U.S. FINANCIAL TECHNOLOGY AND MORTGAGE CORPORATION

An Illustrative Texas TopCo Transaction Proposal for Fannie Mae, Freddie Mac and U.S. Financial Technology

A Trump-Style Framework for One Public Security, Two Federal Charters and an Integrated Mortgage Technology Platform

Central Proposition
One publicly traded American company. Two separately chartered and separately capitalized mortgage enterprises. One shared securitization, technology and data platform. The goal is to get the public-market benefits of an integrated platform without merging the charters or eliminating Fannie/Freddie operating competition.

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Illustrative transaction proposal. Not a legal opinion, fairness opinion, offering document, forecast of IPO pricing or investment recommendation.

Executive Summary

This paper proposes U.S. Financial Technology and Mortgage Corporation ("USFTMC"), a Texas for-profit corporation that would sit above Fannie Mae and Freddie Mac as the publicly traded parent. Fannie and Freddie would remain legally intact, separately regulated and separately capitalized. The existing U.S. Financial Technology, LLC ("U.S. FinTech") would initially stay where it is, jointly owned by the two Enterprises and therefore inside the consolidated group. The idea is to create one public security without turning Fannie and Freddie into one mortgage guarantor.

The legal case is narrower than a merger case. Fannie Mae's Charter Act expressly provides for free transferability of its stock to corporations and other entities. Freddie Mac's statutory and governing stock provisions likewise contemplate privately held and transferable voting common stock, although the statutory language is not identical. [1][2] HERA gives FHFA, as conservator, broad authority to exercise Enterprise and shareholder/director/officer powers while requiring FHFA to preserve and conserve Enterprise assets.[3] The question is whether a Texas state-law holding company can acquire controlling equity in both Enterprises without combining or transferring their federal charters. There is also a useful operating precedent: FHFA already put common securitization infrastructure and the UMBS market underneath two Enterprises that remain separate.[21]

I think there is a real path here. The legal issues are not all settled, but they are specific enough to work through. The biggest are common control and antitrust review, Treasury's SPS and warrants, tax, minority cleanup and U.S. FinTech's commercial data rights.

What the Proposal Seeks to Achieve	Design Response
One clean public security	USFTMC becomes the primary listed parent and investor-facing security while Fannie/Freddie remain regulated subsidiaries.
Preserve the two charters	Fannie Mae and Freddie Mac continue as separate federally chartered subsidiaries.
Preserve regulated capital	ERCF capital remains downstream at each Enterprise; TopCo capital is not treated as a substitute.[6]
Surface technology/data value	U.S. FinTech receives explicit, governed commercial licenses and separate segment reporting rather than being valued only as a cost-center joint venture.
Avoid forced minority assumptions	Use a voluntary registered exchange and allow residual FNMA/FMCC minority stubs if necessary.
Improve valuation opportunity	Pair stable housing-finance earnings with visible data/risk/technology growth, recurring synergies and one deeper, more liquid capital-markets story.

Preliminary Feasibility View

There is enough here to take the structure seriously. The legal questions are not all answered. Common control is the biggest one, and if it cannot be solved, a paired-security or common-wrapper structure remains a fallback.

Illustrative Valuation at a Glance

Case	Forward Earnings ($B)	Core Multiple	U.S. FinTech PV ($B)	Illustrative Equity Value ($B)
Downside	30.0	13.0x	25	$415
Base	33.0	16.0x	35	$563
Strategic	33.0	16.0x	50	$578

Case	Forward Earnings ($B)	Core Multiple	U.S. FinTech PV ($B)	Illustrative Equity Value ($B)
Premium	34.2	17.0x	50	$631

The upfront model uses normalized Fannie/Freddie earnings plus realizable after-tax synergies, capitalized at the selected core multiple. U.S. FinTech then gets a separate strategic present value only to the extent its future commercial earnings are not already included in those earnings. In the longer-term blended cases, U.S. FinTech earnings are already in consolidated earnings, so no separate FinTech value is added again.

1. The Problem This Structure Is Designed to Solve

A conventional exit from conservatorship would leave investors with two separately marketed mortgage guarantors and a valuable shared technology platform that is mostly buried inside the operating structure. A full corporate merger would be easier to explain to the market, but much harder legally because Congress chartered the two companies separately. I think the better question is whether one investable ownership and capital-markets platform can be created without eliminating either guarantor.

