

Message

From: Chepenik, Adam [/O=USTREASURY/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=CHPENIKA]
Sent: 7/19/2012 3:04:51 PM
To: Goldblatt, Alan [alan.goldblatt@treasury.gov]; Bowler, Timothy [timothy.bowler@treasury.gov]
CC: Foster, JeffDisabled [jeff.foster@treasury.gov]
Subject: RE: GSE YE Projections

Will ask tomorrow.

-----Original Message-----

From: Goldblatt, Alan
Sent: Thursday, July 19, 2012 1:57 PM
To: Bowler, Timothy
Cc: Foster, Jeff; Chepenik, Adam
Subject: GSE YE Projections

Tim,

My preliminary y-e net worth projections for both FNM and FRE is zero - \$2 bn each based upon equivalent to Q1 quarterly reserve releases throughout the year. Essentially their income plus reserve release offset the dividend. However, larger quarterly releases than in Q1 could increase the net substantially. Alternatively, a negative MTM could offset the release.

I recommend that Adam asks FHFA what the year-end net worth projections are based on the GSE's most recent forecasts (FHFA would have them). Adam has a call to them tomorrow regarding our ask for additional info from the GSEs as part of GT's valuation.

Regards,
Alan