



We make home possibleSM

Lisa M. Ledbetter
Vice President and Deputy General Counsel
Legislative & Regulatory Affairs

Tel: (703) 903-3189
Fax: (703) 903-4503
lisa_ledbetter@freddiemac.com

8200 Jones Branch Drive
MS 211
McLean, VA 22102-3110

By Electronic Mail

September 7, 2010

Alfred M. Pollard
General Counsel
Federal Housing Finance Agency
Fourth Floor
1700 G Street, NW
Washington, DC 20552

RE: Office of the Ombudsman - Comments/RIN 2590-AA20

Dear Mr. Pollard:

Freddie Mac appreciates the opportunity to comment on the Federal Housing Finance Agency's ("FHFA") August 6, 2010 Notice of Proposed Rulemaking to establish an Office of the Ombudsman within FHFA (the "Proposed Rule")¹ as required under Section 1317(i) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended (the "Safety and Soundness Act").²

Section 1317(i) of the Safety and Soundness Act requires the FHFA to establish an Office of the Ombudsman within FHFA to consider complaints and appeals from Freddie Mac and any affiliate, Fannie Mae and any affiliate, and any Federal Home Loan Bank (the "Regulated Entities"), and any person that has a business relationship with a Regulated Entity, regarding any matter relating to the regulation and supervision of the Regulated Entities by FHFA. The Proposed Rule generally conforms to the provisions of Section 1317(i) of the Safety and Soundness Act in recognition of FHFA's obligations under the Act.

Freddie Mac supports the establishment of the Office of the Ombudsman. We believe that the Office of the Ombudsman would enhance transparency regarding FHFA's regulatory and supervisory activities. We believe the FHFA Proposed Rule would benefit from a clarification regarding the scope of review of the Office of the Ombudsman. Section 1213.5(b) of the Proposed Rule authorizes the Ombudsman to consider "a complaint regarding any matter relating to the regulation and supervision of a regulated entity" and to "further define what matters are subject to complaints."

Freddie Mac has several well-established policies and procedures in place to enable persons to voice complaints and concerns directly to, and undertake appeals directly with, Freddie Mac in connection with the scope and circumstances of a person's existing and ongoing business or potential business relationship with Freddie Mac. We are concerned that the broad language contained in Section 1213.5(b) of the Proposed Rule

¹ 75 Fed. Reg. 47495 (August 6, 2010).

² 12 U.S.C. § 4517(i).

could be interpreted to allow the Office of the Ombudsman to consider complaints, concerns or appeals from persons as a means to bypass Freddie Mac's business judgment or decision-making processes.

In addition, we are concerned that Section 1213.5(b) of the Proposed Rule could also be interpreted to allow the Office of the Ombudsman to consider matters that may be the subject of ongoing litigation involving Freddie Mac. This interpretation would potentially inhibit the ability of Freddie Mac to adequately pursue or defend its rights with respect to any such litigation matters.

For the foregoing reasons, we respectfully propose amending the first sentence of Section 1213.5(b) of the Proposed Rule to read as follows:

Matters subject to complaint. A person may submit a complaint regarding any matter relating to the regulation and supervision of a regulated entity or the Office of Finance, provided however, such complaints shall not include matters within the sound business judgment of a regulated entity or the Office of Finance, or matters that are the subject of ongoing litigation involving a regulated entity or the Office of Finance.

We believe this clarification would be consistent with the intent of the Safety and Soundness Act and would enable Freddie Mac to carry out its business activities effectively. We further believe that this clarification would be consistent with the role of other Ombudsman Offices. For example, the Federal Reserve Board Ombudsman is charged with addressing complaints concerning supervisory and regulatory actions of the Board or a Reserve Bank, and not complaints regarding internal Board functions.³

Thank you for providing us with the opportunity to comment. We appreciate FHFA's consideration of our views.

Sincerely,



Lisa M. Ledbetter

³ *Ombudsman Policy Statement*, available at <http://www.federalreserve.gov/aboutthefed/ombpolicy.htm>.