

House chairman unhappy with mortgage report

By ROB WELLS
AP BUSINESS WRITER

WASHINGTON (AP) — A top House Republican on Wednesday criticized the Treasury Department for a study he said was weak and failed to address key policy issues about the future of mortgage giants Fannie Mae and Freddie Mac.

The House Banking subcommittee on capital markets is investigating whether the government should sever its ties with the two quasi-private companies and allow them to become completely private.

Rep. Richard Baker, R-La., chairman of the subcommittee, expressed frustration that a Treasury study on the matter lacked "a substantive set of recommendations ... that we could simply act on."

Baker's remarks came as his subcommittee held its third oversight hearing of Fannie Mae, or Federal National Mortgage Association, and Freddie Mac, or Federal Home Loan Mortgage Corp. The companies were chartered by the federal government to expand home ownership nationwide, but they have publicly traded stock. They buy home mortgages from banks and repack them as bonds for sale to investors.

Baker said he is concerned whether the two giant firms are adequately regulated and whether they are taking undue financial risks.

Fannie Mae and Freddie Mac both benefit from a backup line of credit from the Treasury Department, which enables them

to borrow at rates nearly as low as the government itself.

These government benefits were worth about \$8 billion for Fannie Mae and Freddie Mac in 1995, the Treasury estimated, and the companies were able to pass along about \$4 billion in benefits to consumers that year.

Deputy Treasury Secretary Lawrence H. Summers said it was "premature" to end government sponsorship of the two companies, saying that could result in higher interest rates on home loans and could reduce credit for poor families.

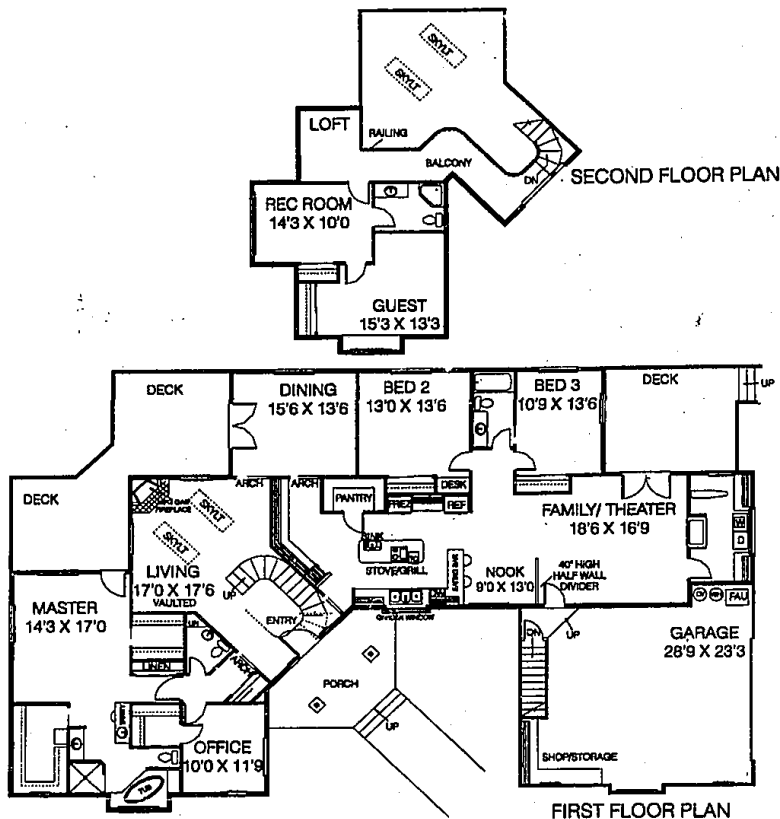
But Baker questioned major differences between a draft and final version of the Treasury report, suggesting the politically powerful companies may have influenced the deletion of a more thorough discussion of privatization in the final report.

"I'm convinced that for whatever reason, this report has been rewritten, reaches no conclusions, and ignores the changes in the marketplace that have occurred and gives little direction to this committee for a prompt response to the circumstances that we face," he said.

Summers said he couldn't comment on the earlier drafts but that the final report in the Treasury's official position on the issue.

Baker then asked how much the Treasury Department spent in preparing the report, to which Summers didn't have a specific answer.

"Well, maybe at least we can get Fannie and Freddie to pay for it," Baker said.



2-story house has lots for '90s family

The two-story Enchanting is definitely a design for the hard-working family of the '90s. This 3,594-square-foot beauty has all the features that make this a house you will be proud to show your friends. Elegant stone showcases an impressive exterior, or that is topped by an ornate tile roof.

The vaulted entry boasts an overhead balcony and a semi-circular staircase to the second floor. The entry leads directly into the vaulted living room. Dual skylights brighten the entire area, while a gas fireplace maintains an even temperature. An arched doorway ushers you into the dining area.

The master suite and home office are situated to the left of the entry. The master suite is loaded with all the amenities you would like to enhance your comfort and convenience. They include his-and-hers walk-in closets, a large sleeping area, personal access to the back deck, linen storage and a private bathroom with shower, vanity and oversized tub with a built-in planter. The adjacent home office is sizable enough to run a small business from. It contains a walk-in closet. A half-bath is across the hall.

