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Stocks up for Freddie Mac

Congress created mortgage giant Freddie Mac received a bit of good news today as they look to find a way to weather the ongoing housing slump and credit crisis. Stock in the company rose dramatically today after a week of on-going losses. The 9% rise in its stock price comes as a result of the Securities and Exchange Commission agreeing to register the company.

Investors are optimistic that Freddie will be able to issue at least \$5.5 billion worth of stock though a *Wall Street Journal* report puts that number near \$10 billion. The news however is far from reversing the over 60% decrease in stock value for this year that has slammed the mortgage backer.

Freddie's sister company Fannie Mae also saw a nice gain in today's trading. Fannie closed at a 19% increase. Analysts commonly hold that both Fannie and Freddie would receive government backing if they were ever to face a financial downfall. Evidence of this is seen as the Treasury Department and Federal Reserve have both recently issued recommendations to bolster the Fannie and Freddie.

The mortgage giants currently own or back approximately \$5 trillion worth of mortgages which accounts for over half of the U.S. market.