



## VP Pence Hires New Chief Economist

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Vice President Mike Pence has named a noted free market advocate as his new head of economics.

Pence named Mark Calabria, former director of financial regulation studies at the [Cato Institute](#), a Libertarian organization based in Washington, D.C., to be his chief economist on Monday. Calabria has been an outspoken advocate of housing reform and is expected to buoy the administration's push to rewire the nation's housing regulations.

Calabria joined Cato in 2009, from a position on the senior professional staff of the Senate Committee on Banking, Housing, and Urban Affairs under Sen. Richard Shelby (R-Alabama). He's also held positions at Harvard University's Joint Center for Housing Studies, the National Association of Home Builders, and the National Association of Realtors.

In his last blog post at Cato, from Feb. 6, Calabria addressed GSE reform and advocated that Steven Mnuchin, if he becomes the secretary of the Treasury, should strongly consider reviving a plan developed John Snow, which takes advantage of the Treasury's authority to place limits on debt issuances by Fannie Mae and Freddie Mac.

"The reduction can and should be done in a controlled manner that could be easily reversed if necessary," he wrote. "A 5 percent monthly reduction, for instance, should work smoothly."

Calabria is also an advocate of Jeb Hensarling's Choice Act, essentially a replacement measure for Dodd-Frank.

"Unlike Dodd-Frank," he wrote last fall, "the Choice Act moves our system in the direction of more stability and fewer bailouts."

Calabria said the Choice Act "is an attempt to improve financial stability by increasing bank capital, while improving the functioning of our financial system by reducing compliance costs and over-reliance on regulatory discretion." He added that it fixes a "fundamental flaw in our current financial system," that government guarantees "punish banks for holding high levels of capital which, unfortunately, leads to excessive leverage and widespread insolvencies whenever asset values (such as houses) decline. Massive leverage still characterizes our banking system, despite the "reforms" in Dodd-Frank."

Calabria has been critical of Dodd-Frank from the beginning. In 2014, he said he chided bailouts and hoped for reform, though he admitted he didn't see much chance of reform happening without another financial crisis.

In 2010, Calabria told Fox News that while the economy following Barack Obama's first year in the White House did show positive signs, such as improved GDP, the overall approach to economic recovery was not successful.

Now Calabria gets to bring his views straight to a sympathetic ear at the White House. The Trump administration has been talking about housing reform since the campaign, and bringing Calabria on board is a clear sign that the administration is serious about addressing the issue.