USFTMC would leave Fannie and Freddie in place and put the public company above them. Investors would own one listed security, while the two Enterprises could remain separate in underwriting, pricing, credit and customer decisions. CSP/UMBS already works on that basic principle: share the infrastructure where it makes sense and keep the competitive functions separate.[21]

Economic and Policy Thesis
One integrated platform has a better chance of earning a premium valuation than two separately marketed mortgage guarantors. FHFA already centralized key securitization infrastructure through CSP/UMBS while keeping two Enterprises. USFTMC would apply that same basic idea to the ownership and listing layer without moving the federal charters.[21]

2. Proposed Corporate Architecture

Level	Entity	Role
Public Parent	U.S. Financial Technology and Mortgage Corporation	Texas for-profit corporation; SEC registrant; listed public security; capital allocation and consolidated reporting.
Regulated Subsidiary	Fannie Mae	Existing federal charter; separate FHFA regulation; separate capital; existing guaranty and mission functions.
Regulated Subsidiary	Freddie Mac	Existing federal charter; separate FHFA regulation; separate capital; existing guaranty and mission functions.
Shared Platform	U.S. Financial Technology, LLC	Existing CSP issuing/administration platform; data/analytics layer; proposed expansion into approved commercial products.

USFTMC would be organized as a Texas for-profit corporation under the Texas Business Organizations Code and filed with the Texas Secretary of State.[11][12] It would be a Texas state-law corporation, not a new federal GSE or federal agency. By design, it would not receive Fannie Mae's or Freddie Mac's statutory guarantee authority.

31 U.S.C. §9102 limits a federal agency's ability to establish or acquire a corporation to act as an agency without specific federal authorization.[4] USFTMC would be structured as a Texas state-law corporation that owns shares of the two existing Enterprises and does not act as a federal agency. It would not be a new GSE or federal entity.

3. Why a No-Statutory-Merger Path May Be Legally Plausible

3.1 The Charter Acts contemplate corporate ownership of Enterprise shares

Fannie Mae's capitalization statute states that its stock is freely transferable to persons, firms, corporations and other entities.[1] Freddie Mac's statutory and governing stock provisions likewise contemplate privately held and transferable voting common stock, although the statutory language is not identical.[2] Those provisions do not by themselves resolve every restriction applicable to a common parent, but they remove a threshold objection: neither statute appears to require permanently dispersed, direct public ownership.

3.2 FHFA possesses broad conservator powers

HERA provides that FHFA as conservator succeeds to the rights, titles, powers and privileges of each regulated entity and its stockholders, officers and directors; may operate the Enterprises with those powers; and may take actions appropriate to preserve and conserve assets and place the regulated entities in a sound and solvent condition.[3] HERA also permits transfers of assets or liabilities in specified conservatorship/receivership circumstances. These provisions provide substantial statutory room for FHFA to participate in board/shareholder actions and a recapitalization process, but they do not make every restructuring action immune from challenge or erase Charter Act, competition, mission or Treasury constraints.

3.3 FHFA has previously directed the Enterprises to create the shared platform

The SEC-filed U.S. FinTech/CSS LLC agreement says FHFA directed Fannie Mae and Freddie Mac to form the joint venture as a state-law LLC and execute its governing documents.[8] FHFA later used that platform and the Single Security Initiative to centralize key issuance and administration functions and create UMBS while Fannie and Freddie remained separate.[21] It is not TopCo precedent, but it is a useful example of FHFA supporting common infrastructure without combining the two federal entities.

3.4 Extending the CSP/UMBS Architecture Upward

CSP/UMBS already shows that shared infrastructure can sit in one place while Fannie and Freddie remain separate. USFTMC would apply the same basic idea to ownership and the public listing. Capital, charter authority, underwriting, pricing, credit policy and customer-facing competition would remain at Fannie and Freddie. That does not answer the legal questions, but it gives the structure a practical precedent to build from.[21]

3.5 Why the Structure Avoids a Successor-GSE Theory

USFTMC would not replace Fannie or Freddie. Both would keep their names, charters, missions, guarantee businesses and regulated capital. HERA expressly addresses a successor Enterprise in receivership, which is why I would not base this proposal on a successor-GSE theory.[3] The cleaner approach is a change in ownership above the existing Enterprises.

