

From: Jeff Foster [jeff_foster03@yahoo.com]
Sent: Friday, July 09, 2010 7:39 PM
To: !FHFA REG-COMMENTS
Subject: RIN 2590-AA23

Dear General Counsel Pollard,

I am just an ordinary American citizen and amateur investor. I do not have a professional background in business or high finance, but I wanted to respond to the your call for public input on the reform of the housing finance system.

It seems like everyone's talking about it. What should be done with Fannie Mae and Freddie Mac? Should we dismantle them completely or evolve them into new, more balanced entities designed to serve the public good? For many decades, these organizations helped provide the necessary liquidity to the real estate markets to support our citizenry's and our nation's overall economic growth, while in more recent years, they succumbed to political pressures and manipulations and ended up contributing to the real estate bubble and subsequent financial meltdown.

Clearly, we need a more balanced approach to supporting the public good. Can we count on the private sector alone to provide the financial services that Fannie and Freddie provide? As clearly evidenced by both historic and recent economic events, we obviously cannot. The private sector's motives are focused first and foremost on profit making, not the overall public good. On the other hand, a purely government managed organization is too susceptible to political pressures, which can corrupt an organization and its goals to serve all the people, not just the wealthy or the politically well connected.

Perhaps the public utility model would be an appropriate model to pursue in the re-making of Fannie Mae and Freddie Mac. By this I mean a privately run company that works with government to provide services to support the public good. I am no financial expert, but the utility model seems to be a viable option to consider. Obviously, there would need to be a new kind of oversight and regulatory structure developed. We need an oversight structure that can readily adapt to an ever-changing economic environment. It might also be useful to look to the world's other successful economies, namely China and the European Union, to evaluate their approach to serving their citizenry's needs in this area and whether or not it may be useful to adopt their model or some form of it.

I am certain that your thoughtful approach to problem solving is much appreciated by the majority of citizens. Please do not succumb to those who shout the loudest, namely the mob of political fanatics and the wealthy special interests! And please do not allow the relatively few remaining individual stockholders in Fannie Mae and Freddie Mac to be robbed of what's left of their

meager investments. Whatever the outcome, government's participation in the housing finance system is vital to a healthy, robust national economy. I trust you will make well informed, balanced decisions to benefit both the stockholders in these companies and our citizenry.

Respectfully yours,

Jeffrey Foster