

Subject: Kucinich to Investigate Fannie/Freddie Bailout
From: Kucinich for Congress <reply@kucinich.us>
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[Dennis Kucinich - www.Kucinich.us](http://www.Kucinich.us)

Kucinich to Investigate Fannie/Freddie Bailout

Dear Friends:

The following blog post by Jane Hamsher (Founder & Publisher - firedoglake.com) appeared today, December 30, 2009:

If the White House thought they could slip the bailout of Fannie and Freddie through by announcing it in a Christmas Eve news dump, think again. Dennis Kucinich just released this statement:

"As Chairman of the Domestic Policy Subcommittee of the Committee on Oversight and Government Reform, I'm announcing that the Subcommittee will launch an investigation into the Treasury Department's recent decision to lift the current \$400-billion cap on combined federal assistance to Fannie Mae and Freddie Mac, opening the way for additional, unlimited funds through the end of 2012. This investigation will include the role played by Fannie Mae chief executive Michael J. Williams and Freddie Mac chief executive Charles E. Haldeman in the decision, if any, and will seek to ensure that the additional assistance is used for homeowners and not Wall Street."

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"Many questions remain unanswered regarding this move by the Treasury. Why suddenly remove the cap? Indications are that Freddie and Fannie, even as millions of Americans lose their homes, have used just \$111 billion of the \$400 billion previously available to them. Is lifting the cap on assistance a back-door TARP?"

"Additionally, I want to determine whether Fannie and Freddie have a cohesive plan to buy up the under-performing mortgages that remain on the books of the big banks, at appropriate prices, and undertake a massive reworking of the terms of the mortgages so as to stem the foreclosure crisis that continues to plague our country. This new authority must be used responsibly and for the benefit of American families. This cannot be used simply to purchase toxic assets at inflated prices, thus transferring the losses to the U. S. taxpayers and acting as a back-door TARP."

On Christmas Eve, they also announced \$4-\$6 million compensation packages for their top executives. But they'll start foreclosing on homeowners again in January.

Fannie and Freddie have been corrupt cesspools for years, a place where presidents of both parties parked friends like Dennis DeConcini and Rahm Emanuel, giving them lucrative spots on the board of directors as political payoff. As government sponsored entities (GSEs) selling shares to the public, they operate like hedge funds that socialize losses and privatize profits.

From the LA Times last year:

"This week ... news broke that until August, the lobbying firm owned by McCain campaign manager Rick Davis was paid \$15,000 a month by Freddie Mac, one of the mortgage giants implicated in the current crisis (now taken over by the government and under investigation by the FBI). Apparently, Freddie Mac's plan was to gain influence with McCain's campaign in hopes that he would help shield it from pesky government regulations."

It appears they kept looking. The Democrats have been too intimidated by leadership to start looking into the utter corruption at these entities, but Kucinich just doesn't care.

Sincerely,
The Re-Elect Congressman Kucinich Committee



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