

10. ABSTRACT

The charter statutes of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks (collectively, the government-sponsored enterprises, or GSEs) vest in the Department of the Treasury (Treasury) the authority and responsibility to approve the issuance of debt obligations by each GSE. Treasury seeks the collection of information from the GSEs about their planned debt issuances to fulfill its statutory authorities and responsibilities to approve debt issuances by the GSEs, and the collection of information about their actual debt issuances to verify that the debt actually issued by the GSEs was debt that Treasury had approved.

Department of the Treasury, Departmental Offices
Supporting Statement and Request for Clearance
Requests for Debt Issuance Approval and Report of Actual Debt Issuance
by Government-Sponsored Enterprises (GSEs)

A. Justification:

1. Circumstances necessitating the collection of information

Sections 304(b), (d), and (e) of the Fannie Mae Charter Act (12 U.S.C. § 1719(b), (d), and (e)) vest in the Department of the Treasury (Treasury) the authority and responsibility to approve the issuance of debt obligations by Fannie Mae. Section 306(j)(1) of the Freddie Mac Charter Act (12 U.S.C. § 1455(j)(1)) vests in Treasury the authority and responsibility to approve the issuance of debt obligations by Freddie Mac. Section 9108(a) of title 31, United States Code (the Government Corporation Control Act), and section 11(j) of the Federal Home Loan Bank Act (12 U.S.C. § 1431(j)) vest in Treasury the authority and responsibility to approve the issuance of debt obligations by Federal Home Loan Banks. There are 12 Federal Home Loan Banks. Fannie Mae, Freddie Mac, and the Federal Home Loan Banks are, collectively, referred to as “government-sponsored enterprises” or “GSEs.” This year, Treasury has been meeting directly with each GSE to improve and clarify the existing procedures and practices of approving GSE debt issuances and to improve the exchange of information flow between the GSEs and Treasury. While Treasury is improving the procedures for approving GSE debt issuances, the standards for Treasury approval remain unchanged from prior practice.

2. Use of the data

There are three types of information requested from each GSE. The first type is the semi-annual request for debt issuance approval, by which the GSEs will be requested to provide Treasury with information on estimated debt outstanding during the upcoming six-month period. The second type is the individual (case-by-case) request for debt issuance approval, by which the GSEs will be requested to provide Treasury with specific information when a proposed debt issuance will conflict with a Treasury auction of Treasury debt obligations, or will be in an amount exceeding a large issuance threshold, or will be a new debt product for the GSE. The third type is the quarterly report of actual debt issuance, by which the GSEs will be requested to provide Treasury with information about the debt they actually issued during the preceding three-month period. The information from the semi-annual requests for approval and case-by-case requests for approval will be used by Treasury to fulfill its statutory authorities and responsibilities to approve debt issuances by the GSEs. The information from the quarterly reports of actual debt issuance will be used by Treasury to verify that the debt actually issued by the GSEs was debt that Treasury had approved.

3. Use of information technology

The forms are available as electronic, text-delimited spreadsheet files that can be uploaded into spreadsheet programs and filled out by respondents on computers. The GSEs will submit the forms containing the required information by e-mail.

4. Efforts to identify duplication

The information that will be collected in the semi-annual and case-by-case requests for debt issuance approval is not available to Treasury from any other source because GSEs do not publish their debt issuances projections. The information that will be collected in the quarterly reports of actual debt issuances are not published by the GSEs in a form or within a sufficient period of time to provide Treasury with a meaningful opportunity to verify that the GSE debt that was actually issued was GSE debt that Treasury had approved. Although some of the GSEs provide voluntary filings with the SEC, that information is not sufficient or timely for Treasury's needs.

5. Impact on small entities

The GSEs do not meet the definition of small entities, and the information collection will not have any impact on any other small entities.

6. Consequences of less frequent collection and obstacles to burden reduction

If the information is not collected, Treasury will not be able to carry out its statutory responsibility to approve GSE debt issuance in an effective manner. Some of the GSEs informed Treasury that collecting the debt projection information less frequently than semi-annually (e.g., annually) was problematic for them because they did not make debt issuance projections as far in advance as one year. Collecting the actual debt issuance information less frequently than quarterly (e.g., semi-annually) would impede Treasury's efforts to verify on a timely basis that the debt that the GSEs actually issued was debt that Treasury had approved.

7. Circumstances requiring special information collection

Information on certain proposed debt issuances -- when a proposed debt issuance will conflict with a Treasury auction of Treasury debt obligations, or will be in an amount exceeding a large issuance threshold, or will be a new debt product for the GSE -- must be submitted as needed, and more frequently than quarterly (i.e., on a case-by-case basis before each such proposed debt issuance), in order for Treasury to meet its obligations and for the approval process to proceed in an effective manner.

