

WASHINGTON – An amendment based on legislation first proposed by Congressman Spencer Bachus (AL-6) to stop bonuses and limit the pay of Fannie Mae and Freddie Mac executives was approved by the Senate on Thursday. The two failed mortgage companies had to be bailed out by taxpayers back in 2008 and have received more than \$170 billion from the taxpayers since.

"The taxpayer-funded bailout of Fannie and Freddie is the biggest bailout in history. Forcing taxpayers to pay these executives multi-million dollar salaries and bonuses just adds insult to injury," said Bachus, who developed the language as Chairman of the Financial Services Committee. "The action taken by the Senate moves us closer to stopping this outrage."

Chairman Bachus first proposed the legislation in January 2010 and he re-introduced the bill last year as H.R. 1221. The bill suspends the multi-million dollar pay packages awarded to the executives of Fannie and Freddie, stops future bonuses, and applies the Federal employee pay scale to all employees at the two taxpayer bailed out companies. Republicans and Democrats on the Financial Services Committee joined together to approve the Chairman's bill on an overwhelming bipartisan vote of 52-4 in November.

The CEO of Fannie Mae received \$5.6 million in compensation last year and the CEO of Freddie Mac received \$5.4 million. In addition to their compensation, the CEOs received some of the \$12.79 million in bonus pay that was awarded by the Federal Housing Finance Agency to the top 10 executives of the two companies.

Under the Bachus proposal, the top executives of the GSEs could have earned no more than \$218,978 in compensation and would receive no bonus pay.