

# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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### **FHFA Announces Next Steps in REO Pilot Program**

**Washington, DC** – The Federal Housing Finance Agency (FHFA) today announced that the winning bidders in a real estate owned (REO) pilot initiative have been chosen and transactions are expected to close early in the third quarter. Market response has been robust with strong qualified bidder interest.

“FHFA undertook this initiative to help stabilize communities and home values in areas hard-hit by the foreclosure crisis,” said Edward J. DeMarco, Acting Director of FHFA. “As conservator of Fannie Mae and Freddie Mac, we believe this pilot program will assist us in achieving our objectives and help to maximize the benefit to taxpayers. We are pleased with the response from the market and look forward to closing transactions in the near future.”

FHFA launched the pilot program in late February, and in the second quarter bids were solicited from qualified investors to purchase approximately 2,500 single-family Fannie Mae foreclosed properties. Fannie Mae offered for sale pools of properties in geographically concentrated locations across the United States.

Investors were qualified to bid after a rigorous evaluation process and were evaluated on the basis of several factors, including financial strength, asset management experience, property management expertise and experience in the geographic area.

The REO Initiative was developed in conjunction with the U.S. Department of the Treasury, U.S. Department of Housing and Urban Development, Federal Deposit Insurance Corporation, the Federal Reserve System, Fannie Mae and Freddie Mac. The initiative was begun after review of more than 4,000 responses to a Request For Information on how to sell REO properties of Fannie Mae, Freddie Mac and the Federal Housing Administration.

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*The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.*