

Committee on Banking, Housing, and Urban Affairs
Nomination Hearing for Dr. Stephen Miran, The Honorable Jeffrey Kessler, Mr. William Pulte, and The Honorable Jonathan McKernan
February 27, 2025

Questions for Mr. William Pulte, Director Designate, Federal Housing Finance Agency, from Ranking Member Elizabeth Warren:

Future of Fannie Mae and Freddie Mac

1. If confirmed, will you seek to end the conservatorships of Fannie Mae and Freddie Mac?
 - a. If you will seek an end to the conservatorships, what other parties, including other federal agencies, do you expect to be involved in discussions and decisions regarding an end of the conservatorships?
 - b. If you will seek an end to the conservatorships, do you expect that President Trump will be apprised of any plans to end the Enterprises' conservatorships prior to FHFA taking an action to end them?
 - c. If you will seek an end to the conservatorships, do you have a projected timeline to complete the end of the conservatorships? What will your process be for deliberating and determining the best approach to ending the conservatorship?
 - d. If you will seek an end to the conservatorships, what will be your key goals for outcomes post-conservatorship?
2. In your view, what conditions are necessary to end the conservatorships of Fannie Mae and Freddie Mac?
3. Are there any congressional actions that are necessary prior to ending the conservatorships? If so, please list any actions that are necessary.
4. In your estimation, how long would it take to meet any required preconditions and complete the process of releasing Fannie Mae and Freddie Mac from conservatorship? In responding to this question, please describe how you reached your conclusion.
5. Do you support requirements that Fannie Mae and Freddie Mac, if released from conservatorship, provide regulated rates of return for shareholders to encourage responsible management of their businesses and promote financial stability? If so, how would you impose those requirements and would congressional action be necessary? If not, why not?
6. The Enterprise Regulatory Capital Framework (ERCF) establishes the minimum regulatory capital, including capital buffers, that Fannie Mae and Freddie Mac must maintain to be considered adequately capitalized.¹ The ERCF also establishes the minimum capital required for an Enterprise to make distributions to shareholders.² Are there any circumstances in

¹ 12 CFR 1240.

² 12 CFR 1240.11.

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which you would support releasing Fannie Mae and Freddie Mac from conservatorship without having the amount of capital required to be adequately capitalized under the definition established by the ERCF? If so, please explain those circumstances.

7. Are there any circumstances in which you would consider moving the Enterprises from conservatorship to receivership? If so, please describe what you believe would require a change in status from conservatorship to receivership.
8. Since 2008, Treasury has made up to \$445.5 billion available to the Enterprises under the terms of the PSPAs,³ of which \$113.9 billion remains available to Fannie Mae⁴ and \$140.2 billion remains available to Freddie Mac.⁵ In addition to those funding commitments, the PSPAs have included certain limitations on Enterprise business.⁶
 - a. If there is no legislative change to the Enterprises, do you believe the PSPAs and their funding commitments should remain in place as a limited backstop after the conservatorships end?
 - b. If there is no legislative change to the Enterprises, do you believe the PSPAs' limitations on certain Enterprise business activity should remain in place? Please explain what limitations you believe may be necessary.
9. In light of the significant, market-wide impacts that would result from a decision to terminate the conservatorships of Fannie Mae and Freddie Mac, FHFA and Treasury have agreed that FHFA will engage in a public input process prior to releasing the Enterprises from conservatorship.⁷ Specifically, the agencies agreed that FHFA would "issue a public request for information outlining in detail one or more specific options for the termination of conservatorship and seek input on potential impacts of each option on the housing market

³ Fannie Mae reports that it received an aggregate \$119.8 billion from Treasury and has \$113.9 billion remaining. Federal National Mortgage Association, Form 10-K, filed with the SEC on February 14, 2025, for year ending December 31, 2024, p. 205, <https://www.fanniemae.com/media/document/pdf/q42024.pdf>. Federal Home Loan Mortgage Corporation, Form 10-K, filed with the SEC on February 13, 2025 for year ending December 31, 2024, p. 5, https://otp.investis.com/clients/us/federal_homeloan/SEC/sec-show.aspx?FilingId=18181861&Cik=0001026214&Type=PDF&hasPdf=1. The total that was available to both Enterprises is \$445.5 billion.

⁴ Federal National Mortgage Association, Form 10-K, filed with the SEC on February 14, 2025, for year ending December 31, 2024, p. 205, <https://www.fanniemae.com/media/document/pdf/q42024.pdf>.

⁵ Federal Home Loan Mortgage Corporation, Form 10-K, filed with the SEC on February 13, 2025 for year ending December 31, 2024, p. 90, https://otp.investis.com/clients/us/federal_homeloan/SEC/sec-show.aspx?FilingId=18181861&Cik=0001026214&Type=PDF&hasPdf=1.

⁶ Letter agreement between the United States Department of Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as Conservator, January 14, 2021, <https://home.treasury.gov/system/files/136/Executed-Letter-Agreement-for-Fannie-Mae.pdf>.

⁷ Letter agreement between the United States Department of Treasury and the Federal National Mortgage Association, acting through the Federal Housing Finance Agency as Conservator, January 2, 2025, <https://home.treasury.gov/system/files/136/letter-agreements-and-side-letter-executed-by-ust-and-fhfa.pdf>.

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and on the Enterprises” and that, following that public input period, FHFA “shall brief the Financial Stability Oversight Council on a summary of the public input received, including input about factors related to each option that could have potential impacts on U.S. financial stability.”⁸

Further, FHFA has agreed that, no more than six months before requesting to terminate a conservatorship, the Agency will “provide Treasury a specific proposal that (a) sets forth the Agency’s recommended approach to the termination of the conservatorship, (b) reflects the input received in response to the public request for information, (c) includes a market impact assessment that describes how the recommended approach may impact the housing market and the Enterprise, and (d) addresses amendments, if any, to the Agreement, the Certificate, or the Warrants that may be required to implement the recommended approach to the termination of conservatorship.”⁹

- a. If confirmed, will you follow the public engagement process agreed to by FHFA and Treasury and outlined above prior to any actions to terminate a conservatorship of an Enterprise?
 - b. If confirmed, will you notify Treasury of any proposals to terminate a conservatorship as required pursuant to the agreement between FHFA and Treasury outlined above?
10. The termination of the conservatorships could have significant financial benefits for existing shareholders, including investors in junior preferred shares and common shares.¹⁰
- a. Should the Trump Administration bar any individuals or entities who would financially profit from the end of Fannie and Freddie’s conservatorships from discussions with Administration officials and from any decision-making about potential release?
 - b. If confirmed, will you commit that neither you nor any FHFA employee will engage in discussions or decision-making regarding any end to the conservatorships of Fannie Mae or Freddie Mac with any individuals or entities who would financially profit from the end of the conservatorships?
11. Prior to 2008, the Enterprises did not have an explicit federal guarantee, but investors long believed that the Enterprises had an implicit guarantee - that the federal government would

⁸ *Id.*

⁹ *Id.*

¹⁰ The Congressional Budget Office reports that investors other than Treasury hold 1.8 billion shares of Fannie Mae and Freddie Mac common stock and about \$32 billion in junior preferred shares. Congressional Budget Office, “Effects of Recapitalizing Fannie Mae and Freddie Mac Through Administrative Actions,” August 2020, <https://www.cbo.gov/publication/56511>.

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step in if Fannie Mae or Freddie Mac experienced financial distress.¹¹ Through the PSPAs, Treasury provided a limited, explicit backstop to the Enterprises. Some market participants have asserted that an explicit federal guarantee of Fannie Mae and Freddie Mac securities is a necessary condition to end the conservatorships.¹²

- a. Do you believe that an explicit federal guarantee of Fannie Mae and Freddie Mac's securities or the companies is necessary to end the conservatorships?
- b. Absent legislative action to create an explicit federal guarantee of Fannie Mae and Freddie Mac securities, do you believe the limited federal backstop put in place through the PSPAs should remain in place, including after the end of the conservatorships if the conservatorships were ended?
- c. If the conservatorships and PSPAs were terminated without an explicit federal guarantee of Fannie Mae and Freddie Mac securities or the companies, do you believe investors should continue to believe that Fannie Mae and Freddie Mac have an implicit guarantee? Please explain.

12. Since 2008, FHFA has used its regulatory and conservatorship authorities to require significant changes to the operations of Fannie Mae and Freddie Mac.

- a. Under conservatorship, FHFA has required Fannie Mae and Freddie Mac to treat all originators equally without regard to size or business volume.¹³ If confirmed, do you pledge to maintain that requirement in any agreement to release Fannie and Freddie from conservatorship? If so, how would you implement and enforce such a requirement if FHFA were no longer operating as conservator of the Enterprises?
- b. Fannie Mae¹⁴ and Freddie Mac's charters require that, for any mortgage where the borrower has not put at least 20 percent down, the loan must have another type of credit enhancement.¹⁵ The most common type of credit enhancement is mortgage insurance. Prior to 2008, each Enterprise maintained its own requirements for its

¹¹ Congressional Budget Office, "Federal Subsidies and the Housing GSEs," May 2001, pp. 35-36, <https://www.cbo.gov/publication/13072>.

¹² Mortgage Bankers Association, "MBA Statement on FHFA and Treasury Amendments to the Preferred Stock Purchase Agreements," press release, January 2, 2025, <https://www.mba.org/news-and-research/newsroom/news/2025/01/02/mba-statement-on-fhfa-and-treasury-amendments-to-the-preferred-stock-purchase-agreements>.