4. Illustrative Transaction Sequence

Step	Workstream	Illustrative Action
1	Pre-transaction legal and regulatory opinions	Obtain HERA/Charter Act, antitrust, Treasury, tax, accounting and securities-law analyses. Define the conditions under which one-parent ownership is permissible.
2	Form USFTMC in Texas	Create a Texas for-profit corporation with no federal charter powers.[11][12]
3	Treasury/FHFA capital reset	Negotiate SPS, warrant, JPS, release conditions and required new capital. The January 2025 PSPA amendments make Treasury participation and a defined release process unavoidable.[5]

Step	Workstream	Illustrative Action
4	Registered exchange / recapitalization	USFTMC offers TopCo stock to FNMA/FMCC holders at a disclosed exchange ratio, using a registered stock-for-stock exchange structure.[20]
5	Primary capital raise	USFTMC raises any required new equity and contributes capital downstream to each Enterprise in amounts approved under the ERCF framework.[6]
6	Release / governance reset	Fannie and Freddie exit conservatorship only after applicable capital and Treasury/FHFA conditions are satisfied. They remain separately regulated subsidiaries.
7	Commercialization launch	Execute explicit data/IP licenses, product governance and U.S. FinTech commercial plan; seek FHFA new-activity/product approvals where applicable.[7][8]
8	Minority follow-up	Use additional voluntary exchange/tender windows and lawful repurchases. Leave residual minority stubs rather than relying on an uncertain compulsory squeeze-out.

5. Minority Shareholder Cleanup Without Making the Deal Depend on a Squeeze-Out

The minority issue does not need to make the whole transaction depend on a squeeze-out. USFTMC could use a registered voluntary exchange and make high participation a closing condition. If a holder declines and counsel cannot identify a clearly applicable compulsory mechanism, that holder could remain a minority FNMA or FMCC shareholder. The deal should not depend on forcing the last fraction of legacy shares into TopCo on day one.

- Initial exchange: offer equivalent USFTMC consideration to all eligible legacy common holders at the disclosed exchange ratio.
- Minimum participation: use a high tender threshold, potentially 90-95% of the targeted publicly held common, subject to transaction counsel and Treasury treatment.
- Follow-on windows: reopen or repeat voluntary exchange/tender opportunities after closing.
- Lawful repurchases: permit subsidiary repurchases only if Charter Act, PSPA, ERCF and FHFA requirements are satisfied.
- Residual stubs: tolerate small minority interests rather than making the overall transaction depend on an aggressive forced-conversion theory.

The SEC has a well-developed regulatory framework for tender and exchange offers involving stock consideration.[20] Any later going-private or issuer-repurchase transaction involving remaining minority holders would require its own legal analysis and disclosure process.

The exchange ratio matters and should be supported by independent financial analysis, fairness opinions where appropriate and clear board procedures for conflicts. The bridge from earnings, net worth, U.S. FinTech ownership, capital needs and other relevant measures to the final ratio should be visible. Those steps protect shareholders and the integrity of the transaction. They are not substitutes for antitrust review.

6. Treasury, SPS, Warrants and Regulatory Capital

TopCo does not solve the existing capital structure by itself. Treasury still has the SPS and warrants. The junior preferreds still have claims. New capital may still be needed. I would keep operating-company value separate from the question of how that value is eventually divided among Treasury, junior preferred, new investors and legacy common.

The January 2025 PSPA amendments established a process for eventual public input on termination options and preserved Treasury's role in the release process.[5] The model intentionally leaves the exact form of Treasury consideration flexible. A final transaction could use some combination of SPS amendment/settlement, warrant exercise or monetization, cash consideration, securities and other negotiated terms, subject to Treasury counsel.

ERCF capital is a separate constraint. FHFA's capital framework applies at the Enterprise level and includes capital planning and approval requirements.[6] Accordingly, USFTMC would downstream IPO/primary capital into Fannie Mae and Freddie Mac; capital held only at the parent should not be presumed to satisfy subsidiary regulatory capital requirements.

7. U.S. FinTech: From Shared Utility to Governed Commercial Platform

U.S. FinTech is already a substantial operating platform. Its public materials say it manages bond administration for approximately 1.1 million securities backed by about 31 million loans and $6.5 trillion of unpaid principal balance, houses Agency MBS data, supports near-real-time reporting and analytics, and describes data as a product.[9] It also reports that more than $18 trillion of single-family MBS issuance has been enabled through the CSP since 2019.[10] There is already a real technology and data business here. The opportunity is to commercialize it much more broadly.

