

**UNITED STATES OF AMERICA
OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT**

Notice Number 2006-1

In The Matter Of:

FRANKLIN D. RAINES

J. TIMOTHY HOWARD

LEANNE G. SPENCER

RECEIVED BY OALJ
2007 FEB -9 PM 3:32

**J. TIMOTHY HOWARD'S RESPONSE
TO OFHEO'S MOTION FOR REFERRAL TO THE DIRECTOR**

Respondent J. Timothy Howard, through counsel, hereby files this response to OFHEO's Motion for Referral to the Director, filed on February 7, 2007. In its motion, OFHEO has requested that this Court refer to the Director for his determination the letter dated December 18, 2006, by counsel for Franklin D. Raines, and the letter dated January 12, 2007, by counsel for Leanne G. Spencer, by which those Respondents have sought the Director's recusal. OFHEO further represented in its motion that the Director has not yet made a determination with respect to Mr. Raines' and Ms. Spencer's requests.

Although not mentioned in OFHEO's motion, by letter dated January 18, 2007, Mr. Howard also has requested the Director to recuse himself from any further regulatory action affecting Mr. Howard, including any further participation in this proceeding. A copy of the letter is attached hereto. Mr. Howard's letter expressly requested a response from the Director by January 24, 2007, and indicated that Mr. Howard would deem the Director's failure to respond as a denial of Mr. Howard's request. To date, the Director has not responded to Mr. Howard's

request, and it accordingly is Mr. Howard's position that the Director has denied his request and determined not to recuse himself from this matter.

Dated: February 9, 2007

Respectfully submitted,



Steven M. Salky, D.C. Bar No. 360175
Eric R. Delinsky, D.C. Bar. No. 460958
Miles Clark, D.C. Bar No. 489388
ZUCKERMAN SPAEDER LLP
1800 M Street, N.W.
Washington, D.C. 20036
(202) 778-1800

Attorneys for J. Timothy Howard

CERTIFICATE OF SERVICE

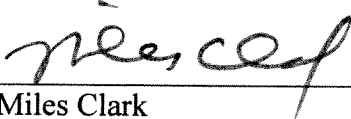
I hereby certify that on this 9th day of February 2007 I caused to be served by electronic and first-class mail copies of the foregoing on:

David A. Felt, Esq.
Deputy General Counsel
Office of Federal Housing Enterprise Oversight
1700 G Street N.W.
Washington, D.C. 20552

Joseph J. Aronica, Esq.
Duane Morris, LLP
1667 K Street, N.W. Suite 700
Washington, D.C. 20006

Kevin M. Downey, Esq.
Williams & Connolly
725 Twelfth Street, N.W.
Washington, D.C. 20005

David S. Krakoff, Esq.
Mayer, Brown, Rowe & Maw LLP
1909 K Street, N.W.
Washington, D.C. 20006


Miles Clark

ATTACHMENT



ZUCKERMAN SPAEDER LLP

1800 M STREET, NW WASHINGTON, DC 20036-5802
202.778.1800 202.822.8106 fax www.zuckerman.com

Steven M. Salky
202/778-1828
ssalky@zuckerman.com

January 18, 2007

By Hand Delivery

James B. Lockhart III
Director
Office of Federal Housing Enterprise Oversight
1700 G Street, N.W.
Fourth Floor
Washington, D.C. 20522

Re: *In re Raines et al.*, OFHEO Notice No. 2006-1

Dear Director Lockhart:

I represent J. Timothy Howard, the former Chief Financial Officer of Fannie Mae. The purpose of this letter is to request that you immediately recuse yourself from any further regulatory action affecting Mr. Howard, including any further participation in the above-referenced matter. Recusal is required by the law of this jurisdiction based on numerous statements you have made to the public, the press and Congress demonstrating that you have prejudged the claims asserted against Mr. Howard in the above-referenced notice of charges. In making this request, we adopt the arguments submitted by counsel for Franklin Raines and Leanne Spencer in letters dated December 18, 2006 and January 12, 2007, respectively. We also adopt the arguments regarding your bias made in Mr. Howard's Motion to Require the Director of OFHEO to Pursue His Notice of Charges Against Mr. Howard in the United States District Court for the District of Columbia. Copies of these letters and our district court filing are attached as Exhibits 1 - 3.

Based upon the statements of OFHEO's General Counsel, Alfred M. Pollard, to the media about Mr. Raines' request for your recusal, we understand that you do not intend to recuse yourself from this matter. To the extent that this understanding is incorrect, please let us know no later than the close of business on Wednesday, January 24, 2007. If you do not respond, we will take it as a denial of our request.

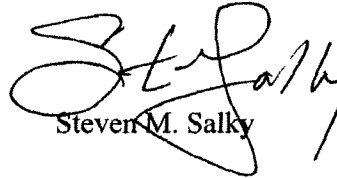


ZUCKERMAN SPAEDER LLP

Director Lockhart
January 18, 2006
Page 2

Thank you for your attention to this matter. We look forward to your prompt response.

Very truly yours,



Steven M. Salky

Enclosures

cc: Kevin M. Downey
David S. Krakoff
Alfred M. Pollard