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Statement on CBO Analysis of Risky Fannie/Freddie Bailout Bill

WASHINGTON, D.C. – Congressman Jeb Hensarling (R-TX), Chairman of the Republican Study Committee, today issued the following statement after the Congressional Budget Office offered their analysis of the fiscal impact of a proposal to provide new authority and a federal bailout for Fannie Mae and Freddie Mac:

“The analysis by CBO makes clear that the proposed bailout of Fannie and Freddie carries ‘significant uncertainty’ and that there may be tougher days ahead for GSEs and the mortgages that they currently guarantee. Fannie and Freddie have grown too big to fail and Congress has an obligation to assure taxpayers that Fannie and Freddie are not too big to fail tomorrow and in the years ahead.

“By bailing out Fannie and Freddie as proposed, Congress would put taxpayers on the hook for billions of dollars worth of risk. If Congress is forced to bailout Fannie and Freddie, I believe that we must take all the necessary steps to protect taxpayers from potential GSE failure. The only true reform is to ensure that Fannie and Freddie become truly private and transition – over a reasonable time period – to the discipline of a competitive marketplace.”

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Congressman Jeb Hensarling is Chairman of the Republican Study Committee (RSC).