



A Letter from the Executive Director

Good afternoon,

Though August is slow for many throughout the country who are taking their summer vacations, Investors Unite continues our outreach and advocacy for Fannie and Freddie individual shareholders across the country. We were pleased to see a boost in our membership by 100, reinforcing the need for our coalition's voice in the national debate over housing reform.

As many of you know, August marks the [two-year anniversary](#) of the decision to enact the Third Amendment Sweep. Instead of celebrating, Investors Unite reminded the media and the public about Treasury's blatant disregard for the rule of law through closed-door decisions. Check out our [blog post](#) that outlines what industry experts are saying about the sweep. It is our hope that through the discovery process in the Fairholme case and others like it, we will gain insight into what the Treasury knew both before and during its decision-making process to confiscate all shareholder dividends.

Investors Unite took a significant trip to Atlanta, Georgia, to hold a press briefing preceding a town-hall discussion held by Director Mel Watt of the Federal Housing Finance Agency.

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Investors Unite, at the behest of 900 members from across the country, called on Director Watt to consider other issues impacting the housing market, including the need to end the conservatorship of Fannie and Freddie.



Pictured above Tim Pagliara along with Atlanta area Investors Unite members Bharatish Shirahatti, Upendra Kulkarni, Naaga Manam and Richard Steele

I was joined by Upendra Kulkarni, a local Atlanta investor, and a handful of other Fannie and Freddie investors. We explained our gratitude for Director Watt's visit to Atlanta to engage on these issues with community members and for his focus on ways in which the housing industry can be improved upon. We emphasized, however, that these programs should work in concert with the termination of the conservatorship. Accompanied by some Investors Unite members, I was able to meet Director Watt; the interaction was covered by both our [blog](#) and an article by Charles Wisinowski titled, "[GSE Shareholder Group Gets Face Time with FHFA's Watt, But...](#)"

In a continued effort to represent all stakeholders in Fannie and Freddie reform, we provided an opportunity for our members to learn more about a complaint being brought against the Treasury by common shareholders. Though Investors Unite will not be taking part in the litigation, it is our goal to constantly communicate with our members about developments and opportunities you may be interested in. If you are interested in learning more and willing to provide your information, we will pass it along to the law firm handling the case. Please reply to this email with your name and phone number; if applicable be sure to include the fact that you're a Fannie investor, a Freddie investor or both. By replying with this information, you are consenting to the law firm's effort to directly reach out to you regarding the complaint.

In case you missed it, there has been some great pieces published surrounding housing reform this month. Eva Clayton, in her op-ed "[How Mel Watt Can Fix Housing Finance in the U.S.](#)" published by the *Charlotte Observer*, outlines the importance of respecting the rule of law when it comes to housing reform and that, "A strong housing market requires private capital, and private capital follows the rule of law." She encourages Director Watt to end the conservatorship and allow the GSEs to rebuild and flourish in the marketplace.

See also my letter to the editor of Barron's titled "[On the Hook?](#)" which responds to Jonathan Laing's erroneous claim that a commitment fee is based on Fannie and Freddie's capital

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INVESTOR SPOTLIGHT:

structure of \$4.5 trillion. This type of miscalculation is exactly what Investors Unite tries to educate against in order for the truth to emerge.

On August 24, *The Washington Times* published an article by Jim McElhatton titled "[Judge rejects Obama administration secrecy on Fannie Mae, Freddie Mac.](#)" The article argues that Judge Sweeney's decision to continue discovery is "an important pushback against a tool in the administration's increasing use of the exemption to try to keep embarrassing information secret." The article quotes Tim Pagliara and cites Investors Unite, "Investors deserve to know when the U.S. Treasury knew that Fannie and Freddie would become profitable and how that factored into the decision-making process."

This is another great piece, helping to amplify the Treasury's wrong-doing and calling attention to the government's knowledge of Fannie and Freddie's future profits prior to the Third Amendment Sweep. As a follow-up there was a [letter to the editor](#) to the *Washington Times* praising our coalition's efforts, "Tim Pagliara, head of shareholders group Investors Unite, put the issue in proper perspective when he said, "Investors deserve to know when the U.S. Treasury knew that Fannie and Freddie would become profitable and how that factored into the decision-making process."

We are deeply encouraged by our coalition's growth as we near 1,000 members. As we've said in the past, if you are interested in engaging with your local media on this issue, please contact media@investorsunite.org. It is through this engagement that we will continue to spread our message and gain new membership.

Thanks,

Best,



Tim Pagliara
Executive Director, Investors Unite

Upendra Kulkarni



Upendra Kulkarni joined Investors Unite on Thursday, August 14 for a [press conference](#) prior to Director Mel Watt's town hall event discussing FHFA's Affordable Housing Program, HARP, in Atlanta. Mr. Kulkarni explained why he chose to invest in the GSEs and his hope that Director Watt would end the conservatorship. Seeing that the current legislative proposals to reform Fannie and Freddie have stalled, Kulkarni turns to Director Watt who has the authority to end the conservatorship and return the GSEs to the marketplace. Kulkarni urged Watt to take this action to not only restore the rule of law but also provide stability for the housing market.

Mr. Kulkarni also wrote a guest blog post about Director Watt's ability to end the conservatorship and restore the rule of law. Read about it [here](#).

In 2005, Mr. Kulkarni was able to purchase a home, thanks to the 30 year mortgage offered by the GSEs.

Before and after the economic downturn in 2008, he decided to invest in Fannie Mae and Freddie Mac as they supported millions of Americans in fulfilling their American Dream of homeownership.

As of today, the majority of Mr. Kulkarni's retirement savings are invested in Fannie and Freddie. Mr. Kulkarni is concerned that the proposed bill will leave him and his fellow small shareholders holding nothing. Further, he believes it will set a bad precedent for future government market involvement without providing just compensation to the shareholders.

**If you would like to featured in our Investor Spotlight, please send some information about

you, your efforts to help the cause and a picture of you to info@investorsunite.org.**

Formed by a diverse group of individuals from around the country, we seek to educate and mobilize in an effort to regain their investment that is currently being illegally confiscated by the Federal Treasury.

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