

# United States Senate

WASHINGTON, DC 20510

March 31, 2025

The Honorable William Pulte  
Director  
Federal Housing Finance Agency  
Constitution Center  
400 7<sup>th</sup> St. SW  
Washington, D.C. 20219

Dear Director Pulte:

In light of your recent actions to “overhaul” the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) and place thirty-five Federal Housing Finance Agency (FHFA) employees on leave, we write to request clarity regarding your plans with respect to the FHFA, the nation’s housing finance system, and the conservatorships of Fannie Mae and Freddie Mac.<sup>1</sup> We also support the letter sent by our colleagues led by Senator Reed. That letter focuses on turmoil at the Enterprises and is intended to complement the questions and concerns in this letter focused on FHFA.

FHFA plays a critical role in the American housing market through its supervision, regulation, and housing mission oversight of Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System. Together, the entities FHFA oversees back nearly \$7.7 trillion in mortgage loans<sup>2</sup> and support more than \$823 billion in liquidity to Federal Home Loan Bank members across the country.<sup>3</sup> In addition, since September 2008, FHFA has served as conservator of Fannie Mae and Freddie Mac (collectively, the GSEs, or Enterprises).<sup>4</sup>

Over the past 16 years of the conservatorship, the Enterprises have made significant changes that have improved their operations to reduce risk and better serve homebuyers and renters, providing access to affordable mortgages for hardworking Americans across the country. This includes

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<sup>1</sup> Washington Post, “Freddie Mac CEO fired in ongoing overhaul of mortgage giant,” Rachel Siegel, March 20, 2025, <https://www.washingtonpost.com/business/2025/03/20/freddie-ceo-fhfa-fired/>; Politico, “Top housing regulator in upheaval as executives, employees put on leave,” Katy O’Donnell, March 20, 2025, <https://www.politico.com/news/2025/03/20/employees-placed-on-leave-at-top-housing-regulator-00240298>; New York Times, “Fannie Mae Regulator Puts 35 Workers on Leave,” Matthew Goldstein, March 20, 2025, <https://www.nytimes.com/2025/03/20/business/fannie-mae-freddie-mac-workers-leave.html>.

<sup>2</sup> Fannie Mae reports that it backs 26 percent of the \$14.23 trillion in single-family mortgage debt outstanding and \$499.7 billion in multifamily mortgage debt. Freddie Mac reports that it backs \$3.1 trillion in single-family mortgage debt and \$467 billion in multifamily mortgage debt. Together, this totals to \$7.767 trillion in mortgage debt guaranteed. Federal National Mortgage Association, Form 10-K, filed with the SEC on February 14, 2025 for year ending December 31, 2024, <https://www.fanniemae.com/media/document/pdf/q42024.pdf>; Federal Home Loan Mortgage Corporation, Form 10-K, filed with the SEC on February 13, 2025 for year ending December 31, 2024, [https://www.freddiemac.com/investors/financials/pdf/10k\\_021325.pdf](https://www.freddiemac.com/investors/financials/pdf/10k_021325.pdf).

<sup>3</sup> Federal Home Loan Banks, “Combined Financial Report for the Quarterly Period Ended September 30, 2024,” November 13, 2024, p. F20 and F22, [https://www.fhlb-of.com/ofweb\\_userWeb/resources/2024Q3CFR.pdf](https://www.fhlb-of.com/ofweb_userWeb/resources/2024Q3CFR.pdf).

<sup>4</sup> See “Senior Preferred Stock Purchase Agreements,” Federal Housing Finance Agency, accessed January 8, 2025, available at <https://www.fhfa.gov/conservatorship/senior-preferred-stock-purchase-agreements>.

families who often go underserved in our housing system, including lower income families and people in rural areas.

