



News

U.S. Rep. Adam Putnam (Fla.-12)

Central Florida: Hillsborough, Osceola and Polk counties

March 10, 2009
IMMEDIATE RELEASE

Contact: Keith Rupp
Communications Director
(863) 534-3530

Putnam, Markey offer tougher rules for federal mortgage corporations

WASHINGTON – Congressmen Adam Putnam (R-Fla.) and Edward Markey (D-Mass) today said they have introduced bipartisan legislation to make the government sponsored mortgage corporations known as Fannie Mae and Freddie Mac subject to additional federal disclosure regulations.

The legislation, the Fannie Mae and Freddie Mac Full Disclosure Act, would require the corporations to pay registration fees and to disclose information required by the Securities and Exchange Commission just as other publicly traded companies and issuers of private mortgage-backed securities (MBSs) do.

“There are many factors that were involved in our current economic meltdown,” said Putnam. “And one of them was a failure to require enough transparency and accountability from Fannie and Freddie. This legislation pulls the blinds up on the windows and lets some much needed regulatory sunshine into the rooms.”

“I have always felt that Fannie Mae and Freddie Mac securities should be subject to the same public disclosure and accounting rules that cover other publicly-traded companies,” said Markey. “Now more than ever, investors and our financial markets need full disclosure regarding mortgage-backed securities and this bill will ensure that such disclosures are required. So long as these companies remain publicly-traded, they must be subject to the same public disclosure requirements as every other public company.”

Putnam, a member of the House Financial Services Committee, noted that the two mortgage giants own or guarantee about half of the \$10.6 trillion in outstanding home loan debt.

Markey is the chairman of the Select Committee on Energy Independence and Global Warming and the chairman of the House Energy and Commerce

Committee's Subcommittee on Energy and Environment. From 1987 to 1994, Markey served as chairman of the Telecommunications and Financial Services subcommittee, which had jurisdiction over securities and exchanges. In that role, he championed landmark legislation to crack down on insider trading and efforts to reform our nation's stock and government bond markets. Markey subsequently served as the ranking member on the subcommittee beginning in 1994. Markey has previously cosponsored substantially similar legislation to mandate greater disclosure by Fannie Mae and Freddie Mac with then-Rep. Christopher Shays (R-Conn.) in 2002. The introduction of that legislation led both companies to reach a voluntary agreement with federal regulators in 2002 to comply with SEC disclosure and accounting requirements for their stocks. However, that agreement did not extend to the two companies' mortgage-backed securities -- which the Putnam-Markey legislation would require be registered and subject to full disclosure.

Since 2001, Putnam has represented Florida's 12th Congressional District, which includes most of Polk County and portions of Hillsborough and Osceola counties. During 2007 and 2008, he served as chairman of the Republican Conference, his party's third highest leadership position in the House of Representatives.