The existing LLC agreement already allows substantial flexibility. It contemplates additional members, acquisitions, conversion of the LLC into another entity form and material new business lines, including private-label securities.[8] It also requires protections against disclosure of one Enterprise's competitively sensitive information to the other.[8] What it does not do is give U.S. FinTech an unlimited right to commercialize every Enterprise dataset. The transaction would need explicit licenses, IP ownership rules, privacy and security controls, and clear related-party economics.

Commercialization Principle

Confidential Fannie/Freddie data cannot simply be sold. Any commercial rights should be set out in licenses, with product governance, revenue sharing where appropriate, clean-room controls and FHFA review.

7.1 Four-layer commercialization plan

Layer	Business	Key Control
1. Existing platform	Issuance, administration, disclosures, reporting and analytics	Operate within existing agreements and mission.
2. Derived products	Prepayment/default models, MBS analytics, surveillance, benchmarks and APIs	Use derived/aggregated data; protect competitively sensitive and confidential raw data.
3. Explicit Enterprise licenses	Commercial licenses to approved datasets/IP; possible revenue share to Fannie/Freddie	Independent valuation, documented rights, FHFA review and related-party governance.
4. Third-party platform	Private-label securitization, bank/servicer/fintech tools, licensing and selected international services	New activity/product analysis under 12 CFR Part 1253 and Charter Act authority.[7]

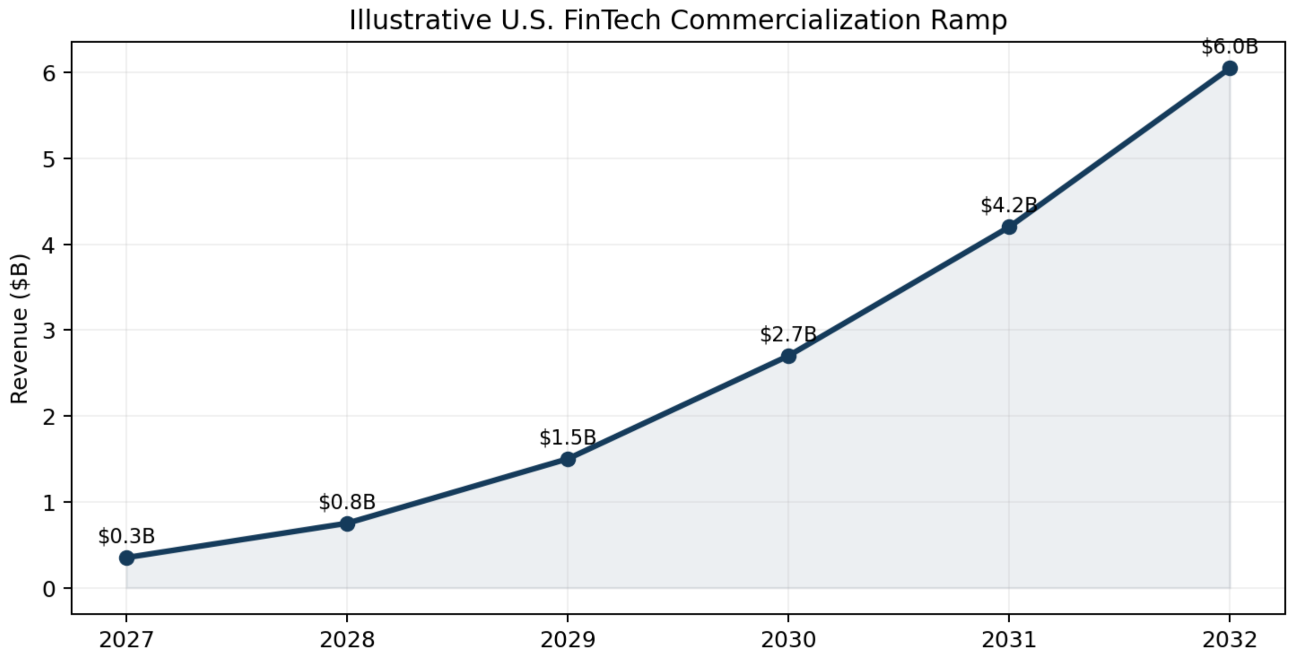

Exhibit 1. Illustrative U.S. FinTech revenue ramp. See companion model for editable assumptions.

