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Pryor Cashman's Heicklen

By [Brienne Harrison](#)

THE FED'S TAKEOVER OF FANNIE AND FREDDIE

With all the headlines about Fannie and Freddie hemorrhaging money lately, it was hardly surprising when word came out that the government had stepped in. And, according to most of our poll respondents, that was the best thing that could be done. A vast majority of nearly 60% said this was the best possible solution, while 41% judged the move to be unfair to taxpayers, who will bear the financial burden. Wayne Heicklen, a partner with Pryor Cashman and an investor in the Georgica residential condo tower agrees that there are many disappointed parties, but there was ultimately no other way. Here are his thoughts:

“How good or how bad the takeover move was really depends on your point of view. From the point of view of investors, it’s not too good, because they’ve just lost their investment in the two companies. From the point of view of taxpayers, it’s not great because they will have to take on the burden of the takeover and its cost.

“It is, however, of the utmost importance for us to keep Fannie Mae and Freddie Mac viable. We need them both, so something had to be done. Having the government step in in this situation was probably the best move, and hopefully it’ll help people secure loans in the future, which would be difficult if Fannie and Freddie did not survive.

“The bottom line is, we need to have a viable Freddie and Fannie to ensure that people can get loans when they need them. This is a difficult move for many people, but something needed to be done, so now we just have to concentrate on getting things back on track.”

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