

Opening Statement of Ranking Member Sherrod Brown
Executive Session on Nominations to FHFA, Treasury, NCUA, Ex-Im, and HUD
February 26, 2019

Thank you Mr. Chairman.

This morning the Committee will vote on 10 nominees who will each have a huge impact on our economy and on American families. Six of them have were voted out of the Committee last Congress.

If confirmed, Dr. Mark Calabria would oversee more than \$6 trillion in financing for mortgages that give households a place to call home.

In his nomination hearing, Dr. Calabria showed his command of housing issues.

Unfortunately, he used that knowledge to duck and dodge questions about his beliefs that go to the heart of how he would run FHFA.

Dr. Calabria repeatedly told the Committee that the GSEs need to be “well-capitalized,” but when asked to define that term and the economic impact, we were left with hand gestures.

He three times promised that he would operate the GSEs’ signature affordable housing initiatives – the affordable housing goals, the duty to serve, and the affordable housing trust funds – within the confines of the statute, but never gave us his interpretation of that statute.

He never gave us a real answer as to whether he sees it as his job to help working families find affordable places to live.

After two hours of testimony, we are still left wondering how Dr. Calabria will carry out the law and what that means for American families.

What Dr. Calabria **did** say was that he stands by all of what he has written.

And so we are left with Dr. Calabria’s writings that say:

- “all existing mortgage subsidies, including FHA and the GSEs, should eventually be eliminated;”
- helping struggling borrowers through principal reduction is “little more than a coerced taking of wealth;”
- “U.S. policies, such as Fannie Mae and the Community Re-investment Act, were direct contributors to the financial crisis;” and

- providing assistance through the Hardest Hit Fund to states like Ohio whose housing and labor markets were devastated during the crisis was simply “[s]ubsidizing states because their housing markets are getting more affordable.”

When Dr. Calabria wrote that final statement in 2010, Ohio was just recovering from losing more than 375,000 jobs, and one in five homeowners was under water.

Dr. Calabria’s solution? The affordable housing problem “would be solved,” he said, “by letting prices fall.” In other words, we don’t have to help families even though it’s Wall Street’s fault people are struggling. We just sit back and watch the value drain out of their homes – the only investment many families have.

For these working families, Dr. Calabria’s policies would mean higher housing costs, reduced access to credit, and no hope of help, even when corporate greed wrecks the economy.

Dr. Calabria did try to reframe his writings that questioned the need for a 30-year fixed-rate mortgage, that called for all conventional borrowers to have a cash down payment of 10 percent, and that argued for the outright repeal of “so-called consumer protections, such as CRA.”

We have seen this time and again from this President’s nominees.

When questioned on their record, they try to explain away the past, only to double down on their long-held views once they’re in office.

If confirmed, Dr. Calabria would be responsible for a system that makes homeownership possible for 28 million families and that is charged with providing affordable financing for low- and moderate-income homeowners and renters.

Whether we are discussing the housing system as it exists today or a housing system for the future, our first goal has to be making it easier for Americans to afford housing.

Nothing in Dr. Calabria’s testimony or his writings leads me to believe that he will put those families first, and I will oppose his nomination.

I also have concerns about Mr. Patel and Mr. Falaschetti.

While both are qualified, Mr. Patel’s testimony and his answers to the questions for the record do not provide any details on what types of policies he will advocate for to rein in Wall Street and help consumers. If his previous work at Treasury is any indication, he will be just one more voice for Wall Street in this administration.

Similarly, Mr. Falaschetti in the past has opposed the agency he is nominated to run, and I have concerns that he will not support its mission once confirmed.

I am also concerned that, despite Mr. Kurtz’ commitments to advocate for the programs and assisted families that would be under his charge as HUD’s Assistant Secretary for Public and Indian Housing, he will be unable to withstand the Administration’s desire to slash funding for these programs and shift the burden of their costs to assisted families.

I will support moving the other nominees to the floor today.

We need full boards at the Export-Import Bank and the National Credit Union Administration so that they can do their important work. The Ex-Im Bank has been partially shut down for more than three years, but the non-controversial nominees from our Committee never received a vote on the Senate floor last Congress.

And for both Ex-Im and NCUA, this Committee refused to give hearings to President Obama's qualified nominees.

Chairman Crapo, I look forward to continuing to work with you to move nominees through this Committee.