

April 26, 2013

Mr. Alfred Pollard
General Counsel and
Designated Agency Ethics Official
Federal Housing Finance Agency
400 7th Street SW
Washington, DC 20024

Dear Mr. Pollard:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Director of the Federal Housing Finance Agency.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I will divest my interests in the following entities within 90 days of my confirmation: Bank of America; BB&T Corp.; M&F Bancorp, Inc.; Deutsche Bank; and Senior Housing Property Trust REIT. With regard to each of these entities, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of the entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I currently am associated with Mel Watt for Congress, which was formed to support my U.S. Congress elections. This committee is registered with and reports to the Federal Election Commission (FEC). If confirmed for the position of Director of the Federal Housing Finance Agency, Mel Watt for Congress will continue to make expenditures to maintain its existence and meet FEC requirements, including ongoing reporting requirements. However, once confirmed and during my tenure as Director of the Federal Housing Finance Agency, I will not participate in the operation or decision-making of this entity, and I personally will not solicit, accept or receive funds for it and will not use its funds to engage in any partisan political activities. In addition, Mel Watt for Congress will not solicit or accept any donations during my tenure as Director of the Federal Housing Finance Agency.

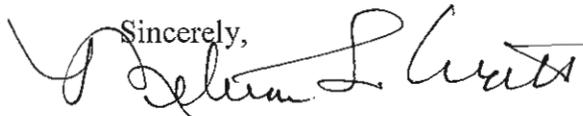
Upon confirmation, I will resign from my positions with the following entities: Westside 2000, Ltd. and Congressional Black Caucus Political Education and Leadership Institute. For a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Per the organization's bylaws, my term of service as Director of the Congressional Black Caucus Foundation ended on February 12, 2013, and I ceased to be a member of this organization. For a period of one year after the termination of my service as Director, I will not participate personally and substantially in any particular matter involving specific parties in which the Congressional Black Caucus Foundation is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

If confirmed as Director for the Federal Housing Finance Agency, I am aware that I am prohibited by section 1312(g) of the Safety and Soundness Act, 12 U.S.C. 4512(g), from: 1) holding a financial interest in any regulated entity or entity-affiliated party; 2) holding any office, position, or employment in any regulated entity or entity-affiliated party; and 3) serving as an executive officer or director of any regulated entity or entity-affiliated party at any time during the three-year period preceding my date of appointment. Therefore, I will not hold any such interests or positions during my appointment to the position of Director. Furthermore, I will not serve as an executive officer or director of any regulated entity or entity-affiliated party at any time during the period preceding my date of appointment.

I understand that as an appointee I am required to sign the Ethics Pledge (Exec. Order No. 13490) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this and any other ethics agreement.

Finally, I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with other ethics agreements of Presidential nominees who file public financial disclosure reports.

Sincerely,

Melvin L. Watt