

**From:** Norton, Jeremiah  
**To:** Steel, Robert; Nason, David; Ryan, Tony;  
Kashkari, Neel;  
**Subject:** Re: GSEs  
**Date:** Sunday, March 16, 2008 8:53:59 AM

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We have harden guarantee legislative language on stand-by.

Line with Treasury process is very informal -- can be executed swiftly.

Your plan on cap raise is best option

----- Original Message -----

**From:** Steel, Robert  
**To:** Nason, David; Ryan, Tony; Norton, Jeremiah; Kashkari, Neel  
**Sent:** Sun Mar 16 08:32:43 2008  
**Subject:** GSEs

As I think all of you know, we are being leaned on as part of the plan for todays series of afternoon announcements to deliver a GSE "plan".

Just to summarize, the idea would be to announce a grand bargain of capital raise and beginning of relaxation of the capital surcharge for housing GSEs. Also some ideas about "commitment" to legislation but that's a bit fuzzy. This would be done at same time as other announcements.

My three constituents are:

Mudd  
Syron  
Lockhart

I have spoken to Mudd and he is good and knows we are on a tight timetable which is cool with him. I told him noon. He expressly said Lockhart needs to ELIMINATE the negative rhetoric.

I have emailed and called Syron and waiting to hear back...I will continually follow up. My thought was to get Syron nailed down...then connect with Lockhart.

Goal should then be a conference call with Dan, Dick, Jim and Hank to finalize language early afternoon.

I was leaned on very hard by Bill Dudley to harden substantially the gty. I do not like that and it has not been part of my conversation with anyone else. I view

that as a very significant move, way above my pay grade to double the size of the US debt in one fell swoop.

That's the update... Pls feel free to share any thoughts re substance or process.