



BOOK FORUM

Privatizing Fannie Mae, Freddie Mac, and the Federal Home Loan Banks

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

News that the Office of Federal Housing Enterprise Oversight has found accounting problems at Fannie Mae, similar to those that occurred at Freddie Mac, will sharpen the debate over the future of these companies and what the U.S. government should do about them. Up until now, tighter regulation has been the preferred approach, but accounting problems at Fannie once again suggest that regulators only find the most serious deficiencies when they have been alerted to look for them, and thus GSE regulation will always be a weak reed for protecting U.S. taxpayers and the economy as a whole. This suggests that privatization is an option policymakers should consider, since it has the potential to allay completely the risks associated with Fannie and Freddie and, to a much lesser extent, the Federal Home Loan Banks. Yet various privatization proposals in the past have raised objections: the privatized companies would dominate housing finance and be too big to fail; mortgage interest rates might rise.

In Privatizing Fannie Mae, Freddie Mac, and the Federal Home Loan Banks (AEI Press, September 2004), the authors outline a privatization plan that prevents the privatized entities from dominating the residential mortgage-finance market or becoming too big to fail, as well as a residential mortgage-financing plan that offers the possibility of mortgage interest rates that are lower than those available through Fannie Mae and Freddie Mac, without government backing. Both plans were refined at a series of AEI conferences during the past year.

- 1:45 p.m. Registration
- 2:00 Introduction: PETER J. WALLISON, AEI
- 2:15 **The Privatization Plan**
 Presenter: THOMAS H. STANTON, consultant
 Discussant: ALEX J. POLLOCK, AEI
- 3:00 **A Fully Privatized Mortgage-Financing Plan**
 Presenter: BERT ELY, Ely and Co.
 Discussant: DESMOND LACHMAN, AEI
- 4:00 Adjournment

I will attend the book forum on Monday, October 4.

Name: _____
 Title: _____
 Affiliation: _____
 Address: _____
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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.