¹³ Federal Housing Finance Agency, "FHFA Announces Increase in Guarantee Fees," press release, August 31, 2012, <https://www.fhfa.gov/news/news-release/fhfa-announces-increase-in-guarantee-fees>.

¹⁴ 12 U.S.C. 1717(b).

¹⁵ 12 U.S.C. 1454(a)(2).

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private mortgage insurer counterparties.¹⁶ Since 2015, the Enterprises, through the convening authority of FHFA, have created Private Mortgage Insurer Eligibility Requirements (PMIERS), which establish financial and operational eligibility requirements for the Enterprises' private mortgage insurer counterparties.¹⁷ If confirmed, will you support the continuation of uniform PMIERS issued by Fannie Mae and Freddie Mac? If so, how would the two private companies coordinate and develop joint, uniform standards outside of conservatorship?

- c. In 2012, as part of the conservatorship of the Enterprises, FHFA directed the Enterprises to begin transferring credit risk on the single-family mortgage loans they guaranteed.¹⁸ Since 2013, the Enterprises have transferred credit risk on approximately \$6.7 trillion of unpaid principal balance where the transfer of credit risk is economically sensible.¹⁹ These transfers have included securities issuances, insurance, senior/subordinate securities, and lender risk sharing transactions.²⁰
- i. Do you support the continued use of single-family credit risk transfer where that risk transfer is economically sensible?
 - ii. If you support the continued use of credit risk transfer, if confirmed, how would you ensure that the Enterprises transfer credit risk on single-family loans if the conservatorships were terminated?
- d. Since 2019, Fannie Mae and Freddie Mac have issued a uniform mortgage-backed security (UMBS)²¹ and aligned their programs, policies, and practices to ensure that Fannie Mae and Freddie Mac UMBS remain fungible.²² Fannie Mae and Freddie Mac have implemented uniform servicing and maintain regular monitoring of prepayment speeds to ensure that securities maintain fungibility.²³

¹⁶ Federal Housing Finance Agency, "Fannie Mae & Freddie Mac Private Mortgage Insurer Eligibility Requirements," accessed February 14, 2025, <https://www.fhfa.gov/policy/fannie-mae-freddie-mac-private-mortgage-insurer-eligibility-requirements-pmiers>.

¹⁷ *Id.*

¹⁸ Federal Housing Finance Agency, "2012 Conservatorship Scorecard," accessed February 14, 2025, <https://www.fhfa.gov/reports/conservatorships-performance-goals-scorecard/2012>.

¹⁹ Federal Housing Finance Agency, "Credit Risk Transfer Progress Report: Fourth Quarter 2023," April 11, 2024, <https://www.fhfa.gov/sites/default/files/2024-04/CRT-Progress-Report-4Q23.pdf>.

²⁰ *Id.*

²¹ Federal Housing Finance Agency, "Statement of FHFA Deputy Director Robert Fishman on the Launch of the New Uniform Mortgage-Backed Security," press release, June 3, 2019, <https://www.fhfa.gov/news/statement/statement-of-fhfa-deputy-director-robert-fishman-on-the-launch-of-the-new-uniform-mortgage-backed>.

²² Federal Housing Finance Agency, Federal Register Notice, "Uniform Mortgage-Backed Security," Final Rule, March 5, 2019, <https://www.govinfo.gov/content/pkg/FR-2019-03-05/html/2019-03934.htm>.

²³ Federal Housing Finance Agency, "Prepayment Monitoring Report Fourth Quarter 2024," February 12, 2025, p. 1, https://www.fhfa.gov/document/Prepayment-Monitoring-Report_2024Q4.pdf.

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- i. If confirmed, would you maintain operations of the Common Securitization Platform (CSP) and work to ensure the UMBS remains operational? If not, would you expect Fannie Mae and Freddie Mac to return to issuing their own single-family mortgage-backed securities, and what cost do you expect this change would have for each Enterprise?
 - ii. Do you agree that maintaining uniform, aligned servicing standards is an important component of maintaining uniform prepayment speeds?
 - iii. If you would maintain the CSP and UMBS, how would you ensure that Fannie Mae and Freddie Mac prepayment speeds remain aligned to ensure that their securities remain fungible if the conservatorship were terminated?
13. Multiple²⁴ FHFA Directors have requested third party supervision authority to ensure that FHFA can continue to monitor for risks that third parties may pose to their regulated entities outside of conservatorship.²⁵ Do you agree that FHFA should have third party supervision authority similar to the third-party supervision authorities of banking regulators? If not, why not?
14. Since being announced²⁶ as the nominee to lead FHFA on January 16, 2025, have you discussed the conservatorships of Fannie Mae and Freddie Mac with any of the following people, entities, or representatives of such entities? For each person or entity, please respond with a “yes” or “no” and provide the date(s) of communication and nature of communication, if applicable.
 - a. President Trump
 - b. Scott Bessent
 - c. Scott Turner
 - d. Paul Atkins
 - e. Mark Calabria
 - f. Jonathan McKernan
 - g. Bill Ackman or any representative of Pershing Square Capital Management

²⁴ Federal Housing Finance Agency, “Report to Congress - 2020,” June 15, 2021, p. 10, <https://www.fhfa.gov/reports/annual-report-to-congress/2020>.

²⁵ Federal Housing Finance Agency, “Report to Congress - 2023,” June 14, 2024, p. 110, <https://www.fhfa.gov/reports/annual-report-to-congress/2023>.

²⁶ Tweet by Donald J. Trump Posts From His Truth Social, January 16, 2025, <https://x.com/TrumpDailyPosts/status/1879937473289035820>.

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h. John Paulson or any representative of Paulson & Co.

Response to Questions 1-14:

As I stated at my confirmation hearing, the conservatorships of Fannie Mae and Freddie Mac should not be indefinite, and any exit from conservatorship must be carefully planned to ensure the safety and soundness of the housing market without putting upward pressures on mortgage rates. My priority in overseeing Fannie Mae and Freddie Mac is ensuring a stable and thriving housing and mortgage market, and to this end, any decisions related to if or when Fannie or Freddie are released from conservatorship would involve the President and the Secretary of the Treasury. If confirmed, I would look forward to gathering input from Congress on this matter.

Fannie Mae and Freddie Mac's Role in Access to Housing Credit

15. The Enterprises have played an important role in providing access to affordable mortgage credit throughout the nation, including in rural communities.

- a. Do you agree that Fannie Mae and Freddie Mac should continue to facilitate access to mortgage credit throughout the entire nation, including in rural communities that may be underserved by large financial institutions?
- b. If Fannie Mae and Freddie Mac were permitted to vary mortgage pricing based on a borrower's location, how would that affect homebuyers and multifamily mortgage borrowers?
- c. If confirmed, how will you ensure that Fannie Mae and Freddie Mac continue to facilitate access to mortgage credit on equitable terms in all markets at all times?

Response to Questions 15-16:

Housing affordability remains a persistent challenge across the country. As I mentioned in my testimony, I have witnessed firsthand the damage caused when homeowners cannot afford to live in their homes. Your point on access to housing credit is well taken, which is why safety and soundness considerations must be embedded in all aspects of FHFA's oversight of both the Enterprises and the FHLBanks.

16. Fannie Mae and Freddie Mac do not just serve the wealthiest borrowers. They provide access to mortgage credit for creditworthy borrowers at all income levels, including first-time homebuyers and those who may not have the benefit of family help with a down payment.

- a. Do you believe that Fannie Mae and Freddie Mac should continue to serve borrowers at all income levels, not just the wealthiest borrowers?

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- b. Do you believe that a borrower should be required to have a certain minimum downpayment (not including any downpayment assistance, private mortgage insurance, or other credit enhancement) in order to be eligible for Fannie Mae and Freddie Mac financing? If so, what is that amount?
- c. If Fannie Mae and Freddie Mac were to put additional restrictions on the loans they guarantee, including by requiring higher borrower credit scores, lower loan-to-value ratios, or higher borrower incomes, how would these restrictions affect individual homebuyers and the broader housing market?

17. The *Federal Housing Enterprises Financial Safety and Soundness Act*,²⁷ as amended by the *Housing and Economic Recovery Act of 2008* (HERA), requires FHFA to establish, and Fannie Mae and Freddie Mac to meet, annual single-family and multifamily mortgage purchase goals.²⁸ These goals help to ensure that Fannie Mae²⁹ and Freddie Mac³⁰ meet the public purposes established in their charters.

- a. Do you agree that the affordable housing goals are an important tool to ensure that Fannie Mae and Freddie Mac are fulfilling the purpose, as stated in their charters, to serve low- and moderate-income families?
- b. If confirmed, will you fulfill FHFA’s statutory requirement to ensure that the Enterprises meet the affordable housing goals FHFA has established?
- c. If confirmed, will you implement the 2025-2027 affordable housing goals that were finalized in December 2024 after a public notice and comment rulemaking process?³¹

The Safety and Soundness Act requires FHFA to establish several annual housing goals for both single-family and multifamily mortgages purchased by the Enterprises. The statute further states the annual housing goals can be one measure of the extent to which the Enterprises are meeting their public purposes, which include “an affirmative obligation to facilitate the financing of affordable housing for low- and moderate-income families in a manner consistent with their overall public purposes, while maintaining a strong financial condition and a reasonable economic return.” To achieve these objectives, the regulated entities must operate in a safe and sound manner. Safety and soundness considerations must be embedded in all aspects of FHFA’s oversight of both the Enterprises and the FHLBanks.

