

GSEs Blamed For Helping Cause Subprime Meltdown

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Fannie Mae and **Freddie Mac** were as responsible for the subprime meltdown as large Wall Street firms, according to the **Cato Institute**. **Mark Calabria**, a Cato researcher and author of a new report, said, "Painting Wall Street and the GSEs as competitors fails to account for the fact that Wall Street firms and their affiliates were among the largest mortgage sellers to Fannie and Freddie." Calabria says [Fannie Mae](#) and Freddie Mac's profit goals encouraged Wall Street firms to place heavy emphasis on subprime.