

Dear Honorable Mr. Watt,

It's now been over 9 years since the beginning of the Conservatorship of Fannie and Freddie. The companies have been through a massive transformation internally into much much safer and more efficient shareholder owned companies than they ever have been.

As you know, Fannie and Freddie are the most important and most profitable companies in the world. These companies have saved our financial system, and even provided assistance for affordable healthcare. These companies are fortunate that they have had the power and resources to help so many families afford a home, and even afford healthcare.

As a shareholder of the common equity of these systemically important institutions; I understood that according to the law set forth in 2008, that there was sacrifice involved with investing in these companies, but the investment was worth the time and sacrifice.

I must humbly say that I am disappointed the Conservatorship went on for so long, especially without some consideration to share the success with individual, normal, hard-working shareholders.

I feel there is a very simple solution can be executed by you with help from the Treasury Secretary Mnuchin, and the president to ensure Fannie and Freddie are sound and solvent. The solution would be a huge win for the government, all classes of shareholders, the employees, and other stakeholders. The plan includes the following:

1. Immediate relinquishment of the so called 3rd Amendment of the PSPA known as the Net Worth Sweep.
2. Deem the Senior Preferred fully paid and cancel the shares
3. Deem the warrants for approximately 80% of the companies Null and Void
4. Order Fannie Mae and Freddie Mac to issue to the Treasury 500 Million to 1 Billion Common Stock Equity Options with a strike price of \$60 and share. This exercise price is chosen because the companies boards have the power to deem the share price whatever stock price value they want. Also, because \$60 would make all employee retirement savings whole. So many employees lost their savings from the 2008 crisis. Many of them trusted Fannie and Freddie not to fail.
5. Issue Fannie Mae and Freddie Mac a capital buffer equivalent to \$30 to \$60 B representative of the exercisable \$60 option strike price proceeds that would go to the companies upon execution of the option(s). This equivalent buffer could be reduced as the government executes its options.

This plan gives not only the shareholders vested interest in the value of the companies, but also the government. All stakeholders will have an interest for the companies to command great equity value.

For example, if the share price goes to about \$1000 a share (before forward stock splits), the government could make over a Trillion dollars in combined proceeds from exercised options and from taxable capital gains. The plan will stop all lawsuits. Junior preferred and common equity holders will drop lawsuits because all stakeholders will be made whole; and will flourish.

May God Bless.

Jeffrey N. Miller