²⁷ Federal Housing Enterprises Financial Safety and Soundness Act, P.L. 102-550, October 28, 1992.

²⁸ Housing and Economic Recovery Act of 2008, P.L. 110-289, July 30, 2008.

²⁹ 12 U.S.C. 1716.

³⁰ 12 U.S.C. 1451 note.

³¹ Federal Housing Finance Agency, Federal Register Notice, “2025-2027 Enterprise Housing Goals,” December 30, 2024, <https://www.federalregister.gov/documents/2024/12/30/2024-30793/2025-2027-enterprise-housing-goals>.

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18. HERA established that Fannie Mae and Freddie Mac had a Duty to Serve very low-, low-, and moderate-income families in three underserved housing markets: manufactured housing, affordable housing preservation, and rural housing.³² In November 2024, FHFA issued a non-objection to the Enterprises’ third three-year Duty to Serve plans, which outline the Enterprises’ planned activities to comply with the law from 2025 through 2027.³³
- a. If confirmed, will you ensure that the Enterprises adhere to the commitments laid out in their 2025-2027 Duty to Serve plans?
 - b. If confirmed, will you require the Enterprises to design and implement 2028-2030 Duty to Serve plans, including engaging in a public process to create the plan objectives?

The Housing and Economic Recovery Act of 2008 created a “duty to serve underserved markets” for Fannie Mae and Freddie Mac, with the goal of enhancing sustainable homeownership opportunities in underserved communities across the country. If confirmed, I will uphold the law by ensuring that sufficient liquidity and capital is provided in a safe and sound manner. Further, I will make it a priority to have FHFA staff brief me on the policies related to the GSEs’ implementation of their Duty to Serve Plans.

19. Under HERA, Fannie Mae and Freddie Mac are required to contribute 4.2 basis points of the unpaid principal balance of single-family mortgage originations to support affordable housing through the Housing Trust Fund and Capital Magnet Fund.³⁴ These funds are allocated to states, community development financial institutions (CDFIs), and nonprofits active in affordable housing.³⁵
- a. If confirmed, will you maintain timely contributions to the Housing Trust Fund and Capital Magnet Fund?
 - b. Are there any circumstances under which you would not allow timely transfers from the Enterprises to the Housing Trust Fund and Capital Magnet Fund? If so, please explain.

I will ensure FHFA complies with the Housing and Economic Recovery Act.

³² Housing and Economic Recovery Act of 2008, P.L. 110-289, Sec. 1129, July 30, 2008.

³³ Federal Housing Finance Agency, “Duty to Serve Program,” accessed February 14, 2025, <https://www.fhfa.gov/programs/duty-to-serve>.

³⁴ Housing and Economic Recovery Act of 2008, P.L. 110-289, Sec. 1131, July 30, 2008.

³⁵ *Id.*

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20. In 2017, FHFA approved Fannie Mae and Freddie Mac resuming Low-Incoming Housing Tax Credit (LIHTC) equity investments on a limited basis to support affordable rental housing across the country, including in rural markets that often go underserved.³⁶ If confirmed, will you continue to allow Fannie Mae and Freddie Mac to make LIHTC equity investments to support the creation of affordable rental housing? If not, why not?

If confirmed as Director, I look forward to being briefed by FHFA staff on this important topic. I feel deeply about affordable home and affordable rental housing. As such, I will work with Agency experts and industry stakeholders to evaluate the Enterprises' participation in the LIHTC equity market on an ongoing basis.

21. More than 50 years after the Fair Housing Act was passed, there remain significant disparities in homeownership and access to mortgage credit based on race and ethnicity. To ensure that Fannie Mae and Freddie Mac contribute to addressing, rather than deepening, inequities in underserved communities, FHFA directed the Enterprises to create Equitable Housing Finance Plans³⁷ and issued a rule following the Administrative Procedures Act's public input process to establish the Enterprises' ongoing planning requirements.³⁸
- a. Do you agree that there remain disparities in homeownership throughout the country, including disparities by race and ethnicity?
 - b. How can correcting racial and ethnic disparities in homeownership strengthen the housing finance system and contribute to a strong national economy?
 - c. If confirmed, will you ensure that the Enterprises comply with their 2025-2027 Equitable Housing Finance Plans, which were finalized following stakeholder engagement?
 - d. If confirmed, will you carry out FHFA's Fair Lending, Fair Housing, and Equitable Housing Finance Plans rule, which was finalized on May 16, 2024 following a notice and comment rulemaking process?

22. The Fair Housing Act directs that "[a]ll executive departments and agencies shall administer their programs and activities relating to housing and urban development (including any

³⁶ Federal Housing Finance Agency, "FHFA Announces Fannie Mae and Freddie Mac Will Re-enter LIHTC Market," press release, November 16, 2017, <https://www.fhfa.gov/news/news-release/fhfa-announces-fannie-mae-and-freddie-mac-will-re-enter-lihtc-market>.

³⁷ Federal Housing Finance Agency, "FHFA Announces Equitable Housing Finance Plans for Fannie Mae and Freddie Mac," press release, June 8, 2022, <https://web.archive.org/web/20241214184813/https://www.fhfa.gov/news/news-release/fhfa-announces-equitable-housing-finance-plans-for-fannie-mae-and-freddie-mac-0>.

³⁸ Federal Housing Finance Agency, Federal Register Notice, "Fair Lending, Fair Housing, and Equitable Housing Finance Plans," May 16, 2024, <https://www.federalregister.gov/documents/2024/05/16/2024-09559/fair-lending-fair-housing-and-equitable-housing-finance-plans#footnote-29-p42770>.

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Federal agency having regulatory or supervisory authority over financial institutions) in a manner affirmatively to further the purposes of this Act.”³⁹

- a. Do you agree that, as a Federal agency having regulatory and supervisory authority over financial institutions with programs and activities related to housing, FHFA has an obligation to ensure that Fannie Mae, Freddie Mac, and the FHLBank System are operating in compliance with the Fair Housing Act?
 - b. If confirmed, how will you ensure that all of FHFA’s regulated entities are operating in compliance with the Fair Housing Act and are acting affirmatively to further the purposes of the Fair Housing Act?
23. In August 2021, FHFA and the Department of Housing and Urban Development entered into a memorandum of understanding (MOU) to ensure the agencies can effectively and efficiently oversee Fannie Mae, Freddie Mac, and the FHLBanks’ compliance with the Fair Housing Act and fair lending laws.⁴⁰
- a. Do you agree that FHFA has primary supervisory and enforcement authority over Fannie Mae, Freddie Mac, and the FHLBanks?
 - b. If confirmed, will you maintain and continue full agency participation in this MOU?
24. FHFA requires Fannie Mae and Freddie Mac to submit quarterly data and updates to facilitate FHFA’s oversight of the Enterprises’ compliance with the law, including fair housing and fair lending laws.⁴¹ If confirmed, will you maintain the Enterprises’ reporting requirements to facilitate FHFA supervision and oversight of the Enterprises’ compliance with fair housing and fair lending laws? If not, please explain how you will supervise the Enterprises for fair housing and fair lending compliance absent this information collection.
25. President Trump has issued executive orders related to diversity, equity, inclusion, and accessibility (DEIA). FHFA’s website currently states that the agency is in the process of

³⁹ 42 U.S.C. 3608(d).

⁴⁰ “Memorandum of Understanding By and Between the U.S. Department of Housing and Urban Development and the Federal Housing Finance Agency Regarding Fair Housing and Fair Lending Coordination,” August 12, 2021, https://www.fhfa.gov/sites/default/files/2023-04/FHFA-HUD-MOU_8122021.pdf.

⁴¹ Federal Housing Finance Agency, “Fair Lending Oversight,” February 16, 2023, <https://web.archive.org/web/20230307194525/https://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/Fair-Lending-Oversight-Program.aspx>.

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“rescinding or revising guidance and policies on this webpage in accordance with” these executive orders.⁴²⁴³

- a. Do you believe that enforcing the civil rights laws such as the Fair Housing Act conflicts with these executive orders or any other statements or directives from President Trump related to DEIA?
26. Do you believe that President Trump’s executive orders have any effect on enforcement of fair housing laws, including the Fair Housing Act, or fair lending laws, including the Equal Credit Opportunity Act?
27. If confirmed, how would you direct FHFA staff to comply with President Trump’s executive orders while still fulfilling the agency’s obligations under the civil rights laws, including the Fair Housing Act?

Responses to Questions 21-27:

Illegal discrimination has no place in our housing market. If confirmed, I will work with other agencies, including the Department of Housing and Urban Development and the Department of Justice, that are charged with administering and enforcing the Fair Housing Act and all other applicable laws to prevent illegal housing discrimination.

Fannie Mae and Freddie Mac’s Role in the Multifamily Market

28. What role do you believe Fannie Mae and Freddie Mac should play in the multifamily housing market?
29. Do you believe there is a role for the Enterprises to play in addressing the rental affordability crisis? If so, what changes in the Enterprises’ policies or products would you support to address this affordability crisis?
30. In conservatorship, FHFA has placed restrictions on the volume and types of multifamily properties that the Enterprises can back.⁴⁴ These restrictions, and exceptions to these restrictions, have varied over time to facilitate Enterprise support for rental housing serving

⁴² Ending Radical and Wasteful DEI Programs and Preferencing," Executive Order 14151, January 20, 2025, <https://www.federalregister.gov/documents/2025/01/29/2025-01953/ending-radical-and-wasteful-government-dei-programs-and-preferencing>; "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government," Executive Order 14168, January 20, 2025, <https://www.federalregister.gov/documents/2025/01/30/2025-02090/defending-women-from-gender-ideology-extremism-and-restoring-biological-truth-to-the-federal>.