The spacious walk-through kitchen features a walk-in pantry, island stove, trash com-

pressor, garden window, eating bar and double ovens. A roomy breakfast nook is on one side of the kitchen, and an arched doorway leads to the dining room on the opposite side. Counter space is abundant.

A big family room-theater, with built-in entertainment center, will provide hours of enjoyment for you and your guests. Two secondary bedrooms and another half-bath are to the rear of the Enchanting. A good-sized utility room, with built-in ironing board, completes the lower level. The two-car garage accommodates a handy shop/storage area with built-in workbench and a stairway to your own wine cellar.

The upper level of the house has a skylit guest suite that can serve overnight visitors or provide permanent quarters for an older relative living within the household. This floor also is fitted with a recreation room, full bathroom and a secluded loft. The railed balcony overlooks the living room below.

For a study kit of the Enchanting (335-043), send \$10 to Landmark Designs, P.O. Box 2307, OE48, Eugene, OR 97402. (Be sure to specify plan name and number.) For a collection of plan books featuring our most popular house plans, send \$20 to Landmark, or call 1-800-562-1151.

More. Less.

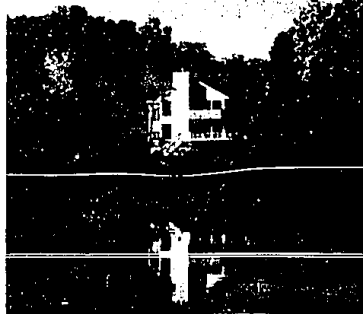
More house, more land, less money.

Indianwood Estates
The Apache - 2150 sq. ft., 4 bedrooms, 1 1/2 car garage - from \$199,900

Northridge Preserve
The Comanche - 2010 sq. ft., 4 bedrooms, 2 1/2 baths, 2 1/2 car garage, from \$209,900

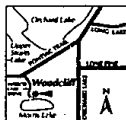
JAC Construction Company, Inc. (810) 969-2869
Over 20 years of excellence • Brokers Protected
Please visit our website at: <http://www.jacinc.com/jac>

HOMES ABOVE THE LAKE. PRICES BELOW THE COMPETITION.



Overlooking the sparkling waters of Morris Lake, these stunning detached condominiums offer picture perfect lakeside living. And, Woodcliff is by far West Bloomfield's best lake front value. Just compare with nearby lake lots approaching \$1,000,000.

Priced from the high \$300,000's



Located one mile west of Orchard Lake Road off Pontiac Trail in West Bloomfield. Open daily noon to 6 p.m. (Closed Thursday)

Presented by **The Herman Finkel Group**
"America's Best Builder"

(810) 683-3501

Elegant Custom Country Estates.

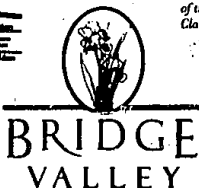
Discover the perfect location and lifestyle at Bridge Valley. Elegance, history, convenience and unsurpassed natural beauty just minutes from I-75 on Henry Ford's former Country Estate.

PHASE II NOW OPEN

Only 18 superb 1 1/2 acre homesites in Phase II will be offered to create your own custom country estate.



Bridge Valley is located off Holcomb Road (between Ellis and Reese Rd.) just northwest of the Village of Clarkston in the Clarkston School District.



Brokers Protected.

A KIRCO DEVELOPMENT

310/620-6603

How to do checkup on your room AC unit

(AP) Summer's here and your room air conditioner is working hard. You can help the appliance work efficiently with a simple maintenance program.

To begin, unplug the air conditioner, and remove the front grill and filter. Wash the filter with a mixture of warm soap and water. If the filter has deteriorated, replace it.

Your local appliance store, hardware store or home center may be able to supply you with the exact size of replacement filter you need, but several manufacturers make universal room air-conditioner filters. These are cut to fit with a pair of scissors. Or call the General Electric Consumer hotline: (800) 628-2000.

Remove the air conditioner from the window and clean up the window sill.

Take the air conditioner out of its cabinet. Some air conditioners will slide out of the cabinet, but on most, the cabinet is held with screws. Remove the screws.

Use a shop vacuum and crevice tool to remove debris from inside the air conditioner.

Bring the appliance outside and use a paint brush and some soapy water to clean inside of it. Put a plastic bag over the fan motor, electrical control box and compressor. Secure the plastic with duct tape. Hose the inside clean. Make sure the base, coils and condensate pan are also clean.

When finished, remove the plastic bags and dry off the appliance with a clean cloth. Allow remaining moisture to evaporate or you can accelerate the drying process by blowing out moisture with a can of compressed air. You can buy single-use cans of compressed air through tool catalogs and some hardware stores or you can use a rechargeable air tank, sold at hardware stores, home centers and auto parts stores.

When the appliance is dry, reassemble it and install it in its cabinet. Install the air conditioner in its window. After the appliance has been installed, allow it to remain idle for a full day, to be sure it is thoroughly dry before running it.