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THE SENATE  
STATE OF NEW YORK  
**SENATOR CARL L. MARCELLINO**  
5TH DISTRICT

February 13, 2013

CHAIRMAN  
INVESTIGATIONS AND GOVERNMENT OPERATIONS  
COMMITTEE

COMMITTEE MEMBER  
BANKS  
CONSUMER PROTECTION  
CULTURAL AFFAIRS AND TOURISM  
EDUCATION  
ENVIRONMENTAL CONSERVATION  
FINANCE  
LABOR  
RULES

Mr. Timothy J. Mayopoulos, CEO  
Fannie Mae  
3900 Wisconsin Avenue, NW  
Washington, DC 20016-2892

Dear Mr. Mayopoulos:

We are writing concerning the recent findings by the New York State Department of Financial Services. Their investigation has revealed that \$200 million in insurance funds from Superstorm Sandy are being held by banks and have not yet been sent to homeowners who need the funds to pay for necessary repairs. Insurance companies are requiring home owners to receive an endorsement of their check from their mortgage holders prior to releasing these funds.

It is our understanding from these recent findings that a portion of the delay in obtaining these endorsements is with government-sponsored enterprises (GSEs), such as your organization. We concur with Governor Cuomo's Administration in asking your organization to issue supplemental Storm Sandy servicer bulletins which would outline certain safe harbor practices whereby disbursement of funds in this manner will not subject servicers to repurchase demands. The New York State Department of Financial Services believes that these practices are already permitted by the GSE guidelines based on the flexibility built into those guidelines. It is our hope that you will strongly consider adopting these practices to remedy this process now, and provide your customers with the service they deserve.

As Chairs of the Senate Investigations and Government Operations Committee, and Banks Committee, we also want to inform you that the Committees are investigating what State laws need to be changed to make sure that this does not happen in the future when the next storm strikes.

We look forward to your response.

Sincerely,

Carl L. Marcellino  
New York State Senator

Joseph A. Griffo  
New York State Senator

CLM:rsp



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Mr. Donald H. Layton, CEO  
Freddie Mac  
8200 Jones Beach Drive, MS 200  
McLean, VA 22102

Dear Mr. Layton:

We are writing concerning the recent findings by the New York State Department of Financial Services. Their investigation has revealed that \$200 million in insurance funds from Superstorm Sandy are being held by banks and have not yet been sent to homeowners who need the funds to pay for necessary repairs. Insurance companies are requiring home owners to receive an endorsement of their check from their mortgage holders prior to releasing these funds.

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We look forward to your response.

Sincerely,

A handwritten signature in black ink that reads "Carl L. Marcellino". The signature is fluid and cursive, with a long, sweeping underline.

Carl L. Marcellino  
New York State Senator

A handwritten signature in black ink that reads "Joseph A. Griffo". The signature is cursive and somewhat stylized.

Joseph A. Griffo  
New York State Senator

CLM:rsp