WASHINGTON – The U.S. Department of the Treasury (Treasury) and the Federal Housing Finance Agency (FHFA) today agreed to suspend certain requirements that were added on January 14, 2021 to the Preferred Stock Purchase Agreements (PSPAs) between Treasury and each of Fannie Mae and Freddie Mac (the Enterprises). FHFA will continue to measure, manage, and monitor the financial and operational risks of the Enterprises to ensure that they operate in a safe and sound manner and consistent with the public interest. During the suspension, FHFA will review the suspended requirements and consult with Treasury on any recommended revisions. These suspensions do not affect the Enterprises’ ability to build or retain capital.

The suspension of these PSPA requirements recognizes that FHFA has the authority and responsibility for the Enterprises’ safety and soundness and to foster housing finance markets that support sustainable homeownership, and is not intended to stimulate aggregate housing demand given current conditions in the housing market. Home prices have been accelerating rapidly, with the annual rate of national home price growth at multi-decade highs. A principal challenge for the U.S. residential housing market today is inadequate housing supply. The Administration is focused on promoting housing stability, which includes advancing housing policies that can sustainably increase the stock of affordable housing units for rent and ownership.

Please see the executed letter for Fannie Mae and the executed letter for Freddie Mac.

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