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Privatizing Fannie Mae and Freddie Mac the Wrong Way Risks a Second Great Recession

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America's homebuyers are facing mounting challenges. **Too few homes are being built**, **construction costs are rising**, and **insurance is becoming more unaffordable** as climate risks grow. Rather than addressing permitting barriers, inflationary tariffs on building materials, or climate resilience, the Trump Administration has focused its housing agenda on privatizing **Fannie Mae** and **Freddie Mac**.

Fannie Mae and Freddie Mac are government-sponsored enterprises that play a central role in America's housing market. They buy qualifying mortgages from lenders, bundle them into mortgage-backed securities, and sell them to investors. This frees main street lenders to make new loans, keeping credit flowing and rates lower for homebuyers.