⁴³ Federal Housing Finance Agency, accessed February 27, 2025, <https://www.fhfa.gov/>.

⁴⁴ *Id.*

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lower-income renters or providing lower operating costs for owners and renters through greater energy and water efficiency.⁴⁵

- a. If confirmed, would you continue to implement multifamily lending caps while the Enterprises are in conservatorship?
- b. If so, do you support any exceptions to those caps for buildings offering units that are affordable to lower-income renters or that have lower operating expenses through improved energy and water efficiency?

31. In 2023, FHFA issued a Request for Information (RFI) seeking “input on issues faced by tenants in multifamily properties, and on any opportunities and potential impacts associated with requiring or encouraging specific tenant protections at multifamily properties backed by Fannie Mae and Freddie Mac (the Enterprises)” including Manufactured Housing Communities (MHCs).⁴⁶ In 2024, FHFA announced a limited set of tenant protections that will apply to new Enterprise-backed multifamily loans, including 30-day written notifications of rent increases and lease expirations and a 5-day grace period for rent payments.⁴⁷ FHFA also announced that FHFA and the Enterprises would “continue to evaluate options for codifying additional tenant protections that advance sustainable housing in a manner that reflects the needs of both tenants and housing providers.”⁴⁸

- a. If confirmed, will you pledge to require the Enterprises to continue the tenant protections announced in July 2024?
- b. If confirmed, will you require the Enterprises to evaluate whether to implement additional protections for tenants at properties with Enterprise-backed loans? Please explain.

Response to Questions 28-31:

Senator, the goal of bringing down costs for American families, whether they be renters or homebuyers, is one you and I share. As I mentioned in my testimony before this Committee, President Trump is a builder and understands that we must increase the supply of housing in order to fight the inflation that plagued our nation’s housing market during the Biden Administration. If confirmed, I will focus on making housing finance safe and sound, and free of government waste, fraud, abuse, and burdensome rules and regulations. A stable and liquid housing finance system

⁴⁵ Federal Housing Finance Agency, “2018 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions,” December 2017, <https://www.fhfa.gov/reports/conservatorships-performance-goals-scorecard/2018>.

⁴⁶ Federal Housing Finance Agency, “Tenant Protections for Enterprise-Backed Multifamily Properties - Request for Input,” May 2023, <https://www.fhfa.gov/Media/PublicAffairs/PublicAffairsDocuments/Multifamily-Tenant-Protections-RFI.pdf>.

⁴⁷ Federal Housing Finance Agency, “FHFA Announces Multifamily Tenant Protections,” press release, July 12, 2024, <https://www.fhfa.gov/news/news-release/fhfa-announces-multifamily-tenant-protections-july-2024>.

⁴⁸ *Id.*

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will help our nation increase the sorely needed supply of apartments and single-family homes. Further, if confirmed, I will make it a priority to have FHFA staff brief me on all policies related to specific multifamily programs for Fannie Mae and Freddie Mac to ensure they are prudent, consistent with the law, reflect current market conditions for rental housing, and do not crowd out private capital.

32. The Enterprises currently require that MHCs benefiting from Enterprise-backed financing adopt certain lease protections for residents, including notice of rent increases and pending community sales, lease renewal requirements, and homeowner rights to sell or lease their property.⁴⁹
- a. Do you support the Enterprises maintaining or expanding these MHC tenant lease protections? Please explain.
 - b. If confirmed, are there any circumstances in which you would prohibit the Enterprises from providing these protections? If so, please explain.
33. While current Enterprise-required lease protections are helpful, there have been numerous instances of MHC owners raising pad lease rents and other fees to unaffordable levels, threatening the housing stability and home values of MHC residents.⁵⁰ Sudden increases in pad lease rents can cause financial hardship for residents, many of whom are seniors living on fixed incomes, putting them at risk of eviction.⁵¹ Rent hikes and fees can also make the total monthly cost of a home in an MHC unaffordable to new buyers, effectively devaluing existing residents' homes - often their single largest asset. These increases are occurring despite owners' enjoying lower-cost financing backed by the Enterprises.⁵²
- a. If confirmed, will you work to expand tenant protections for residents of MHCs with financing backed by the Enterprises to ensure that these homeowners and renters are not displaced by unaffordable rent increases?

⁴⁹ Fannie Mae, "Tenant Site Lease Protections," <https://multifamily.fanniemae.com/financing-options/specialty-financing/tenant-site-lease-protections>; Freddie Mac, "Freddie Mac Multifamily Requires Tenant Protections on All Future Manufactured Housing Community Transactions," September 13, 2021, "<https://freddiemac.gcs-web.com/news-releases/news-release-details/freddie-mac-multifamily-requires-tenant-protections-all-future>.

⁵⁰ NBC News, "'Trapped': How federally backed financing is making mobile homes less affordable," Shannon Pettypiece, April 16, 2023, <https://www.nbcnews.com/politics/economics/federally-backed-financing-driving-mobile-home-rents-rcna77168>; NPR, "How the government helps investors buy mobile home parks, raise the rent and evict people," Chris Arnold, Robert Benincasa, and Mary Childs, December 18, 2021, <https://www.npr.org/2021/12/18/1034784494/how-the-government-helps-investors-buy-mobile-home-parks-raise-rent-and-evict-pe>.

⁵¹ NBC News, "'Trapped': How federally backed financing is making mobile homes less affordable," Shannon Pettypiece, April 16, 2023, <https://www.nbcnews.com/politics/economics/federally-backed-financing-driving-mobile-home-rents-rcna77168>.

⁵² *Id.*

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- b. You have also said that owning MHCs is a good way for investors to make money and that you invest in MHCs.⁵³ Should investors in MHCs benefiting from lower financing costs through Enterprise-back loans be permitted to raise rents and fees to levels that displace existing MHC residents in order to increase the return on their investment?

Response to Questions 32-33:

The Housing and Economic Recovery Act of 2008 creates a “duty to serve underserved markets” for Fannie Mae and Freddie Mac, including for manufactured housing. If confirmed, I will uphold the law by ensuring that sufficient liquidity and capital is provided in a safe and sound manner for manufactured housing communities. Further, I understand this segment of the market is an important source of lower-cost housing for millions of Americans, especially in rural areas. If confirmed, I will make it a priority to have FHFA staff brief me on all policies related to the GSEs’ support of MHCs.

Ongoing and Future Initiatives at FHFA

34. FHFA maintains the Uniform Appraisal Dataset (UAD), which includes appraisal data for Enterprise-backed loans going back to 2013.⁵⁴ Since October 2022, FHFA has made aggregate statistics as well as a representative sample of appraisal-level data for loans backed by the Enterprises available through its website.⁵⁵ In 2024, FHFA also began publishing data for a representative sample of Federal Housing Administration loans as part of the UAD.⁵⁶ If confirmed, will you continue to publish anonymized appraisal data, including data from FHA? If not, why not?

I believe an accurate appraisal is a fundamental pillar of the housing finance ecosystem, and appropriate transparency into appraisal data is important for the public and the housing finance system. If confirmed, I intend to be briefed by FHFA staff and engage with HUD and other stakeholders in the Administration to ensure that the current mechanism for releasing appraisal data is serving the best interests of the American people and the safety and soundness of the housing finance system.

⁵³ Wealthion, “Housing Market Meltdown: Bill Pulte’s Real Estate Refuge Tactics,” February 29, 2024, https://www.youtube.com/watch?v=Kf8at_vmvlo.

⁵⁴ Federal Housing Finance Agency, “The Uniform Appraisal Dataset Aggregate Statistics Data File Overview,” updated October 28, 2024, <https://www.fhfa.gov/data/uniform-appraisal-dataset-aggregate-statistics>.

⁵⁵ Federal Housing Finance Agency, “FHFA Uniform Appraisal Dataset Aggregate Statistics: A New Resource to Provide Insights on Home Valuation,” October 24, 2022, <https://www.fhfa.gov/blog/statistics/fhfa-uniform-appraisal-dataset-aggregate-statistics>.

⁵⁶ U.S. Department of Housing and Urban Development, “HUD and FHFA Expand Scope of Public Appraisal Data in Effort to Ensure Fairer Home Appraisals,” press release, October 28, 2024, https://web.archive.org/web/20241110085532/https://www.hud.gov/press/press_releases_media_advisories/hud_no_24_283.

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35. The Enterprises currently allow appraisal waivers for certain transactions.⁵⁷ These waivers allow the Enterprises to back loans without the underlying collateral receiving a full appraisal.

- a. Do you believe that the appraisal waivers in use today are available for the appropriate types of mortgage products and appropriate collateral? If not, what if any uses of appraisal waivers do you believe is appropriate for collateral for Enterprise-backed loans?
- b. If confirmed, would you allow the Enterprises to continue these appraisal waivers?

I believe an accurate appraisal is a fundamental pillar of the housing finance ecosystem. If confirmed, I intend to be briefed on the available data regarding the use of appraisal waivers to ensure that they are functioning in the best interest of homebuyers, the GSEs, and taxpayers, with an eye towards sustainability for borrowers and safety and soundness for the housing finance system.

