Fannie Mae and Freddie Mac collectively owned or guaranteed more than $5 trillion in mortgage-related assets. As the housing market deteriorated, deepening losses at both GSEs sparked investor concerns of insolvency, driving their share prices lower.

**Fannie Mae and Freddie Mac Stock Prices and Selected Events**

- **New York attorney general subpoenas Fannie Mae and Freddie Mac**, Nov. 7, 2007, in mortgage fraud investigation
- **Morgan Stanley takes $3.7 billion loss** on subprime mortgage exposure; other big banks also warn of huge write-downs
- **Fannie Mae reports $1.4 billion loss** on Nov. 9, 2007, amid rising loan delinquencies
- **Freddie Mac reports $2 billion net loss** and low capital reserves, Nov. 20, 2007

As the housing market deteriorated, deepening losses at both GSEs sparked investor concerns of insolvency, driving their share prices lower.

**Note:** GSEs are government-sponsored enterprises.

Source: The Center for Research in Security Prices at Chicago Booth via Wharton Research Data Services (WRDS)

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