7.2 Commercial Rights Package at Closing

At closing, the commercial rights should be spelled out. Which public Agency MBS data can U.S. FinTech package and enhance? Which nonpublic datasets require licenses, anonymization or aggregation? Who owns new models and software? What revenue share or license fees go back to Fannie and Freddie? Which products require FHFA approval? Those answers would give U.S. FinTech a real commercial mandate while protecting Enterprise assets.

2032 Revenue Line	Illustrative Revenue ($B)
Core securitization & administration	0.35
Data / API & market intelligence	1.30
Risk analytics & models	1.20
Lender workflow / decisioning / QC	1.00
Servicing / surveillance / counterparty	0.60
Third-party securitization infrastructure	0.50
Indices / benchmarks / licensing	0.40
AI / enterprise data licensing	0.70
Total	6.05

At the illustrative 2032 base case, $6.05 billion of revenue and a 50% EBITDA margin produce about $2.1 billion of modeled net income. ICE Mortgage Technology reported a 43% adjusted operating margin in Q2 2026; MSCI reported a 62.1% adjusted EBITDA margin; and FICO reported 60% year-over-year growth in Scores revenue in Q2 FY2026, with mortgage B2B a major driver.[17][18][19] These are directional analogues, not direct comparables.

8. Competition and Governance: The Largest Open Legal Issue

Common ownership is the hardest legal issue in this proposal. Section 7 of the Clayton Act prohibits stock acquisitions where the effect may substantially lessen competition or tend toward monopoly, and current merger guidance examines both control/influence and access to nonpublic competitively sensitive information.[13][14][22] I would not assume the federal charters or FHFA oversight create an antitrust exemption. The case has to be that Fannie and Freddie can remain meaningfully independent competitors under one parent, with protections strong enough to make that structure defensible.

8.1 Why the CSP/UMBS precedent matters

CSP/UMBS is useful because FHFA already centralized a critical part of the securitization infrastructure while keeping Fannie and Freddie separate. CSS/U.S. FinTech acts as each Enterprise's agent for issuance, disclosures and post-issuance administration, yet the Enterprises remain distinct guarantors.[21] Common ownership goes further, so this does not answer Clayton Act Section 7. It does show that shared infrastructure does not require shared pricing, underwriting or customer-facing decisions.

8.2 Proposed competition-preservation framework

- Separate Fannie Mae and Freddie Mac subsidiary boards, designated independent directors and reserved matters that cannot be centralized at TopCo without regulatory approval.
- Separate guaranty-fee pricing, credit-risk appetite, underwriting, seller relationships, customer negotiations and competitive product decisions.
- Strict information firewalls for competitively sensitive information, building on protections already present in the U.S. FinTech agreement and addressing the competitive-information concerns identified in merger guidance.[8][22]
- Neutral U.S. FinTech service standards, nondiscriminatory access and documented allocation/pricing methodologies for shared infrastructure.
- Separate subsidiary regulatory capital, capital plans, risk management and FHFA reporting.
- Independent FHFA monitoring, an antitrust/competition compliance function and periodic reporting to subsidiary boards and applicable regulators.

8.3 Relative strengths of the dual-subsidiary TopCo approach

- Captures technology and scale synergies already partly realized through U.S. FinTech/CSP and UMBS without requiring a full operational merger.
- Makes U.S. FinTech easier for investors to see and value alongside two large recurring guaranty businesses.
- Preserves competitive benchmarking and operating differentiation through separate subsidiary reporting, pricing, underwriting, credit and market-share metrics.
- Allows capital raising, listing and potential Treasury monetization through one primary public security, while regulated capital stays at Fannie and Freddie.
- Separates “one public security” from “one mortgage guarantor”: the structure seeks liquidity, index eligibility and a unified investor story without requiring immediate elimination of the two Enterprises.
- Leaves open deeper integration only where later efficiency gains are demonstrated and FHFA, antitrust authorities and other applicable regulators conclude it is permissible.

These safeguards improve the competition and common-control case, but they may not be enough. If formal antitrust analysis concludes that one parent cannot control both Enterprises even with enforceable protections, I would change the structure rather than force the issue. A paired security or common-wrapper structure could still give investors one public instrument while Fannie and Freddie remain separately owned and controlled. The one-security idea does not have to rise or fall on common control.

9. Illustrative Valuation Framework

Every major assumption can be changed in the companion model: earnings, synergies, U.S. FinTech value and the multiple. At 13x the answer is one number; at 25x it is another. The model shows both.

