
Bernanke says market functioning 'top priority'

By Editor

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WASHINGTON, July 15, 2008 (AFP) - Federal Reserve chairman Ben Bernanke said Tuesday that the functioning of financial markets was 'a top priority' of the central bank and that policymakers were closely monitoring the health of mortgage giants Fannie Mae and Freddie Mac.

'As events in recent weeks have demonstrated, many financial markets and institutions remain under considerable stress, in part because the outlook for the economy, and thus for credit quality, remains uncertain,' Bernanke said as he delivered his semiannual report to Congress.

'In recent days, investors became particularly concerned about the financial condition of the government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac.'

He added that an aid plan was crafted with Treasury and Fed officials 'given the importance of these firms to the mortgage market.'

'In general, healthy economic growth depends on well-functioning financial markets,' he said.

'Consequently, helping the financial markets to return to more normal functioning will continue to be a top priority of the Federal Reserve.'

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