8. Solicitation of comments on information collection

Treasury met in-person with senior financial officials from each of the GSEs in late March/early April 2007 and again in June 2007 to obtain their views on the availability of

data, frequency of collection, and reporting format and data elements. At these meetings, Treasury showed each of the GSEs the then-current drafts of the written procedures and forms that Treasury was developing for proposed information collection. In September 2007, Treasury sent to each of the GSEs "close to final form" drafts of the written procedures and forms for their review and comment. After receiving their comments on the September drafts, Treasury revised the written procedures and forms and will be sending to the GSEs revised drafts substantially in the form enclosed, as actual notice of a 30-day comment period.

9. Provision of payments to recordkeepers

The information collection does not provide for making payments or gifts to the GSEs.

10. Assurance of confidentiality

The information collection does not contain any assurances of confidentiality. However, any confidential information provided voluntarily by the GSEs on proposed debt issuance will be maintained as confidential consistent with applicable provisions of the Trade Secrets Act and Freedom of Information Act.

11. Justification of sensitive questions

The information collection neither contains questions of a sensitive nature nor does it require the GSEs to ask questions of a sensitive nature that are commonly considered private.

12. Estimated burden of information collection

The total hour burden for this data collection is estimated at 30 hours per year. The number of direct respondents to Treasury will be 3: Fannie Mae, Freddie Mac, and the Office of Finance of the Federal Home Loan Banks. In collecting information from the Office of Finance of the Federal Home Loan Banks, Treasury is effectively sponsoring the Office of Finance's collection of information from the 12 Federal Home Loan Banks. That should not be a problem because the information being collected by the Office of Finance from the 12 Federal Home Loan Banks is readily at hand. We estimate that the hour-burden of collecting and submitting and recordkeeping the information for each semi-annual request for debt approval will be 1 hour per request, totaling 6 hours per year for the 3 respondents together. We estimate that the hour-burden of collecting and submitting and recordkeeping the information for each quarterly report of actual debt issuance will be 1 hour per report, totaling 12 hours per year for the 3 respondents together. We estimate that the hour-burden of collecting and submitting and recordkeeping the information for each case-by-case request for debt approval -- for when a proposed debt issuance will conflict with a Treasury auction of Treasury debt obligations, or will be in an amount exceeding a large issuance threshold, or will be a new debt product for the GSE -- to be 1 hour per request. The number of case-by-case requests is not known, but based on past experience of the frequency of large debt

issuances by the GSEs or new debt products, we estimate to number of such requests to be 12 per year for the 3 respondents together, bringing the estimated total hour-burden to 12 hours per year for the 3 respondents together.

13. Estimated total annual cost burden to respondents

There will be no annualized capital/start-up costs for the respondents to collect and submit this information.

14. Estimated cost to the federal government.

There will be no annualized capital/start-up costs for the government to receive this information.

15. Reasons for change in burden

This is an ongoing collection for which approval has not previously been sought. The change is mostly in the timing of the collection of the information.

16. Plans for tabulation, statistical analysis and publication

The information collected will not be published.

17. Reasons why displaying the OMB expiration date is inappropriate

The expiration date will be displayed.

18. Exceptions to certification requirement of OMB Form 83-I

Regarding this request for OMB approval, there are no exceptions to the certification statement in item 19 of Form 83-I.

B. Collections of information employing statistical methods

The information requested does not involve statistical methods.

Department of the Treasury, Departmental Offices
Request for Emergency Processing and Approval
Requests for Debt Issuance Approval and Reports of Actual Debt Issuance
by Government-Sponsored Enterprises

The Department of the Treasury respectfully requests emergency processing and approval of the collection of information contained in the forms to be used by Fannie Mae, Freddie Mac, and the Federal Home Loan Banks (collectively, the government-sponsored enterprises or “GSEs”) to request Treasury approval of their debt issuances and to report on their actual debt issuances. The collection of information is needed prior to the expiration of the time periods set out in 5 C.F.R Part 1320, and is essential to fulfill Treasury’s responsibilities under sections 304(b), (d), and (e) of the Fannie Mae Charter Act (12 U.S.C. § 1719(b), (d), and (e)), section 306(j)(1) of the Freddie Mac Charter Act (12 U.S.C. § 1455(j)(1)), and section 9108(a) of title 31, United States Code, and section 11(j) of the Federal Home Loan Bank Act (12 U.S.C. § 1431(j)) (collectively, the “GSE Charter Acts”). The GSE Charter Acts vest in Treasury the authority and responsibility to approve the issuance of debt obligations by the GSEs. The purpose underlying the collection of information is to improve and clarify the existing procedures and practices of approving GSE debt issuances. This year, Treasury has been meeting directly with each GSE to obtain their views on the availability of data, frequency of collection, and reporting format and data elements by which Treasury would collect information from the GSEs to use to fulfill Treasury’s statutory authorities and responsibilities to approve debt issuances by the GSEs and to verify that the debt actually issued by the GSEs was debt that Treasury had approved. Treasury cannot reasonably comply with the normal clearance procedures under 5 C.F.R. Part 1320 because an unanticipated event has occurred, namely the current turmoil in the mortgage markets. While Treasury had not originally intended to request OMB to authorize emergency processing of this submission of collections of information, the current turmoil in the mortgage markets leads Treasury to conclude that prompt commencement of the improved information flow that will result from using the debt approval forms is necessary.