36. FHFA has participated in the interagency Property Appraisal and Valuation Equity Task Force to evaluate the causes, extent, and consequences of appraisal bias.”⁵⁸

- a. Do you believe that there are racial and ethnic disparities in home valuations and appraisals? If so, do you believe that these disparities are systemic? If not, why not?
- b. What factors do you believe are driving racial and ethnic disparities in appraisals that have been documented by academic researchers⁵⁹ and housing market participants,⁶⁰ and what can be done to address these disparities?
- c. If confirmed, will you continue interagency work to address appraisal issues, including allegations of discrimination? If not, why not?

I believe an accurate appraisal is a fundamental pillar of the housing finance ecosystem. Any discrimination in the appraisal process, such as assigning a lower value to a home based on the race or ethnicity of the borrower, is unacceptable. If confirmed, my goal as Director will be to

⁵⁷ Fannie Mae, “Selling Guide,” B4-1.4-10 and B4-1.4-11, accessed February 16, 2025, <https://selling-guide.fanniemae.com/sel/b4-1.4/special-appraisal-and-other-valuation-considerations>; Freddie Mac, “Single-Family Seller/Service Guide,” Chapter 5602, accessed February 16, 2025, <https://www.allregs.com/TPL/>.

⁵⁸ PAVE Task Force, “Action Plan to Advance Property Appraisal and Valuation Equity,” March 2022, <https://web.archive.org/web/20250108201559/https://pave.hud.gov/sites/pave.hud.gov/files/documents/PAVEActionPlan.pdf>.

⁵⁹ Brookings Institution, “How racial bias in appraisals affects the devaluation of homes in majority-Black neighborhoods,” Jonathan Rothwell and Andre M. Perry, December 5, 2022, <https://www.brookings.edu/articles/how-racial-bias-in-appraisals-affects-the-devaluation-of-homes-in-majority-black-neighborhoods/>.

⁶⁰ Freddie Mac, “Research Note: Racial and Ethnic Valuation Gaps in Home Purchase Appraisals,” September 20, 2021, <https://www.freddiemac.com/research/insight/20210920-home-appraisals>.

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leverage extensive outreach and engagement with industry stakeholders and members of this committee to ensure the Enterprises implement fair and accurate estimates of home valuations.

37. Rising property insurance costs and declining availability are raising costs for homeowners and renters. In November 2023⁶¹ and March 2024, FHFA held a series of roundtables to discuss the impact of declining property insurance affordability and availability on the single family and multifamily housing markets.⁶² These roundtables featured practitioners and experts in the housing and insurance fields who came together to discuss emerging challenges and potential solutions to rising property insurance costs and declining coverages.⁶³ Do you plan to continue the work to support the single and multifamily housing markets by continuing FHFA’s work to identify residential property insurance challenges and solutions?

Property insurance is meant to preserve the underlying value of the property, which serves as collateral for the mortgage loan. The Enterprises, as part of their mortgage eligibility guidelines, require every loan sold to them to have property insurance. If confirmed, I will engage with industry leaders and stakeholders on any issue that is affecting borrowers, lenders, and guarantors in housing financing — particularly as it relates to housing affordability, which President Trump has vowed to address.

38. In 2024, the FHFA announced that it had approved Fannie Mae’s title acceptance pilot.⁶⁴ The pilot uses “an automated title review process to assess title risk during loan manufacturing and prior to loan purchase” for a limited population of refinance loans.⁶⁵

- a. Will you allow this Fannie Mae pilot to continue? Why or why not?
- b. What changes to the Enterprises’ title insurance requirements would you support, if any?

If confirmed, I intend to be briefed by FHFA staff on this and other topics, with an eye towards ensuring safety and soundness in the housing finance system and advancing the interests of the American people, consistent with the law.

⁶¹ Federal Housing Finance Agency, “FHFA to Host Property Insurance Symposium,” October 16, 2023, <https://www.fhfa.gov/news/news-release/fhfa-to-host-property-insurance-symposium>.

⁶² Federal Housing Finance Agency, “FHFA to Host Multifamily Property Insurance Symposium,” February 12, 2024, <https://www.fhfa.gov/news/news-release/fhfa-to-host-multifamily-property-insurance-symposium>.

⁶³ Federal Housing Finance Agency, “FHFA Insurance Symposium,” November 14-15, 2023, <https://www.fhfa.gov/shared/Invitations/Insurance-Symposium-Agenda.pdf>.

⁶⁴ Federal Housing Finance Agency, “Director Sandra Thompson’s Statement on Title Acceptance Pilot,” March 7, 2024, <https://www.fhfa.gov/news/statement/director-sandra-thompsons-statement-on-title-acceptance-pilot>.

⁶⁵ Federal Housing Finance Agency, “Title Acceptance Pilot FAQs,” <https://www.fhfa.gov/sites/default/files/2024-03/Title-Acceptance-Pilot-FAQs.pdf>.

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39. The *Economic Growth, Regulatory Relief, and Consumer Protection Act* required FHFA to establish a process for the Enterprises to review and approve credit score models which could be used to establish credit scores that would be used in the approval and origination process for Enterprise-backed loans.⁶⁶ In October 2022, FHFA announced the validation and approval of two credit score models.⁶⁷ At the same time, FHFA announced that lenders would now be allowed to use two credit reports, rather than three, in underwriting a borrower.⁶⁸ But implementation of the new credit scores and credit report policy involves many parties and is still ongoing.
- a. If confirmed, will you continue to implement the transition to the two credit score models validated in 2022? If not, what alternative will you pursue to comply with the 2018 law?
 - b. If confirmed, will you continue to implement FHFA’s policy allowing lenders to use two credit reports in underwriting mortgages for guarantee by the Enterprises? If not, what alternative will you pursue?
 - c. If confirmed, will you continue a robust engagement process on the Enterprises’ transition to using new credit score models and incorporate stakeholder feedback? If not, why not?

Accurate and consistent credit scores underlying the loans delivered to Fannie Mae and Freddie Mac are critical for the safety and soundness of the Enterprises. As this question states, the validation, approval, and implementation of credit score models are governed by the Economic Growth, Regulatory Relief and Consumer Protection Act, enacted in 2018. If confirmed, I will follow the law signed by President Trump and will make it a priority to have FHFA staff brief me on all policies related to Agency implementation. I also intend to engage with stakeholders to ensure we get these credit scoring policies right.

40. Fannie Mae⁶⁹ and Freddie Mac⁷⁰ frequently sell nonperforming and reperforming single-family loans through their note sales programs. While some of these sales are targeted to nonprofit and community partners,⁷¹ most loans are sold in large, national pools, sometimes

⁶⁶ Economic Growth, Regulatory Relief, and Consumer Protection Act, P.L. 115-174, Sec. 310, May 24, 2018, <https://www.congress.gov/bill/115th-congress/senate-bill/2155/text>.

⁶⁷ Federal Housing Finance Agency, “FHFA Announces Validation of FICO 10T and VantageScore 4.0 for Use by Fannie Mae and Freddie Mac,” press release, October 24, 2022, <https://www.fhfa.gov/news/news-release/fhfa-announces-validation-of-fico-10t-and-vantagescore-4.0-for-use-by-fannie-mae-and-freddie-mac>.

⁶⁸ *Id.*

⁶⁹ Fannie Mae, “Whole Loan Sales,” <https://capitalmarkets.fanniemae.com/whole-loan-sales>.

⁷⁰ Freddie Mac, “Seasoned Loan Offerings,” <https://capitalmarkets.freddiemac.com/seasonedloanofferings>.

⁷¹ Federal Housing Finance Agency, “Enterprise Non-Performing Loan Sales Report,” June 2024, pg. 2, <https://www.fhfa.gov/document/enterprise-non-performing-loan-sales-report-june-2024>.

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for greater than 100 percent of the unpaid principal balance of the underlying loans - meaning investors expect to receive more than the face value of the loans they purchase.⁷²

- a. Do you believe that there are adequate guardrails around the Enterprises' nonperforming loan sales, including pre-sale protections, post-sale protections, and additional transparency and accountability measures?
- b. Do you believe that there are adequate guardrails around the Enterprises' reperforming loan sales, including pre-sale protections, post-sale protections, and additional transparency and accountability measures?
- c. Do you believe it is financially prudent for the Enterprises to sell loan pools when investors are willing to pay more than 100 percent of the value of the unpaid principal balance on the loans that the Enterprises sell?
- d. If confirmed, how will you ensure that homeowners whose loans are sold through nonperforming or reperforming loan sales maintain at least the same level of protections as they would have had if their loan were backed by the Enterprises, including loss mitigation options and protections from foreclosure?

NPLs and RPLs are mortgage loans the Enterprises have had to purchase out of their mortgage-backed securities and retain in their portfolios due to prolonged borrower delinquencies. The goal of these programs is to protect the safety and soundness of the Enterprises by reducing portfolio harm and transferring credit and interest rate risk to the private sector. If confirmed, I look forward to working with you and this committee to consider ways to improve or enhance the Agency's existing NPL and RPL sales requirements.

41. What role, if any, do you believe cryptocurrency has and will have in the housing market? Please describe any direct effects, including use in home purchases or financing, and indirect effects, including the effects of fluctuations in wealth and income of homeowners who hold cryptocurrency assets.