9.1 Upfront IPO / listing valuation

Component	Base Assumption	Method	Value ($B)
Fannie Mae 2027E normalized net income	$16.5B	16.0x	$264
Freddie Mac 2027E normalized net income	$15.5B	16.0x	$248
Near-term after-tax run-rate synergies	$1.0B	16.0x	$16
Core + synergies			$528
U.S. FinTech strategic present value	$35B	Separate PV / strategic value	$35
Base illustrative equity value			$563
Strategic case FinTech PV	$50B	Same core assumptions	$578 total

Fannie Mae earned $7.7 billion in the first half of 2026 and reported $116.5 billion of net worth at June 30, 2026.[15] Freddie Mac earned $7.4 billion in the first half and reported $77.8 billion of net worth; its second-quarter result benefited from a credit reserve release, which is why the model labels forward normalized earnings as an assumption rather than simply annualizing the quarter.[16]

The $35 billion U.S. FinTech base present value is consistent with the companion model's discounted value of a business reaching approximately $2.1 billion of net income by 2032. A $50 billion strategic case assumes faster commercialization or a stronger rights package. I think it is reasonable to show that case, but not to present $50 billion as a settled current value.

9.2 The Path to Approximately $1 Trillion

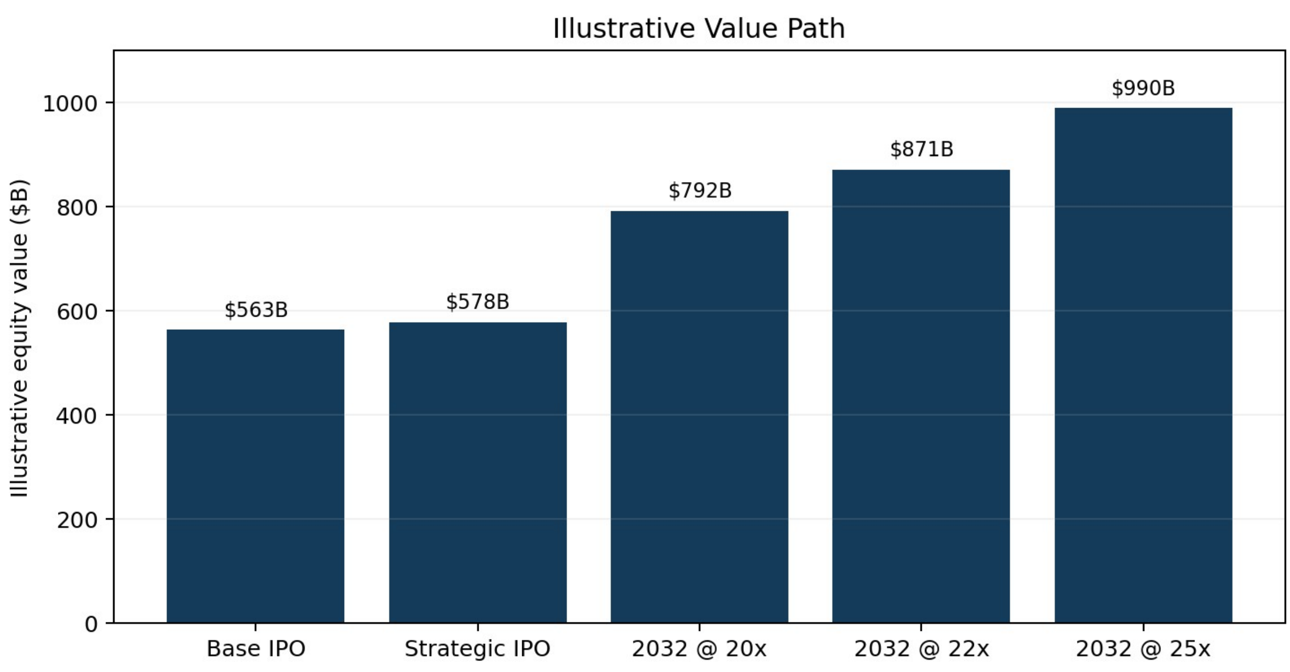

Exhibit 2. Illustrative value path. Long-term cases include U.S. FinTech earnings and therefore do not add a separate FinTech PV.

