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March 31, 2021

Honorable Scott S. Harris
Clerk
Supreme Court of the United States
Washington, D.C. 20543

Re: *Collins v. Yellen*, No. 19-422, & *Yellen v. Collins*, No. 19-563

Dear Mr. Harris:

The plaintiff shareholders agree with the Acting Solicitor General that the January 14, 2021 amendments to the Preferred Stock Purchase Agreements do not render this case moot. With all agreed that recent developments have no effect on this Court's jurisdiction, the extra-record evidence attached to the Acting Solicitor General's letter of March 18, 2021 should not be considered as part of this appeal.

Even after the January 14 letter agreement, Fannie and Freddie continue to have enormous capital deficits that were caused by the Net Worth Sweep. *See* J.A. 102–03. And while the Acting Solicitor General promotes the new arrangement as allowing the Companies to “build up substantial capital reserves” over a period of “multiple years,” this purported capital build-up is entirely ephemeral because it will be offset by a corresponding and equal increase in the liquidation preference on Treasury's senior preferred stock. Through the January 14 letter agreement, FHFA and Treasury have done nothing to reverse the nationalization of Fannie and Freddie but only further entrenched Treasury's status as the sole shareholder that can ever receive a return on its investment. This arrangement is inherently unsound and inconsistent with FHFA's conservatorship mission because it makes it impossible for the Companies to raise additional capital through the sale of new stock at a time when they are massively undercapitalized due to FHFA's previous unlawful conduct.

The January 14 letter agreement is also subject to the same constitutional objection already before the Court, for it was negotiated between Treasury and FHFA's (Senate-confirmed) Director.

Please distribute this letter to the Members of the Court.

Sincerely,

/s/ David H. Thompson

David H. Thompson

Counsel for Patrick J. Collins, et al.

cc: See Attached Service List

Patrick J. Collins, et al. v. Janet L. Yellen, Sec'y of Treasury, et al., No. 19-422

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