Understanding technology-driven developments in housing is an important element of FHFA's oversight of Fannie Mae, Freddie Mac and the FHLBanks. If confirmed, I will engage with stakeholders to understand any associated risks and opportunities of technology-driven innovation, consistent with the safe and sound operations of the Enterprises.

Housing Supply Shortage

⁷² Fannie Mae, "Fannie Mae Announces Winner of its Latest Non-Performing Loan Sale," October 10, 2024, <https://www.fanniemae.com/newsroom/fannie-mae-news/winner-twenty-fifth-non-performing-loan-sale>. The cover bid on the national pool of 1,675 loans was 101.29 percent.

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42. In October 2024, you appeared on Fox Business and stated, “it really is a supply and demand issue and until we increase supply...you’re going to have prices go up.”⁷³
- a. Do you believe we have a housing supply shortage? If so, how can FHFA’s regulated entities contribute to addressing this supply shortage?
 - b. You continued, “If we don’t do something with regulation ... and if we don’t cut some of these regulations, I think you can see prices go way higher.”⁷⁴ What changes in regulations do you believe are needed?

Yes, increasing the supply of housing will make the American Dream more affordable for American families, and this is a top priority for President Trump, after years of runaway inflation. FHFA can facilitate this by ensuring that its regulated entities are operating in a safe and sound manner to promote liquidity and stability in the housing market. If confirmed, I will conduct a deep dive into FHFA’s regulations and other policies to remove any unnecessary and burdensome requirements that could interfere with the GSEs’ ability to achieve home affordability for Americans.

43. You’ve said that you see local zoning regulations as “the biggest problem right now in the housing market.”⁷⁵
- a. Do you still believe that local zoning is the biggest problem in the housing market? If so, what role do you believe the federal government can play in helping to address these problems?
 - b. Do you believe FHFA, the Enterprises, or the FHLBanks can help to address local zoning barriers in our housing market? Please explain.

State and local zoning policies and other regulations do contribute to the challenges and costs of developing new housing supply. While such decisions should remain in the hands of local officials and their communities, FHFA and its regulated entities should work to remove any undue burdens at the federal level that only exacerbate these problems and make it harder for Americans to own a home.

44. The cost of credit for housing construction contributes to the cost that homebuyers pay for a new home, as well as the cost that apartment owners pay to construct - and renters pay to rent

⁷³ Fox Business, “Pulte Capital CEO says the US must fix the supply problem,” October 28, 2024, <https://www.foxbusiness.com/video/6363892883112>.

⁷⁴ *Id.*

⁷⁵ Wealthion, “Housing, Investing and Philanthropy with Bill Pulte,” November 15, 2023, https://www.youtube.com/watch?v=T1_1EAaZqgU.

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in - a multifamily building. There have been multiple⁷⁶ proposals⁷⁷ for the Enterprises to support lower-cost acquisition, development, and construction financing to lower the cost to build and, ultimately, to buy or rent a home.

- a. Do you believe that FHFA’s regulated entities have a role to play in addressing the cost of credit for construction of single-family or multifamily housing? If not, why not?
- b. Would you support allowing Fannie Mae and Freddie Mac to offer loan guarantees that provide lower cost financing for residential construction to expand housing supply and lower costs? If not, why not?

I agree that the cost of financing a home or apartment complex contributes to the total housing cost for consumers, which only increased as interest rates rose during the Biden Administration. I do not want to commit to supporting any new programs or policies, however, without first taking inventory of the GSEs’ current frameworks to ensure they are operating as effectively and efficiently as possible to support homeowners and renters.

45. When asked about tariffs, you have said that there was “a big tariff in the Chinese countertop business, and we were able to pass it on to customers. The customers were able to take the tariffs increases.”⁷⁸ President Trump has proposed tariffs⁷⁹ on imports from countries that supply important homebuilding materials, including softwood lumber.⁸⁰ If new tariffs are put in place on imports of homebuilding components, including through blanket tariffs on countries that supply homebuilding products, would the cost of buying or renting a home increase for American families? Please explain your response.

If confirmed as FHFA Director, I will leave decisions related to tariff policy in the hands of President Trump and the relevant departments and agencies.

⁷⁶ National Association of Home Builders, “Housing Policy Priorities,” p. 26, <https://www.nahb.org/-/media/NAHB/advocacy/docs/housing-policy-priorities.pdf?rev=434c843480b046cab2407918a44953b9>.

⁷⁷ Center for Public Enterprise, “Smoothing the Housing Investment Cycle,” Paul E. Williams and Yakov Feygin, July 18, 2024, <https://publicenterprise.org/wp-content/uploads/Smoothing-the-Housing-Investment-Cycle-Part-1.pdf>.

⁷⁸ CNBC, “Pulte Capital CEO on why the housing market is hot and social media philanthropy,” Halftime Report, October 24, 2019, <https://www.youtube.com/watch?v=wO5pYvzE0i4>.

⁷⁹ White House, “Fact Sheet: President Donald J. Trump Imposes Tariffs on Imports from Canada, Mexico and China,” February 1, 2025, <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-imposes-tariffs-on-imports-from-canada-mexico-and-china/>.

⁸⁰ Axios, “What’s at stake if Canada and Mexico tariffs happen,” Emily Peck, January 31, 2025, <https://www.axios.com/2025/01/31/trump-tariffs-canada-mexico-fruit-lumber>.

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46. You have written that you support proposals to “unlock portions of vast, federally-owned land” for housing construction.⁸¹ Please detail the types of federal lands where you would support allowing for additional residential construction.

President Trump campaigned on opening up new tracts of underutilized federal land to put it to use for the American people, something that I do support and would require multiple federal agencies working together to accomplish. If confirmed, I would work within the statutory authorities of the FHFA Director to support the President’s priorities.

Federal Home Loan Bank System

47. How would you define the mission of the FHLBank System?

I believe the mission of the FHLBank System is to support housing, including affordable housing, and community development by providing liquidity to its member institutions.

48. FHFA’s review of the FHLBank System, titled “FHLBank System at 100: Focusing on the Future,” led to a report issued in November 2023 that included a number of administrative, regulatory, and legislative recommendations related to the FHLBank System.⁸² If confirmed, would you continue FHFA’s ongoing work on the future of the FHLBank System? If not, why not?

As a private citizen, I am not privy to all of the information FHFA currently has regarding the FHLB System and the future of the system. If confirmed, I will make it a priority to be briefed by FHFA staff on the Agency’s ongoing work in this important area. I believe it is critical that the FHLB System is meeting its mission, and, if confirmed, would continue work that best supports the FHLB System’s mission while also ensuring the safety and soundness of the housing finance system.

49. As part of its “FHLBank System at 100: Focusing on the Future” report, FHFA identified “high levels of executive compensation at the FHLBanks,” as well as the degree to which incentive compensation supports both safety and soundness and the FHLBanks’ public mission, as areas for administrative and legislative action.⁸³ Do you support changes to the FHLBanks’ executive compensation practices? If so, what changes do you believe are necessary? If not, why not?

Currently, each individual FHLBank’s board determines each of their presidents’ salaries and the FHFA Director is tasked with either approval or denial of the proposed salary. As a private citizen, I am not privy to all of the information needed to decide on potential changes to current practice,

⁸¹ Washington Examiner, “How Trump can be the housing president,” Bill Pulte, November 14, 2024, <https://www.washingtonexaminer.com/opinion/3228524/how-trump-can-be-housing-president/>.

⁸² Federal Housing Finance Agency, “FHLBank System at 100: Focusing on the Future,” November 7, 2023, <https://www.fhfa.gov/sites/default/files/2024-12/FHLBank-System-at-100-Report.pdf>.

⁸³ *Id.*, pp. 67-68.

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however, if confirmed as Director, I would continue to review proposed FHLB president salaries on a case-by-case basis. It's important to take into account a variety of factors that may impact a proposed salary, and I recognize that different FHLBs might require different salary levels. If there was significant interest in altering the current system, I would study any potential changes with an open mindset. I also will follow any statutory changes passed by Congress.

50. The "FHLBank System at 100: Focusing on the Future" report also recommended updates to FHLBanks' board size and composition to ensure that boards are both efficient and provide the necessary expertise to oversee the safety and soundness of the Banks as technology and our housing finance systems evolve.⁸⁴ Do you support changes to the structures of the FHLBanks' boards of directors? If so, what changes do you support? If not, why not?

As noted in my testimony, if confirmed, I will be laser-focused on the safety and soundness of the housing finance system, and any action I take will prioritize that. If confirmed, I will review the last administration's structural changes to FHLBanks' boards of directors, and the current structural requirements, to best ensure that each FHLBank is meeting its mission while also prioritizing safety and soundness throughout the housing finance system.

51. Does FHFA's existing membership rule requirement that depository members (other than community financial institutions) have at least 10 percent of their assets be residential mortgage loans at membership application appropriately ensure that members are connected to the housing system?⁸⁵ If not, what changes would you make to ensure that all FHLBank members demonstrate a connection to the housing system?

The FHLBank system, and its support of member institutions, plays a critical role in contributing to access to housing throughout our country, and I believe it's important for FHLBank members to have a connection to the housing system. As you note, FHFA currently requires that potential FHLBank members (with certain exceptions) have at least 10 percent of their assets in residential mortgage loans. If confirmed, I will review all data and information available to the FHFA in order to ensure that applying FHLBank member institutions are best supporting housing in their respective markets.

