

Fannie, Freddie warn on losses

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By **NICK TIMIRAOS**

[Fannie Mae](#) and [Freddie Mac](#), already reeling in red ink, are warning they could face additional losses from the weakening condition of mortgage-insurance companies.

Fannie and Freddie together have required capital injections from the Treasury of \$112 billion since the government took them over through conservatorship last year. Their need for government support would have been greater without collecting on claims from mortgage-insurance companies.

But Fannie and Freddie have warned that their claims against the insurers may not be paid in full. Fannie set aside \$1 billion in loss reserves to cover the possibility that mortgage-insurance companies won't be able to pay full claims, the company said in a Securities and Exchange Commission filing.

Freddie hasn't set aside reserves but warned in an SEC filing that "several" of its insurers are "at risk of falling out of compliance with regulatory capital requirements, which may result in regulatory actions that could threaten our ability to receive future claims payments, and negatively impact our access to mortgage insurance for high [loan-to-value] loans."

<http://online.wsj.com/article/SB30001424052748703811604574529852446467232.html>