

"The backstops I'm familiar with are behind home plate on a baseball diamond. But the federal government has built a backstop of a different kind. For the next three years, every loss incurred by semi-governmental mortgage giants Fannie Mae and Freddie Mac will benefit from a federal backstop guaranteeing they don't lose a dime.

This safety net for Fannie Mae and Freddie Mac was established on Christmas Eve last year. While Santa was sneaking down our chimneys, the U.S. Treasury was leaving a much bigger gift for these Government-Sponsored Enterprises. How big? \$148 billion to date, with the potential for the taxpayer exposure to Fannie Mae and Freddie Mac to grow to \$400 billion by 2019.

Through the GSE backstop, taxpayers could be liable for expenses measuring eight times more than the Troubled Asset Relief Program of 2007.

Bottom line: Fannie Mae and Freddie Mac are being treated like entities of the U.S. Treasuries, which they are not, rather than publicly-traded private companies, which they are. These decisions are being made entirely within the Obama Administration, by officials like Secretary of the Treasury Tim Geithner. A Congress controlled by the extremes of the Democratic majority is once again not taking responsibility for the oversight of the Treasury or of this sweetheart deal.

Literally no limits are set by the Treasury on the amount of federal funds available to the mortgage giants for the purposes of making whole their losses.

A Congressional Oversight Panel last month issued a report on the matter, and it included a footnote which stated: "either because of their ownership stakes in Fannie Mae and Freddie Mac or because they ultimately pay all of [the] Treasury's bill's, taxpayers may be indifferent as to how much Fannie Mae and Freddie Mac are compensated."

Let me assure this panel that taxpayers are NOT indifferent to the spending of billions of dollars to secure the debts of two private companies. I am not indifferent to it, and no one in the Congress should ignore the unqualified waste of federal dollars on this ridiculous backstop. Fannie Mae and Freddie Mac must leave the comfortable Neverland where they act as a private company yet enjoy a public guarantee against any loss.

Fannie Mae and Freddie Mac should either be absorbed by the Treasury, subjected to congressional oversight, their CEO's fired, their board of directors dissolved and their stock removed from the markets or, preferably, the federal backstop should be removed and the companies should be entirely privatized.

The long-term economic challenges facing our nation demand, first and foremost, accountability to the American taxpayer. They also require brave solutions to costly, persistent problems. Fannie Mae and Freddie Mac, with no limit on their cost to the Treasury and no real reform of any kind - are exactly the kind of persistent problem we should eliminate first.

The only backstops I want to see are the ones on the baseball diamond."