52. The FHLBanks are required by statute to contribute at least 10 percent of their net income annually to the Affordable Housing Program (AHP).⁸⁶ In 2023, the 11 FHLBanks announced that they would voluntarily contribute 15 percent of their net income to affordable housing and community development initiatives, though the additional 5 percent of net income contributed may go to activities that do not meet AHP requirements.⁸⁷ For many years, the

⁸⁴ *Id.*, pp 66-67.

⁸⁵ *Id.*, p. 61.

⁸⁶ 12 U.S.C. 1430(j).

⁸⁷ Council of Federal Home Loan Banks, "Council of Federal Home Loan Banks Hails FHFA Report Highlighting Impact Delivered by Federal Home Loan Banks," press release, October 18, 2024, <https://fhlbanks.com/council-of-federal-home-loan-banks-hails-fhfa-report-highlighting-impact-delivered-by-federal-home-loan-banks/#:~:text=In%20response%20to%20feedback%20the,the%20statutorily%20required%2010%20percent>.

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FHLBanks contributed 10 percent of net income to AHP and 20 percent of their remaining net income to pay for Resolution Funding Corporation bonds while maintaining their funding commitments to members.⁸⁸ In light of this experience, the Treasury Department⁸⁹ and FHFA have called for the FHLBanks to contribute 20 percent of their net earnings to affordable housing.⁹⁰

- a. Do you support a requirement that the FHLBanks contribute at least 20 percent of their net income annually to affordable housing? If not, why not?
- b. If so, do you support all of FHLBanks' required affordable housing contributions being made to the AHP? Please explain.

As you noted, the Federal Home Loan Bank Act requires that FHLBanks contribute at least 10 percent of their annual income to the Affordable Housing Program. In 2023, all 11 FHLBanks began contributing at least 15 percent of their income to affordable housing and community development programs. I'm aware that the prior administration's Treasury Department and FHFA called on the FHLBanks to contribute 20 percent of their net earnings to support affordable housing. Affordable housing is extremely important to me, and I look forward to working with you and this committee on affordable housing. If confirmed, I will review all actions taken by the previous Director and the Biden administration to ensure the FHLBank system is following its statutory mandate and best meeting its mission to support affordable housing, while ensuring safety and soundness.

53. Congress authorized CDFIs as members of the FHLBank System,⁹¹ but they continue to face barriers to receiving FHLBank advances and other programs and products.⁹² How will you ensure that CDFIs are able to receive the full benefits of FHLBank membership, as provided by Congress?

I'm aware that Congress authorized CDFIs, in the Housing and Economic Recovery Act of 2008, to become members of the FHLBank System. And it is my understanding that CDFIs have been slow to join the system, with 71 non-depository CDFIs being FHLBank members as of 2023. If confirmed, I look forward to assessing FHLBank membership requirements for potential

⁸⁸ Federal Housing Finance Agency, "FHFA Announces Completion of RefCorp Obligation and Approves FHLB Plans to Build Capital," press release, August 5, 2011, <https://www.fhfa.gov/news/news-release/fhfa-announces-completion-of-refcorp-obligation-and-approves-fhlb-plans-to-build-capital>.

⁸⁹ U.S. Department of the Treasury, "READOUT: Deputy Secretary of the Treasury Wally Adeyemo's Meeting with the Leadership of the Federal Home Loan Banks and Federal Housing Finance Agency to Address Housing Supply and Affordability," press release, August 6, 2024, <https://home.treasury.gov/news/press-releases/jy2520>.

⁹⁰ Federal Housing Finance Agency, "FHLBank System at 100: Focusing on the Future," November 7, 2023, p. 50, <https://www.fhfa.gov/sites/default/files/2024-12/FHLBank-System-at-100-Report.pdf>

⁹¹ Housing and Economic Recovery Act of 2008, P.L. 110-289, Sec. 1206.

⁹² Letter from Daniel A. Nissenbaum to Federal Housing Finance Agency, March 31, 2023, https://www.fhfa.gov/sites/default/files/discussion_topics/Attachments/2382/FINAL_LIIF%20FHLB%20at%20100%20Comment%20Letter.pdf.

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challenges to CDFI membership. I believe community development and access to affordable housing is important and, as noted in my testimony, also believe safety and soundness in the housing finance system is a top priority. FHLBanks serve as an important source of liquidity to their member institutions so they can best support housing throughout our country. Any potential changes to the current system would require a delicate and thoughtful balance of safety and support of affordable housing.

FSOC

54. What do you see as current threats to U.S. financial stability and are there emerging risks you are following that potentially pose risks to financial stability? What steps do you believe FSOC should take to address or mitigate these risks?

Our \$36 trillion national debt is the foremost threat to our nation's financial stability. Out of control spending led to a rapid acceleration to generational high interest rates, and now the interest on our national debt alone costs more than \$1 trillion per year. I believe President Trump's pro-growth policies and whole-of-government approach to reducing waste, fraud, and abuse in federal expenditures will help rein in inflation, moderate interest rates, and start to alleviate this threat.

55. In 2024, FSOC issued a report on nonbank mortgage servicing.⁹³ The FSOC report stated, “[n]onbank mortgage companies (NMCs) carry out critical servicing functions for the residential mortgage market and originate and service the majority of U.S. residential mortgages. However, NMCs have key vulnerabilities that can impair their ability to carry out these functions. NMCs’ vulnerabilities can amplify shocks to the mortgage market and thereby pose risks to financial stability.”⁹⁴

- a. Do you agree with FSOC’s assessment?
- b. NMCs borrow from large banks to fund origination and servicing operations. If these creditors were to pull warehousing and mortgage servicing lines of credit in a period of stress, how would that impact the mortgage market?
- c. Would you expect the failure of a large NMC to trigger stress at other NMCs, given the balance sheet and creditor similarities?
- d. Do NMCs generally have adequate capital and liquidity to withstand a period of stress?
- e. If one of the largest NMCs failed, does another NMC have capacity to absorb the servicing obligations of the failed NMC?

⁹³ Financial Stability Oversight Council, “Report on Nonbank Mortgage Servicing,” 2024, <https://home.treasury.gov/system/files/261/FSOC-2024-Nonbank-Mortgage-Servicing-Report.pdf>.

⁹⁴ *Id.*, p. 1.

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- f. Given the structure of NMCs, do you agree that the most likely approach to bankruptcy would be liquidation rather than reorganization?
- g. Are you concerned that a disorderly failure of a large NMC could lead to servicing disruptions for consumers?

As I noted in my testimony, I will be laser-focused on ensuring the safety and soundness of America's housing finance system, and today, non-bank mortgage companies are an important part of that very system and serve as key counterparties to Fannie Mae and Freddie Mac. If confirmed, I look forward to reviewing the FSOC report, engaging with the other FSOC member agencies, studying the experience of non-bank mortgage companies during the COVID-19 period of stress, and being briefed on the structure of their regulation by the states.

56. In 2021, FSOC identified climate change as an emerging risk.⁹⁵ At the time, then-Secretary of Treasury, Janet Yellen, stated "Climate change is an emerging and increasing threat to America's financial system that requires action"⁹⁶

- a. Do you agree that climate change poses a threat to America's financial system?
- b. How would the effects of climate change, including increased wildfire risk, flood risk, severe storm risk, and rising insurance costs, affect the housing market and FHFA's regulated entities?

In the area of housing, the most immediate impact of a natural disaster or severe storm is displacement of residents and damage to property, which serves as the collateral securing an underlying mortgage loan. Because homeowner insurance is necessary to secure mortgage financing, and rising insurance costs (as well as rising property taxes) can drive a borrower's monthly payment upwards even if the principal and interest of the mortgage are fixed for the life of the loan, these events can also affect homeowners and the broader housing market. As a result of high inflation, increasing costs to repair or rebuild a damaged home can put further upward pressure on homeowners' insurance costs.

57. In 2008, stress at Lehman Brothers and AIG threatened the stability of the financial system.⁹⁷ Do you believe that, today, there are zero nonbank financial companies whose failure could threaten U.S. financial stability?

⁹⁵ Financial Stability Oversight Council, "Report on Climate-Related Financial Risk," 2021, <https://home.treasury.gov/system/files/261/FSOC-Climate-Report.pdf>.

⁹⁶ U.S. Department of the Treasury, "Financial Stability Oversight Council Identifies Climate Change as an Emerging and Increasing Threat to Financial Stability," press release, October 21, 2021, <https://home.treasury.gov/news/press-releases/jy0426#:~:text=%E2%80%9CClimate%20change%20is%20an%20emerging,the%20threat%20of%20climate%20change>.

⁹⁷ Financial Crisis Inquiry Commission, "The Financial Crisis Inquiry Report," January 2011, pp. 324-386, <https://www.govinfo.gov/content/pkg/GPO-FCIC/pdf/GPO-FCIC.pdf>.

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Certainly, Fannie Mae and Freddie Mac are large non-bank financial entities that posed a serious threat to our country's financial stability in 2008. If confirmed, I will be laser-focused on ensuring Fannie's and Freddie's safety and soundness, and the safety and soundness of the entire housing finance system. As a private citizen, I am not privy to the information available to FSOC members, but would be briefed by FHFA staff and engage with other FSOC member agencies on this topic, if confirmed.

Conflicts of Interest

58. What is the nature of your relationship with PulteGroup and its affiliates or subsidiaries (e.g., Pulte Financial Services, PGP Title, Pulte Insurance Agency, Premier Land Title Insurance Company, Pulte Homes, Centex, Del Webb, DiVosta, John Wieland Homes and Neighborhoods, and Pulte Mortgage)? Please clearly state your relationship with PulteGroup and each affiliate or subsidiary. Please also describe if your relationship with PulteGroup or any of its affiliates or subsidiaries poses any actual or apparent conflicts of interest.

