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Senators Kim, Warren, Senate Colleagues Demand Review of FHFA's Fannie Mae and Freddie Mac Overhaul and Staff Reductions

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WASHINGTON D.C. – Senator Andy Kim (D-N.J.) (<https://kim.senate.gov/>) and Senator Elizabeth Warren (D-Mass.), (<https://warren.senate.gov/>) Ranking Member of the Senate Banking, Housing and Urban Affairs Committee, led a letter to demand the Federal Housing Finance Agency (FHFA) Inspector General Brian Tomney conduct a comprehensive review of the FHFA's recent actions to overhaul the Boards of Directors of the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The Letter is also signed by **Minority Leader Senator Chuck Schumer (D-NY)** (<https://www.schumer.senate.gov/>) and Senators **Cory Booker (D-NJ)** (<https://booker.senate.gov/>), **Kirsten Gillibrand (D-NY)**, (<https://gillibrand.senate.gov/>) **Lisa Blunt Rochester (D-DE)** (<https://www.bluntrochester.senate.gov/>), **Catherine Cortez Masto (D-NV)** (<https://www.cortezmasto.senate.gov/>), **Ron Wyden (D-OR)** (<https://www.wyden.senate.gov/>), **Tina Smith (D-MN)**, (<https://smith.senate.gov/>) and **Raphael Warnock (D-GA)**. (<https://warnock.senate.gov/>) The Senators are also requesting further details and transparency around the FHFA's abrupt and sizable workforce reductions.

"We ask that the FHFA OIG determine whether or not FHFA leadership complied with all relevant federal laws, regulations, and agency policies and procedures in its decision making, as well as assess the impact of FHFA workforce reductions on the agency's ability to fulfill its statutorily mandated functions," **wrote the lawmakers.**

Text of Full Letter (PDF) (<https://www.kim.senate.gov/wp-content/uploads/2025/04/FINAL-Letter-to-FHFA-OIG-re-Pulte.pdf>)

Since September 2008, the FHFA has served as both regulator and conservator of Fannie Mae and Freddie Mac (collectively, the Enterprises) to ensure they operate responsibly and in accordance with law and applicable regulations.

"Fannie Mae and Freddie Mac play a critical role in our nation's mortgage market and collectively guarantee roughly fifty percent of home loans. Clarity in the Enterprises' operations is therefore essential to the stability of the housing finance system. Yet according to public reporting, FHFA leadership recently and unexpectedly 'overhauled the boards of Fannie Mae and Freddie Mac,'" **wrote the lawmakers.**

The Senators are demanding answers about FHFA's leadership decision to fire fourteen board members and dismiss the Fannie Mae board's entire audit committee, before installing the FHFA Director, William Pulte, as Chair of both boards. Currently, it is unclear how FHFA made the decisions of who to fire, or if Pulte's appointment complies with existing law that prohibits the FHFA Director from holding a Chair position within an entity regulated or affiliated with FHFA.

Under Pulte's leadership, FHFA and the Enterprises have also undergone sizable workforce reductions. The Senators are requesting further details on the circumstances and processes of these firings and what procedures the FHFA has in place to prevent fraud, abuse, and unethical conduct.

The lawmakers continued: "It is critical that federal employees not engage in unethical or illegal conduct, and FHFA should take steps to prevent fraud and, if necessary, discipline employees who break the law or fail to follow agency policies. It is also, however, essential for Congress to understand whether workforce reductions at the FHFA comply with all relevant laws and agency procedures."

Senator Kim serves as the Ranking Member of the Subcommittee on National Security and International Trade and Finance on the Senate Committee on Banking, Housing and Urban Affairs. He is a member of the Committee on Commerce, Science, and Transportation; the Committee on Health, Education, Labor, and Pensions (HELP); the Committee on Homeland Security and Governmental Affairs; and the Special Committee on Aging. Before being elected to the U.S. Senate, Kim represented New Jersey's Third Congressional District in the U.S. House of Representatives and was a career public servant working in national security and diplomacy at the White House, State Department, and Pentagon.

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