Mr. Adam Hitchcock Council of Economic Advisers 1800 G Street, NW Washington, DC 20502

Dear Mr. Hitchcock:

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 Member, Council of Economic Advisers.

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.

Upon confirmation, I will take an unpaid leave of absence from my position as Professor at the University of Maryland. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of the University of Maryland, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for either the exemption at 5 C.F.R. § 2640.203(b) or another regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

In addition, I will, upon confirmation, resign from my position as co-editor of Labour Economics, published by Elsevier Press. I will also resign, upon confirmation, from my unpaid positions with the American Economic Association, the University of Michigan and the National Bureau of Economic Research. I resigned my former position with the National Research Council in May 2010. 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).

My spouse is a salaried employee of Fannie Mae. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my spouse's compensation or employment with Fannie Mae, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1). I also will not participate personally and substantially in any particular

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matters involving specific parties in which Fannie Mae is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

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:

Sincerely,

Katharine G. Abraham