I have worked with FHFA ethics officials and the Office of Government Ethics to address any actual or apparent conflicts of interest, and I refer the Committee to my financial disclosure report and Ethics Agreement for additional information. I sold all my stock in PulteGroup, and therefore own no stock in the above entities. Additionally, as of years ago, I am no longer an employee or director of any of the companies.

59. Do you currently own stock in PulteGroup? If you previously owned stock in PulteGroup, please state when you dispensed of your ownership interest in the company.

I have worked with FHFA ethics officials and the Office of Government Ethics to address any actual or apparent conflicts of interest, and I refer the Committee to my financial disclosure report and Ethics Agreement for additional information. I do not own stock in PulteGroup. I sold it in the last few months.

60. What is the nature of your relationship to the Pulte Family Office and the relationship of the Pulte Family Office to Pulte Capital Partners, if any? In responding to this question, please describe if these relationships pose any actual or apparent conflicts of interest.

I have worked with FHFA ethics officials and the Office of Government Ethics to address any actual or apparent conflicts of interest, and I refer the Committee to my financial disclosure report and Ethics Agreement for additional information. I will comply with all applicable ethics laws.

61. The Pulte Family Office describes its investment focus as “invest[ing] in a wide variety of investments, ranging from direct investments to investments in various funds as a Limited Partner.”⁹⁸ Is the Pulte Family Office invested in any of the following:

⁹⁸ Pulte Family Office, “Investment Focus,” <https://www.pultefamilyoffice.com/investment-focus/>.

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a. Fannie Mae

No.

b. Freddie Mac

No.

c. Rental properties (single-family or multifamily)

I have worked with FHFA ethics officials and the Office of Government Ethics to address any actual or apparent conflicts of interest, and I refer the Committee to my financial disclosure report and Ethics Agreement for additional information.

d. Manufactured Housing Communities

I have worked with FHFA ethics officials and the Office of Government Ethics to address any actual or apparent conflicts of interest, and I refer the Committee to my financial disclosure report and Ethics Agreement for additional information.

e. Other commercial Real Estate

I have worked with FHFA ethics officials and the Office of Government Ethics to address any actual or apparent conflicts of interest, and I refer the Committee to my financial disclosure report and Ethics Agreement for additional information.

f. Rental management companies or other real estate-related entities (including property or title insurers)

I do not own any insurers. I have worked with FHFA ethics officials and the Office of Government Ethics to address any actual or apparent conflicts of interest, and I refer the Committee to my financial disclosure report and Ethics Agreement for additional information.

62. Please describe your interest in Pulte Capital Partners, LLC. In responding to this question, please describe if this interest poses any actual or apparent conflicts of interest.

I have worked with FHFA ethics officials and the Office of Government Ethics to address any actual or apparent conflicts of interest, and I refer the Committee to my financial disclosure report and Ethics Agreement for additional information. I will comply with all applicable ethics laws.

63. Please describe if Pulte Capital Partners, LLC is invested in any of the following:

a. Rental properties (single-family or multifamily)

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I own some real estate. I have worked with FHFA ethics officials and the Office of Government Ethics to address any actual or apparent conflicts of interest, and I refer the Committee to my financial disclosure report and Ethics Agreement for additional information.

b. Manufactured Housing Communities

I own some real estate. I have worked with FHFA ethics officials and the Office of Government Ethics to address any actual or apparent conflicts of interest, and I refer the Committee to my financial disclosure report and Ethics Agreement for additional information.

c. Other commercial Real Estate

I own some real estate. I have worked with FHFA ethics officials and the Office of Government Ethics to address any actual or apparent conflicts of interest, and I refer the Committee to my financial disclosure report and Ethics Agreement for additional information.

d. Rental management companies or other real estate-related entities (including property or title insurers)

I do not own any insurers. I have worked with FHFA ethics officials and the Office of Government Ethics to address any actual or apparent conflicts of interest, and I refer the Committee to my financial disclosure report and Ethics Agreement for additional information.

64. Do you currently hold or have you held any investments in Fannie Mae or Freddie Mac junior preferred shares or common shares, or in any funds that invest in such shares?

No.

65. Please describe with specificity what steps you will take to mitigate any actual or apparent conflicts of interest.

I will comply with all applicable ethics laws and will seek counsel from agency ethics lawyers.

Management

66. Do you agree that FHFA is an independent regulator? If so, how would you ensure that FHFA maintains its independence?

I will follow the HERA law as it relates to independence as well as any other legal decisions, including the Supreme Court's decisions.

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67. President Trump established a Department of Government Efficiency (DOGE), which is already reported to have implemented significant personnel and contracting changes at other federal agencies.⁹⁹
- a. If confirmed, would you seek a DOGE review of FHFA or otherwise implement large staffing or programmatic cuts?
 - b. Will you allow DOGE to access the highly sensitive mortgage, appraisal, and other financial information maintained by FHFA?
68. Since being announced as the nominee to lead FHFA, have you spoken to any members of the administration or representatives of DOGE about staffing or programmatic cuts at FHFA? If so, please provide a detailed description of those discussions.

Response to Questions 67-68:

One of the principles that President Trump campaigned on – and was elected on – is that the *status quo* in federal government agencies is not acceptable to the American people. If confirmed, I would take inventory of the people, programs, policies, and processes of FHFA to ensure that Americans are not being unduly burdened by regulation and other factors that increase the cost of housing or erode the safety and soundness of the housing finance system. To the best of my knowledge, I have not had conversations with administration officials specifically related to staffing or other organizational decisions at FHFA.

69. Do you believe it is appropriate for a federal agency to remove historical records from public view, including press releases? If so, please explain why. If not, please explain how you would ensure that FHFA does not remove programmatic and historical information from its website.

Senator, I would have to understand the context of this question in order to answer accurately. If confirmed, I would commit to being as transparent as possible with Congress and the American people.

Twitter Activity

70. Based on a review of your X account, it appears that you have deleted over 24,000 posts.¹⁰⁰

⁹⁹ Wall Street Journal, “What to Know About USAID, the Agency Elon Musk Wants Dead,” Joseph Pisani, Betsy McKay, and Joseph De Avila, February 6, 2025, <https://www.wsj.com/politics/policy/what-is-usaid-trump-doge-elon-musk-509ae5ae>; Washington Post, “DOGE rips through Education Department, cutting contracts, staff and grants,” Laura Meckler and Hannah Natanson, February 14, 2025, <https://www.washingtonpost.com/education/2025/02/13/doge-education-department-cuts/>.

¹⁰⁰ Social Blade, “Bill Pulte Twitter Activity,” <https://socialblade.com/twitter/user/pulte/monthly>.

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a. Have you previously deleted posts on X (Twitter)?

Since 2009, I have routinely removed posts from Twitter.

b. Did you delete over 24,000 posts on the social media platform X between November 5, 2024, and the date of your nomination hearing before the Senate Banking, Housing, and Urban Affairs Committee?

Since 2009, I have routinely removed posts from Twitter.

c. Did anyone on the Trump campaign, transition team, or other closely related entity encourage you to delete any social media posts? If so, please explain.

No.

d. Will you commit to ensure that the Committee receives access to all deleted posts from your X account prior to the Committee's vote on your nomination?

Since 2009, I have routinely removed posts from Twitter.

Nomination

71. During or leading up to the selection of your nomination, did anyone on the Trump campaign, transition team, or other closely related entity approach you about your loyalty to President-elect Trump? Did you sign a loyalty pledge or other similar oath?

No.

72. During or leading up to the selection of your nomination, did you discuss Project 2025 with any officials directly or associated with the Trump campaign or the Trump transition team? If so, please explain.

No.

73. During or leading up to the selection of your nomination, did you discuss Project 2025 with any officials directly or associated with the Heritage Foundation? If so, please explain.

No.

74. Please provide a comprehensive list of the people who approached you about joining the administration.

As he stated in his Truth Social post, President Trump nominated me for FHFA Director.

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75. Did any person provide advice to you, oral or written, on your responses to these questions? If so, please provide a comprehensive list of the individuals or organizations that provided assistance.

My responses to these questions were reviewed under the customary practices of recent Administrations, both Republican and Democrat.

Congressional Oversight and Whistleblower Protection

76. If confirmed, will you commit to making yourself and any other politically appointed employee of FHFA available to provide testimony (including but not limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chair or Ranking Member?

I look forward to working with the Senate Banking Committee and its leadership.

77. If confirmed, will you commit to fully complying with all information requests from me and responding to those requests in a timely manner?

I look forward to working with the Senate Banking Committee and its leadership.

78. If confirmed, do you intend to respond to congressional information requests differently depending on who is making the request?

If confirmed, I will respond to requests for information as appropriate.

79. If confirmed, will you commit to complying with any federal protections for whistleblowers?

I will comply with all relevant laws.

Public Integrity

80. Will you commit to recuse yourself from any matters involving your former employers or clients for 4 years while serving as FHFA Secretary?

I will comply with all relevant laws.

81. For at least 4 years after leaving FHFA, will you not seek employment or compensation from (1) any entity that you personally and substantially interacted with in your role as FHFA Director and (2) from any entity that lobbies FHFA?

I will comply with all relevant laws.