President Trump has made clear his intention to end the conservatorships—a major shakeup in our housing finance system that could raise the cost of mortgages and rent, cut off hardworking families’ access to mortgage credit, and compromise the broader U.S. economy and the stability of the financial system.<sup>5</sup> It could also generate billions of dollars for hedge funds, other wealthy investors in the Enterprises, and Trump Administration insiders at taxpayers’ expense.<sup>6</sup>

Given the critical importance of maintaining clarity and stability in our housing finance system, we were concerned by the sudden changes you have made to FHFA and the Enterprises. You forced out two senior FHFA executives, including the agency’s Chief Operating Officer and “placed 35 unionized [FHFA] employees on administrative leave,” including employees in the Offices of Consumer Protection, Statistics and Research, and Equal Opportunity and Fairness.<sup>7</sup> Other reports indicate that FHFA shuttered two divisions over the last week, “resulting in a cut to nearly 10% of its workforce.”<sup>8</sup> According to FHFA, the staff reductions reflect efforts to “streamline” FHFA while ensuring the agency “follow[s] all mandated laws.”<sup>9</sup> Yet the decision to place employees on leave was reportedly made with “no advance notice” or explanation to agency workers.<sup>10</sup> You have also announced, via your personal social media account, a series of major policy changes, including rolling back programs designed to help first-time buyers afford a home,<sup>11</sup> to provide reasonable flexibility to renters to afford their leases,<sup>12</sup> and to protect the American people from unfair or deceptive acts or practices.<sup>13</sup>

In recent days, you also overhauled the Fannie and Freddie boards, including a Department of Government Efficiency (DOGE) employee as a member of Fannie Mae’s board—raising key questions about DOGE’s role in day-to-day FHFA and Enterprise activities.<sup>14</sup> You then installed

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<sup>5</sup> Washington Post, “The upcoming housing battle that could roil mortgage costs even more,” Rachel Siegel, November 19, 2024, <https://www.washingtonpost.com/business/2024/11/19/trump-mortgages-housing-fannie-freddie/>.

<sup>6</sup> Wall Street Journal, “Popular Hedge Fund Bet on Fannie and Freddie Is Paying Off Big This Year,” Juliet Chung and Andrew Ackerman, January 26, 2019, <https://www.wsj.com/articles/popular-hedge-fund-bet-on-fannie-and-freddie-is-paying-off-big-this-year-11548504001>.

<sup>7</sup> New York Times, “Fannie Mae Regulator Puts 35 Workers on Leave,” March 20, 2025, <https://www.nytimes.com/2025/03/20/business/fannie-mae-freddie-mac-workers-leave.html>; Politico, “Top housing regulator in upheaval as executives, employees put on leave,” Katy O’Donnell, March 20, 2025, <https://www.politico.com/news/2025/03/20/employees-placed-on-leave-at-top-housing-regulator-00240298>.

<sup>8</sup> Government Executive, “Housing agencies begin closing offices, escorting employees out,” Eric Katz, March 19, 2025, <https://www.govexec.com/workforce/2025/03/housing-agencies-begin-closing-offices-escorting-employees-out/403903/>.

<sup>9</sup> New York Times, “Fannie Mae Regulator Puts 35 Workers on Leave,” March 20, 2025, <https://www.nytimes.com/2025/03/20/business/fannie-mae-freddie-mac-workers-leave.html>.

<sup>10</sup> *Id.*

<sup>11</sup> Tweet by William Pulte, March 25, 2025, <https://x.com/pulte/status/1904621959213965690>.

<sup>12</sup> Tweet by William Pulte, March 24, 2025, <https://x.com/pulte/status/1904282014582264283>.

<sup>13</sup> Tweet by William Pulte, March 24, 2025, <https://x.com/pulte/status/1904283306603982858>.