2032 Normalized Earnings	16x	20x	22x	25x	30x
$35.0B	$560B	$700B	$770B	$875B	$1.05T

2032 Normalized Earnings	16x	20x	22x	25x	30x
$37.5B	$600B	$750B	$825B	$938B	$1.13T
$40.0B	$640B	$800B	$880B	$1.00T	$1.20T
$42.5B	$680B	$850B	$935B	$1.06T	$1.28T

In the companion model, 2% annual growth for Fannie Mae, 3% for Freddie Mac, roughly $2.1 billion of U.S. FinTech net income and $1.3 billion of recurring after-tax synergies produce about $39.6 billion of normalized earnings in 2032. That is about $792 billion at 20x, $871 billion at 22x and $990 billion at 25x. The 25x case is the high case. The numbers are still very large at 20x or 22x.

I think one integrated platform has a better chance of earning a premium valuation than two separately marketed mortgage guarantors. A 25-30x multiple on guaranty earnings alone would be hard to argue. A large, liquid, index-eligible financial-infrastructure company with visible recurring data, risk and analytics revenue is a different story. ICE, MSCI and FICO are not direct comparables, but they show what the market can pay for embedded financial infrastructure, proprietary data and high-margin risk products.[17][18][19] The multiple remains an input in the model.

10. Capital Structure Allocation Remains Separate From Operating Value

A $563 billion or $578 billion operating-company valuation is not the amount that belongs to current FNMA and FMCC common holders. Treasury SPS, warrants, junior preferred, new capital and the exchange ratio still determine how that value is divided. Those questions need to stay separate.

SPS Scenario at $563B Base Value	FNMA Equivalent / Share	FMCC Equivalent / Share
SPS satisfied / cancelled	$46.92	$80.21
Prior-payment-credit compromise	$37.76	$71.89
Full current SPS economic claim	$6.28	$34.89

Illustration assumes full warrant dilution, junior preferred satisfied at stated liquidation/redemption value, and allocates the base operating value using the model's Fannie/Freddie segment values. Fannie reported a $234.166 billion SPS liquidation preference, $19.130 billion of preferred stock and 1.158 billion common shares outstanding at June 30, 2026.[15] Freddie reported a $146.570 billion SPS liquidation preference, $14.109 billion of preferred stock and approximately 650.1 million common shares outstanding.[16] The fully diluted share counts in the model reflect the working 79.9% warrant assumption and should be refreshed from definitive transaction documents before publication.

11. Key Issues to Resolve

Issue	Current View	Required Work
Common-control antitrust	Largest unresolved issue	Full Section 7 analysis; market definition; competition remedies; paired-security fallback.[13][14]
FHFA conservator authority	Plausible but litigation-sensitive	HERA opinion addressing preserve/conserve purpose, fairness and charter consistency.[3]
Treasury consideration	Solvable but mechanics uncertain	Treasury opinion on SPS/warrant settlement and any TopCo consideration; PSPA amendment path.[5]
Minority cleanup	Voluntary path is credible	S-4/exchange-offer mechanics, tender thresholds and residual-stub governance.[20]

Issue	Current View	Required Work
U.S. FinTech data rights	Expandable but not unrestricted	Dataset-by-dataset license/IP review; privacy, cybersecurity, revenue-sharing and FHFA approvals.[7][8]
ERCF capital	Manageable	Enterprise-by-Enterprise capital plans and downstream funding.[6]
Tax	Open	Tax-free/reorganization analysis; tax opinion as transaction condition.
Texas corporate mechanics	Conventional parent formation	Texas counsel, certificate of formation, governance, exchange/listing documents.[11][12]

12. Conclusion

I think USFTMC could be a practical answer to the Fannie/Freddie endgame. Fannie and Freddie would keep their charters, regulated capital and operating responsibilities, while the public ownership layer moves above them. CSP/UMBS already shows that common infrastructure can coexist with two separate Enterprises.[21] The remaining question is whether that idea can be extended to ownership and the public listing while preserving real competition. If the common-control and capital issues can be worked through, I think the structure deserves serious consideration.

Proposal in One Sentence
One publicly traded Texas parent; two separately chartered, separately capitalized and meaningfully independent mortgage enterprises; one governed U.S. FinTech platform with explicit commercial rights and transparent segment reporting.

The valuation is equally flexible. The companion workbook shows about $563 billion in the base case and $578 billion in the strategic case using 16x forward earnings plus a separate U.S. FinTech present value. Readers can change the earnings, FinTech value or multiple and see the result. $1 trillion is one outcome in the model, not the number the model is built around.

