

# **Bond Case Briefs**

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## **TAX - MINNESOTA**

### **Hennepin County v. Federal Nat. Mortg. Ass'n**

**United States Court of Appeals, Eighth Circuit - February 5, 2014 - F.3d - 2014 WL 443983**

Minnesota county, on behalf of itself and all similarly-situated Minnesota counties, brought putative class action for declaratory and injunctive relief and unjust enrichment against Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal Housing Finance Agency (FHFA) as conservator for Fannie Mae and Freddie Mac, alleging that defendants violated state law by failing to pay deed transfer taxes when conveying real property in the state. The United States District Court for the District of Minnesota granted defendants' motion to dismiss for failure to state a claim. County appealed.

The Court of Appeals held that:

- Defendants were exempted, under their federal agency charters, from paying Minnesota's deed transfer tax when conveying real property in Minnesota, and
- Despite the privatization of Fannie Mae and Freddie Mac, they were governmental instrumentalities which Congress had the authority to protect by exempting them from state taxation.