

# **BROWN OPENING STATEMENT AT BANKING COMMITTEE HEARING ON NOMINATIONS TO FHFA, NCUA AND TREASURY**

**WASHINGTON, D.C.** — U.S. Sen. Sherrod Brown (D-OH) – ranking member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs – released the following opening statement at today’s hearing on nominations to Federal Housing Finance Agency, the National Credit Union Administration and the Department of Treasury.

Sen. Brown’s remarks, as prepared for delivery, follow:

Thank you, Chairman Crapo, for holding this hearing today on the nominations of Mr. Bimal Patel, Mr. Todd Harper, Mr. Rodney Hood, and Dr. Mark Calabria -- congratulations to all of the nominees and welcome to your families and guests. I look forward to their testimony and responses to Members’ questions.

While it is important that we consider new nominees in a timely manner—Mr. Chairman, I appreciate you including Mr. Harper in today’s hearing—I want to remind my colleagues, four non-controversial nominees to the Export Import Bank never received a vote on the Senate floor last Congress while nominees that were sent up from the White House months later were confirmed. We also continue to wait on the White House for nominees for Democratic positions at the SEC and FDIC.

All of today’s nominees, if confirmed, have the opportunity to use their positions to improve the lives of American families. They can make it easier for families to buy homes with mortgages they can afford, they can encourage credit unions to offer fair products to Americans left behind by our banking system, and they can support policies that protect consumers and our financial system from risky activities at financial institutions.

Mr. Patel has been nominated to be Treasury Department Assistant Secretary for Financial Institutions. If confirmed, Mr. Patel would take on a new role at Treasury that covers a broad range of policy issues affecting financial institutions.

Mr. Harper and Mr. Hood have been nominated to the Board of the National Credit Union Administration, an agency they're both familiar with. Mr. Hood previously served as an NCUA Board Member from 2005 to 2010. Mr. Harper worked in the NCUA's office of Public and Congressional Affairs and served as the chief policy advisor to the Chair from 2011 to 2017. Both nominees possess a deep understanding of credit unions and the issues that affect them.

Finally, Dr. Calabria has been nominated to lead the Federal Housing Finance Agency.

Most Americans probably don't know that F-H-F-A exists. But as the regulator of the G-S-Es, it affects whether they can get a mortgage, how much they pay for that mortgage, and what kind of rental options they have. This is particularly true for low- and moderate-income families, and for communities that have been abandoned by Wall Street banks.

The housing problems facing families are clear: rent is too expensive and too many communities – particularly communities of color – can't access safe, sustainable mortgages. These are the problems the next Director should be working to address. Dr. Calabria has a long history in housing policy. He was a staff member on this Committee when Congress passed the Housing and Economic Recovery Act creating F-H-F-A, so he is well aware of the significant influence he would have.

He's written extensively on the housing system, and particularly on the G-S-Es. Those writings raise serious questions about the impact that Dr. Calabria's actions could have on the housing market if his views are implemented. He has questioned the need for the 30-year fixed-rate

mortgage and advocated against a government guarantee for qualifying mortgage-backed securities. These positions contradict what we have heard from housing stakeholders who have appeared before this Committee over the past four years.

Dr. Calabria has also called for repeal of the G-S-Es' affordable housing goals, which help ensure that Fannie Mae and Freddie Mac are fulfilling their statutory missions to facilitate homeownership and rental housing for low-income families. In the last testimony he submitted to this Committee in 2015, Dr. Calabria said that the two primary tools facilitating private market home financing, the G-S-Es and F-H-A, "should eventually be eliminated."

Through the hearing this morning I hope to better understand if Dr. Calabria still believes that. When work has dignity, everyone can afford housing in their community. We know that's not true today. We're facing a housing affordability crisis. Wages are lagging far behind the increase in home prices. One in four renters spends more than half their income on rent.

Seven of the 10 fastest growing occupations don't pay enough to afford to rent a modest one-bedroom apartment, let alone save for a down payment. The next generation of potential homebuyers is saddled with a mountain of student loan debt. Borrowers of color were systematically shut out of the housing market for generations, they suffered some of the biggest losses during the financial crisis, and they still face discrimination when trying to get a loan.

Those are the challenges we have to confront. We need a strong, mission-driven housing finance system working to make sure all Americans can afford safe, quality housing where they live, work, and send their kids to school.

I will be listening to see how Dr. Calabria's plans align with that goal.

Thank you, Mr. Chairman.