

WASHINGTON (January 22) - Congressman Spencer Bachus (AL-6) says taxpayers should not be forced to subsidize lavish bonuses for executives at the troubled housing giants Fannie Mae and Freddie Mac.

Bachus called it "outrageous" that federal regulators approved \$6 million in compensation for the chief executives at the same time they extended an open-ended bailout to the floundering government sponsored enterprises (GSEs).

Bachus, who is Ranking Member on the House Financial Services Committee, has introduced legislation to suspend the bonuses and tie the salaries of top GSE managers to civil service pay levels.

"As a result of the government's bailout and takeover of these institutions, U.S. taxpayers now own at least 80 percent of the two enterprises and they have effectively become government entities. The goal of this legislation is to ensure that taxpayers are protected from rewarding executives at these entities with out-sized compensation packages while they are a government agency," Bachus said.

Bachus requested that the overseer of Fannie and Freddie appear in front of the committee today to explain the colossal pay packages that were announced late on Christmas Eve. The witness request was denied by Chairman Barney Frank, and Bachus said the pledge of later testimony from Federal Housing Finance Agency chief Ed DiMarco comes too late.

"This committee should not have to wait another minute - much less five weeks - for an explanation of the Obama Administration's Christmas Eve raid on the treasury to reward the executives of failed companies that have cost the American taxpayer dearly," Bachus said.

Fannie Mae and Freddie Mac, who analysts have said played a key role in triggering the

financial crisis, have received at least \$110 billion in taxpayer assistance. The U.S. Treasury Department has promised unlimited support for the struggling housing finance entities.