



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

BEN S. BERNANKE
CHAIRMAN

October 28, 2009

Mr. Charles McMillan
2009 President
National Association of REALTORS
500 New Jersey Avenue, N.W.
Washington, D.C. 20001-2020

Dear Mr. McMillan:

I am writing in response to your letter of October 15, 2009, regarding the Federal Reserve's program of purchases of federal agency mortgage-backed securities (MBS). You noted the importance of the MBS program to the housing and mortgage industries and the economy and recommended that several measures be considered in conjunction with the winding down of the program.

The Federal Reserve recognizes the key role that the agency MBS market plays in our nation's current system of housing finance. Our purchases of agency MBS were taken with a view toward supporting the housing and mortgage markets and the economy more generally. As you know, the Federal Reserve has announced that our current program of purchases of agency MBS will be completed at the end of the first quarter of 2010. We indicated our intention to wind down those purchases gradually in order to promote a smooth transition in markets. The Federal Reserve also noted that it will continue to evaluate the timing and overall amounts of its purchases of securities in light of the evolving economic outlook and conditions in financial markets.

We appreciate your recommendations for helping to ensure the adequacy of funding for the mortgage and housing markets, and we will consider them carefully.

Thank you for writing.

Sincerely,

A handwritten signature in black ink, appearing to be "Ben Bernanke", written over a light blue horizontal line.