/events/eventvideo_list.asp.

For more information, please contact Jessica Browning at 202.862.5853 or jbrowning@aei.org. For media inquiries, please contact Veronique Rodman at vrodman@aei.org.