

A House subcommittee derailed Tuesday while debating a piecemeal approach to reforming Fannie Mae and Freddie Mac, with several lawmakers from both sides of the aisle pleading for a more comprehensive approach.

The House capital markets and government-sponsored enterprise subcommittee is scheduled to take votes on another seven bills from Republicans, bringing the total to 15 this year. The bills address subjecting Fannie and Freddie to Freedom of Information Act requests, capping the total dollar amount of bailouts for these two companies, prohibiting future taxpayer funding for former executive legal fees and others.

But none propose what to eventually do with these companies that have required more than \$164 billion in bailouts from the Treasury Department so far.

"I think this hearing and these bills are a mistake. They're out of order," said **Rep. John Campbell (R-Calif.)**

. "And I think we need to have a debate over what can replace Fannie Mae and Freddie Mac in the future."

Campbell and Rep. Gary Peters (D-Mich.) introduced a bipartisan bill in May, which would replace the GSEs with five chartered entities with an explicit government backing for mortgage bonds.

Rep. Jeb Hensarling (R-Texas) re-introduced his legislation in March to end the bailout of the GSEs and usher their roles completely over to the private market.

And in July, Rep. Gary Miller (R-Calif.) began working on legislation to merge the operations of Fannie and Freddie.

"Will there not be a hearing on any of these bills?" Campbell asked. "Are we going to have a comprehensive discussion on a replacement for Fannie and Freddie going

forward?"

Rep. Scott Garrett (R-N.J.), chairman of the subcommittee, said these 15 bills were the start of such reform. His legislation setting up a regulatory structure for covered bonds recently passed the House Financial Services Committee, but no comprehensive package for Fannie and Freddie has been taken up.

Rep. Barney Frank (D-Mass.) agreed with **Campbell** that all three bills for comprehensive reform from Hensarling, **Campbell** and Peters, and eventually Miller, should be taken up.

"I agree with the National Association of Homebuilders, the National Association of Realtors, and every other entity that doing this piecemeal is not a good idea," Frank said. "This should not be done through 16, 27, or 34 bills."

Rep. Spencer Bachus (R-Ala.) defended himself, claiming any such comprehensive reform would require a sign off from the administration, specifically Treasury Secretary Timothy Geithner and Department of Housing and Urban Development Secretary Shaun Donovan.

"I'm being criticized here for waiting on the administration. If they want to bring forth a comprehensive proposal, they have two or three weeks to do it," Bachus said.

Both signed off on a white paper released in February, providing Congress three possible options for how to replace Fannie and Freddie. But Geithner said at the time these were proposals and that Congress would need to act within the next two years to install comprehensive reform that phased these companies out.

"Until we have a mechanism in place, we are threatening this economy," Campbell said. "And if you want to shrink the economy, pull this rug out of housing finance – even though it is a rug no one likes – and watch the housing market crash."