

ONE HUNDRED ELEVENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
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WASHINGTON, DC 20515-6143

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May 27, 2010

Mr. Michael J. Williams
President and Chief Executive Officer
Fannie Mae
3900 Wisconsin Avenue NW
Washington, D.C. 20016-2892

Dear Mr. Williams:

Thank you for your response dated May 25, 2010 to our letter requesting information related to Fannie Mae's Patent No. 6,904,336. In addition to requesting a full and complete explanation of the decision to file the patent application, our letter of May 13, 2010 requested that Fannie Mae produce certain records and communications related to the patent.

The letter of May 25, 2010 from Federal Finance Housing Agency (FHFA) General Counsel Alfred Pollard is responsive to request no. 1. It is our understanding that Fannie Mae's purpose for filing the patent application was to "encourage the financing of energy efficient homes" by facilitating "the implementation by others of its original concept that residential builders could leverage their investments made in building energy efficient homes."¹

Mr. Pollard's letter of May 25, 2010 further states that Fannie Mae has no position on cap-and-trade legislation and has not engaged in any lobbying efforts related to cap-and-trade legislation.² Therefore, no documents responsive to request nos. 3 and 4 exist.

So that the Committee may fully understand the circumstances surrounding Fannie Mae's development and patent of a system for residential emissions trading, please provide full and complete responses to request nos. 2, 5, and 6 by June 11, 2010. If no responsive documents exist, please say so in your response. Please additionally note that the Committee wrote to Fannie Mae with the expectation that the agency would respond under its own cover. In light of the fact that Fannie Mae was not under the

¹ Letter from Alfred Pollard to Ranking Member Darrell Issa and Rep. Jason Chaffetz, May 25, 2010, at 1.

² *Id.* at 2.

conservatorship of FHFA at the time Patent No. 6,904,336 was filed, please provide any and all subsequent responses on Fannie Mae letterhead with signatures from you and/or the agency's general counsel.

Additionally, please provide full and complete responses to request nos. 1-2 with regards to Patent No. 7,133,750, a "system and method for residential emissions trading."³

The complete request for information of May 13, 2010 is as follows:

1. A full and complete explanation of Fannie Mae's decision to file the patent application.
2. All records and communications referring or relating to the decision to file the patent application.
3. All records and communications referring or relating to the development of Fannie Mae's position on cap-and-trade legislation proposed between 2002 and the present.
4. All records and communications referring or relating to Fannie Mae's lobbying efforts related to cap-and-trade legislation between 2002 and the present.
5. All records and communications referring or relating to Fannie Mae's projection of potential financial returns to the company if cap-and-trade legislation were to become law.
6. All records and communications referring or relating to legislation affecting energy markets between Fannie Mae or its representatives and the following people:
 - (a) Franklin Raines;
 - (b) G. Scott Lesmes;
 - (c) Robert Sahadi;
 - (d) Kenneth Berlin;
 - (e) Michelle Desiderio;
 - (f) Elizabeth Arner Cavey;
 - (g) Jane Bartels;
 - (h) Representatives of C02e.com LLC, CantorC02e, Cantor Fitzgerald, or Mitsui & Co., Ltd.

As you may know, Fannie Mae has been assigned 20 patents.⁴ Aside from Patent Nos. 6,904,336 and 7,133,750, all but one of Fannie's patents appear to be at least

³ U.S. Patent No. 7,133,750, Filed Apr. 28, 2005.

⁴ Letter from Dana Robert Colarulli to Rep. Darrell Issa and Rep. Jason Chaffetz, May 21, 2010.

tangentially related to the business of pricing and evaluating loans. However, Patent No. 6,674,003, for a “tamper-resistant outlet cover,” strikes us as unusual.⁵ In addition to your responses to our questions about Fannie’s patents related to residential emissions trading, please answer the following straight-forward questions about Patent No. 6,674,003:

7. A full and complete explanation of Fannie Mae's decision to file the patent application.
8. All records and communications referring or relating to the decision to file the patent application.
9. A full disclosure of any royalties collected by Fannie Mae from enforcement of the patent.

Please note that, for purposes of responding to this request, the terms “records”, “communications”, and “referring or relating” should be interpreted consistently with the attached Definition of Terms.

The Committee on Oversight and Government Reform is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X. Thank you for your cooperation in this matter. If you have any questions regarding this request, please contact Christopher Hixon or Jonathan Skladany of the Committee Staff at (202) 225-5074.

Sincerely,



Darrell Issa
Ranking Member
Committee on Oversight and
Government Reform



Jason Chaffetz
Ranking Member
Subcommittee on Federal
Workforce, Postal Service,
and the District of Columbia

cc: The Honorable Edolphus Towns, Chairman
Committee on Oversight and Government Reform
The Honorable Stephen Lynch, Chairman,
Subcommittee on Federal Workforce, Postal Service, and the District of Columbia

Attachment

⁵ U.S. Patent No. 6,674,003, Filed Mar. 31, 2003.

Definitions of Terms

1. The term "record" means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, working papers, records notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, interoffice and intra office communications, electronic mail (e-mail), contracts, cables, notations of any type of conversation, telephone call, meeting or other communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape or otherwise. A record bearing any notation not a part of the original text is to be considered a separate record. A draft or non-identical copy is a separate record within the meaning of this term.
2. The term "communication" means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether face-to-face, in a meeting, by telephone, mail, telexes, discussions, releases, personal delivery, or otherwise.
3. The terms "referring or relating," with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with or is in any manner whatsoever pertinent to that subject.