

WASHINGTON (November 9) – A bill introduced by Financial Services Committee Chairman Spencer Bachus that would suspend the compensation packages of top executives at Fannie Mae and Freddie Mac will be considered by the Committee on Tuesday.

Chairman Bachus introduced the legislation during the 111th Congress and re-introduced the bill in March of this year. The bill, H.R. 1221, the Equity in Government Compensation Act, received bipartisan support when it was approved by the Capital Markets and Government Sponsored Enterprises Subcommittee in April.

“The taxpayer-funded bailout of Fannie Mae and Freddie Mac is the biggest bailout in history. The fact that the top executives of these failed companies are receiving multi-million dollar pay packages, plus millions more in bonuses, is an added insult to the taxpayers who are forced to foot the bill,” said Chairman Bachus.

Fannie Mae and Freddie Mac have received more than \$170 billion in taxpayer-provided bailout funding since the two government sponsored enterprises entered Federal conservatorships in September 2008. In April, a report from the inspector general of the Federal Housing Finance Authority revealed that the top six executives at Fannie and Freddie had been paid more than \$35 million since the bailout. Earlier this month, it was reported that 10 executives of the bailed out enterprises were awarded \$12.79 million in bonus pay.

The Bachus bill would suspend the compensation packages for executives of Fannie Mae and Freddie Mac. Other employees of Fannie and Freddie would be paid according to the Federal government’s General Schedule pay scale. The bill also expresses the sense of the Congress that the 2010 and 2011 pay packages of Fannie Mae’s and Freddie Mac’s senior executives were excessive and that the money should be returned to taxpayers.

“The American people should be outraged at the multi-million dollar taxpayer-funded bonuses given to the executives of Fannie Mae and Freddie Mac. These organizations were ground zero for the mortgage market meltdown, the catalyst for an economic decline that has cost Americans more than seven million jobs,” said Chairman Bachus.

COMMITTEE TO VOTE TUESDAY ON BACHUS BILL TO SUSPEND FREDDIE, FANNIE PAY PACKAGES

The Financial Services Committee is scheduled to vote on H.R. 1221 on Tuesday, Nov. 15 at 10 a.m.