Exhibit A - Legal Architecture at a Glance

Question	Proposed Answer	Primary Authority
Can a Texas state-law corporation own Fannie Mae shares?	Charter language supports free transferability to corporations/entities; confirm all transaction restrictions.	12 U.S.C. §1718 [1]
Can a Texas state-law corporation own Freddie Mac shares?	Freddie's statutory and governing stock provisions contemplate privately held and transferable voting common stock; confirm all transaction restrictions.	12 U.S.C. §1452 [2]
Can FHFA approve Enterprise corporate actions in conservatorship?	HERA grants broad conservator/shareholder/director powers, subject to statutory purposes.	12 U.S.C. §4617 [3]
Why a Texas state-law corporation rather than a new federal corporation?	Avoid reliance on creating a corporation to act as a federal agency.	31 U.S.C. §9102 [4]; Texas BOC [11][12]
Can U.S. FinTech change form/business?	LLC agreement contemplates conversion, acquisitions, additional members and new business lines.	SEC-filed LLC Agreement [8]

Question	Proposed Answer	Primary Authority
What is the biggest structural legal issue?	Common control of Fannie and Freddie under federal antitrust law; proposed response is genuine subsidiary independence, enforceable firewalls/remedies and a no-common-control fallback.	15 U.S.C. §18 [13]; Merger Guidelines [14][22]
Is there a policy precedent for shared infrastructure with separate Enterprises?	Yes. FHFA implemented CSP/UMBS through a shared platform while Fannie and Freddie remained separate issuers/guarantors; this supports the design principle, not an antitrust safe harbor.	FHFA Single Security/CSP materials [21]

Exhibit B - Proposed Competition Safeguards

- Separate subsidiary boards and designated independent directors.
- Separate pricing, credit and seller-facing commercial decision-making.
- No cross-sharing of competitively sensitive Enterprise information.
- Neutral U.S. FinTech service-level commitments and governance.
- Separate capital, risk management and FHFA reporting.
- Independent antitrust compliance officer and periodic FHFA/board reporting.
- Use CSP/UMBS as the operating-design precedent: centralize common infrastructure, not competitive pricing/credit/customer decisions.[21]
- Fallback to paired/common-wrapper security if common control cannot be supported.

Exhibit C - U.S. FinTech Commercial Rights Checklist

Right / Asset	Needed for Commercial Plan	Proposed Treatment
Existing CSP technology/IP	Yes	Confirm ownership and existing licenses under U.S. FinTech agreements.
Agency MBS public disclosure data	Yes	Commercially package where legally permissible; add analytics and APIs.
Nonpublic Enterprise loan/performance data	Potentially	Dataset-specific license; anonymization/aggregation; clean-room controls.
Derived risk/prepayment models	Yes	U.S. FinTech-owned IP where developed by platform; model governance.
Third-party data	Potentially	Acquire/license on commercial terms.
Private-label securitization functionality	Strategic upside	Use LLC flexibility plus FHFA/new-product/charter analysis.[7][8]
AI training / enterprise licenses	Upside	Highest privacy, IP, cybersecurity and regulatory bar.

Exhibit D - Selected Sources & Authorities

[1] 12 U.S.C. §1718 - Fannie Mae capitalization / stock transferability
https://uscode.house.gov/view.xhtml?edition=prelim&num=0&req=granuleid%3AUSC-prelim-title12-section1718
[2] 12 U.S.C. §1452 - Freddie Mac corporate/stock provisions
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[3] 12 U.S.C. §4617 - FHFA conservatorship and receivership powers
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[4] 31 U.S.C. §9102 - Establishing/acquiring corporations to act as agencies
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Exhibit E - Important Information

This paper is for illustrative and discussion purposes only. It is not legal, tax, accounting or investment advice; it is not an offering document or a fairness opinion; and it does not predict or represent the position of FHFA, the U.S. Department of the Treasury, Fannie Mae, Freddie Mac, U.S. Financial Technology, DOJ/FTC, any court, regulator or transaction adviser. It presents legal, transaction and policy arguments where a reasoned case can be made and identifies issues that still require formal counsel or regulatory resolution. The proposed structure has not been approved by those parties and may ultimately prove legally, economically or operationally infeasible.

All valuation assumptions are illustrative. Operating-company values shown in this paper are before final allocation among Treasury SPS/warrants, junior preferred securities, new capital and legacy common unless expressly stated otherwise. U.S. FinTech values are especially sensitive to commercialization rights, adoption, pricing, competition, regulatory permissions, margins and discount rates. Information is derived from sources believed reliable but is not guaranteed.