



Federal Housing Finance Agency

Constitution Center

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Washington, D.C. 20024

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www.fhfa.gov

January 28, 2016

Non-Public Communication

By Electronic Mail to tom.connally@hoganlovells.com

N. Thomas Connally, III
Hogan Lovells US LLP
Park Place II
Ninth Floor
7930 Jones Branch Drive
McLean, VA 22102

Dear Mr. Connally:

The Federal Housing Finance Agency in its capacity as Conservator ("FHFA" or "Conservator") of the Federal Home Loan Mortgage Corporation ("Freddie Mac") has reviewed your January 19, 2016 letters to Freddie Mac's Board of Directors concerning dividend payments and demanding to inspect certain Freddie Mac records.

Please be advised that pursuant to the Housing and Economic Recovery Act of 2008, the Conservator has succeeded by operation of law to "all rights, titles, powers, and privileges of [Freddie Mac], and of any stockholder, officer, or director of [Freddie Mac]" with respect to Freddie Mac and its assets, 12 USC 4617(b)(2)(A)(i). Those "rights, titles, powers, and privileges" of the "stockholder[s]" to which the Conservator succeeded include all stockholder inspection rights. Therefore, among other reasons, so long as Freddie Mac remains in conservatorship, Investors Unite has no basis upon which to demand inspection of Freddie Mac records.

Moreover, your position on the applicable law governing the board of directors is incorrect. As noted in Freddie Mac's regularly filed disclosures, its boards of directors "serve on behalf of, and exercise authority as directed by, the Conservator." Freddie Mac 2014 10-K, at 247. Because any fiduciary duties of this board of directors flow directly and exclusively to the Conservator, state law principles such as those you assert in your letter are simply not applicable here. Finally, I note that payments by Freddie Mac of dividends to the United States Treasury have been made pursuant to directives of the Conservator.

With all best wishes, I am

Sincerely,

A handwritten signature in black ink, appearing to read 'Alfred M. Pollard', is written over a horizontal line.

Alfred M. Pollard
General Counsel

Connally, N. Thomas, III

From: Pollard, Alfred <Alfred.Pollard@fhfa.gov>
Sent: Thursday, January 28, 2016 5:58 PM
To: Connally, N. Thomas, III
Subject: Communication to Freddie Mac Board of Directors
Attachments: S8-218-Copi16012818540.pdf

Please see attached.

If you have any questions, I may be reached at this email or at 202 649 3050.

Alfred Pollard

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