<sup>14</sup> Washington Post, “Trump team shakes up mortgage giants as it weighs their futures,” Rachel Siegel, March 18, 2025, <https://www.washingtonpost.com/business/2025/03/18/fannie-mae-freddie-mac-fhfa-overhaul-mortgage/>.

yourself as the Chair of both boards and fired the head of Freddie Mac.<sup>15</sup> It is unclear how your appointment complies with existing law, which prohibits the FHFA Director from “hold[ing] any office, position, or employment in any [FHFA-]regulated entity or entity-affiliated party.”<sup>16</sup>

During your confirmation process, you expressed your passion for housing to members of the Senate Banking Committee. Given that our nation is facing one of the worst housing affordability crises in history, it is essential to carefully examine any actions that could potentially increase housing costs for everyday Americans. It is essential that FHFA provide clarity on its current activities and plans to make any changes that would alter the Enterprises’ conservatorships. Accordingly, we request answers to the following questions no later than April 4, 2025:

1. Why did FHFA recently alter the makeup of Fannie and Freddie’s boards? Please provide details on individuals fired and added to each board and why, as well as information on whether any DOGE employees, volunteers, or affiliated individuals were involved in the decision to overhaul Fannie and Freddie’s boards.
2. Does your appointment as Chair of Fannie Mae and Freddie Mac’s boards comply with 12 USC 4512(g)? What legal analysis, if any, did FHFA conduct in advance of appointing you to the boards?
3. What access, if any, have DOGE officials received to data housed at FHFA, Fannie Mae, or Freddie Mac? What federal laws, regulations, and agency policies and procedures govern access to this data, and were those laws, regulations, and policies and procedures followed in granting access (if applicable)?
4. How many FHFA employees are currently on administrative leave? Which FHFA components are these employees from? How does placing these employees on administrative leave impact the FHFA’s ability to comply with its statutorily mandated functions? What impact, if any, does the decision to place these employees on administrative leave have on the stability of the housing finance system?
5. What specific public engagement process will you follow if the Trump Administration considers any changes to the Enterprises’ conservatorship status? Your response should include specific timelines and forums for receiving, considering, and responding to public feedback, and what steps you will take to ensure that members of Congress—including all members of the U.S. Senate Committee on Banking, and Housing and Urban Affairs and the U.S. House Committee on Financial Services—are fully briefed and given a meaningful opportunity for input at multiple points throughout that process.
6. If you decide to end the conservatorships of Fannie and Freddie, will you seek to do so through administrative action or through legislation by Congress? In your view, what

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<sup>15</sup> Washington Post, “Trump team shakes up mortgage giants as it weighs their futures,” Rachel Siegel, March 18, 2025, <https://www.washingtonpost.com/business/2025/03/18/fannie-mae-freddie-mac-fhfa-overhaul-mortgage/>; Washington Post, “Freddie Mac CEO fired in ongoing overhaul of mortgage giant,” Rachel Siegel, March 20, 2025, <https://www.washingtonpost.com/business/2025/03/20/freddie-ceo-fhfa-fired/>.

<sup>16</sup> 12 U.S.C. 5412(g)

conditions are necessary before ending the conservatorships? Are there any congressional actions that are necessary prior to ending the conservatorships?

7. If Fannie and Freddie were released from conservatorship, do you anticipate that credit ratings for their products would be downgraded? If so, how much do you estimate that their ratings would be downgraded by and how would that rating downgrade affect investors' willingness to purchase their securities? How would this affect mortgage rates for homebuyers?
8. Can you commit to the American people that any efforts to release Fannie and Freddie from conservatorship will not raise housing costs?

Sincerely,



Lisa Blunt Rochester  
United States Senator



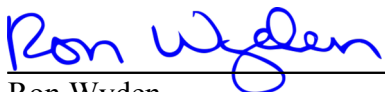
Jack Reed  
United States Senator



Charles E. Schumer  
United States Senator



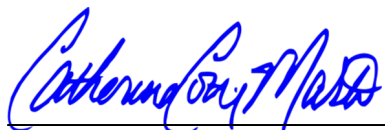
Elizabeth Warren  
Ranking Member  
Committee on Banking,  
Housing, and Urban Affairs



Ron Wyden  
United States Senator



Tina Smith  
United States Senator



Catherine Cortez Masto  
United States Senator



Andy Kim  
United States Senator