
From: Chepenik, Adam
Sent: Wednesday, August 15, 2012 12:36 PM
To: Parrott, Jim
Cc: Bowler, Timothy; Stegman, Michael; Datta, Ankur; Mlynarczyk, Beth
Subject: RE: Q&As
Attachments: 22 PSPA Announcement QA 8_15_12.doc

Revised Q&A is attached.

New questions added are...

- #8 Aren't you giving up a 10 percent dividend owed to taxpayers to prop up the GSEs
- #12 You say you are requiring they pay back all profits, but the agreement creates a \$3 billion reserve fund for the GSEs? Why?
- #19 Why didn't you use your leverage in negotiating this arrangement to force the GSEs to do principal reduction?
- #38 Does this change simply open the door to keeping the GSEs on perpetual life support rather than winding them down?

From: Parrott, Jim [mailto:James_M_Parrott@who.eop.gov]
Sent: Wednesday, August 15, 2012 11:44 AM
To: Chepenik, Adam
Cc: Bowler, Timothy; Stegman, Michael; Datta, Ankur
Subject: RE: Q&As

thanks. and about to talk to jenni and comms here, so may have others.

From: Adam.Chepenik@treasury.gov [mailto:Adam.Chepenik@treasury.gov]
Sent: Wednesday, August 15, 2012 11:43 AM
To: Parrott, Jim
Cc: Timothy.Bowler@treasury.gov; Michael.Stegman@treasury.gov; Ankur.Datta@treasury.gov
Subject: RE: Q&As

Got it. Will revise accordingly and recirculate.

From: Parrott, Jim [mailto:James_M_Parrott@who.eop.gov]
Sent: Wednesday, August 15, 2012 11:42 AM
To: Chepenik, Adam
Cc: Bowler, Timothy; Stegman, Michael; Datta, Ankur
Subject: RE: Q&As

and important to make sure we have those q's in there as framed, as our sense is that's how they are likely to come, so folks should be ready.

From: Parrott, Jim
Sent: Wednesday, August 15, 2012 11:41 AM
To: 'Adam.Chepenik@treasury.gov'

Cc: Timothy.Bowler@treasury.gov; Michael.Stegman@treasury.gov; Ankur.Datta@treasury.gov
Subject: RE: Q&As

go only one I noticed seemed to be the why didn't you use your leverage question, but then it left out the kept part of the answer, which is below. to be honest the only thing people care about over here is the answers to these questions, as they prepare us for risk from right and left. so important that they go in as is unless someone has serious concerns, in which case we should talk through. rest I won't fiddle with.

- **Why didn't you use your leverage in negotiating this arrangement to force the GSEs to do principal reduction?**

Response:

- As you know we have been aggressive and public in our position that the FHFA should allow the GSEs to provide principal reduction.
- While we remain adamant that that is the right position, and disappointed with FHFA's response to date, as an independent regulator and conservator of the two GSEs, **FHFA is solely responsible for the ultimate decision whether the GSEs can participate or not.**
- The PSPA amendments, which requirement the agreement of both Treasury and the FHFA, do not change that fact. We will continue to advocate for their participation, but it is ultimately up to FHFA.

From: Adam.Chepenik@treasury.gov [<mailto:Adam.Chepenik@treasury.gov>]
Sent: Wednesday, August 15, 2012 11:38 AM
To: Parrott, Jim
Cc: Timothy.Bowler@treasury.gov; Michael.Stegman@treasury.gov; Ankur.Datta@treasury.gov
Subject: RE: Q&As

A few of the questions were already in the document so we expanded the existing question with the new material.

Will highlight the additions and recirculate to make it easy to see what changed.

Just give me 10 minutes...

From: Parrott, Jim [mailto:James_M_Parrott@who.eop.gov]
Sent: Wednesday, August 15, 2012 11:31 AM
To: Chepenik, Adam
Cc: Bowler, Timothy; Stegman, Michael; Datta, Ankur
Subject: RE: Q&As

perhaps I'm reading too quickly, but where are the attached in the new version?

From: Adam.Chepenik@treasury.gov [<mailto:Adam.Chepenik@treasury.gov>]
Sent: Wednesday, August 15, 2012 10:40 AM
To: Parrott, Jim
Cc: Timothy.Bowler@treasury.gov; Michael.Stegman@treasury.gov; Ankur.Datta@treasury.gov
Subject: Q&As

Hi Jim,

Thanks for sending over the additional Q&As.

Attached is a revised Q&A document that folds in your material.

Does 5:15 PM still work to discuss the whole package?

I can also incorporate any additional edits/material you want to include throughout the day. Just call/email me to discuss the changes.

My direct line is 622-2534.

SENSITIVE / PRE-DECISIONAL

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