



May 10, 2010

National Taxpayers Union Vote Alert

NTU urges all Senators to vote “YES” on the McCain/Shelby/Gregg amendment to S. 3217, the so-called “Restoring American Financial Stability Act.” This amendment would seek real financial reform by taking on housing giants Fannie Mae and Freddie Mac and instituting an orderly transition period to end their conservatorship.

It is unconscionable for Congress to ignore the government-sponsored mortgage companies that caused much of the economic crisis through their proliferation of unwise and dishonest loans. Equally troubling, CBO predicts the American people will spend \$369 billion to bail out the two enterprises by 2019. It is unfair for taxpayers to be expected to bear this incredible financial burden. In order to keep the squeamish status quo from prevailing, the McCain/Shelby/Gregg amendment makes an honest attempt to confront the necessary policy decisions and rein in Fannie and Freddie by doing the following:

- Mandates the current conservatorship will end within 30 months;
- Requires the two GSEs to reduce their mortgage portfolios by 10 percent each year;
- Establishes prudent post-conservatorship guidelines for loan guarantees;
- Reinstates the federal funding limit of \$200 billion per institution.

Government manipulation in the marketplace caused many of the systemic problems in our financial system and it needs to stop. In seeking reform, we cannot afford incomplete solutions. Congress must resist further cynical political calculations and directly address Fannie and Freddie.

A “YES” vote on the McCain/Shelby/Gregg amendment will be significantly weighted as a pro-taxpayer vote in our annual Rating of Congress.

If you have any questions, please contact
NTU Federal Government Affairs Manager Jordan Forbes at (703) 683-5700
