



# Senate Confirms Calabria To Lead Housing Finance Regulator

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Senators on Thursday confirmed Mark A. Calabria to become the next director of the Federal Housing Finance Agency, installing him atop the Fannie Mae and Freddie Mac regulator as both Congress and the White House have set their sights on freeing the two mortgage giants from conservatorship and tackling housing finance reform.

Calabria, who has served as chief economist to Vice President Mike Pence, was confirmed by a 52-44 vote to a five-year term as FHFA director. He will take over for Joseph Otting, the head of Office of the Comptroller of the Currency who has been moonlighting as the FHFA's acting director since Obama appointee Mel Watt left the agency's top job in January.

As FHFA director, Calabria is expected to play a critical role in any plan to overhaul Fannie and Freddie and the broader system of mortgage finance, and in a floor speech ahead of Thursday's vote, Senate Banking Committee Chairman Sen. Mike Crapo, R-Idaho, recounted how Calabria pledged during his confirmation hearing to work with lawmakers on "comprehensive" reform.

"He agrees with me and many others that the action on housing finance reform that is needed today is the prerogative of Congress and that after over a decade of conservatorship, it is long overdue," said Crapo, who voted to confirm Calabria.

Calabria's confirmation comes as both Crapo and House Financial Services Committee Chair Rep. Maxine Waters, D-Calif., have identified housing finance reform as a top priority for the upcoming Congress and as the White House has ramped up its interest in the project, which has often been called the last major piece of unfinished business from the financial crisis.

At his confirmation hearing before the Senate Banking Committee in February, Calabria told senators that he isn't looking to take a wrecking ball to the mortgage market, but he does think reform is needed.

"I do believe that it is indeed possible for us to have a well-capitalized, strong system that preserves the 30-year mortgage and does provide access to affordable housing," Calabria said. "I think we can achieve those goals, and I think we can do it in a bipartisan manner."

Calabria's nomination to lead the FHFA has since received the support of a number of housing industry trade organizations, including the National Association of Realtors and the Mortgage

Bankers Association, but Sen. Sherrod Brown, D-Ohio, and ranking member of the Senate Banking Committee, said Thursday that Calabria is "the wrong man for this job."

"My colleagues who support his nomination today shouldn't act surprised when he raises costs for borrowers, when he makes it more difficult to develop affordable housing and cuts off access for housing, especially for people of color," Brown said on the Senate floor before voting against Calabria's confirmation. "That's what he advocated his entire career."

As a top Senate staffer, Calabria had a hand in drafting the Housing and Economic Recovery Act — the law that established the FHFA — but later went on to a perch at the libertarian Cato Institute, where his criticism of federal housing finance policy and calls for shrinking the government's role in the mortgage market stirred Democratic opposition to his nomination.

But industry groups nevertheless cheered Calabria's confirmation Thursday, noting his credentials as a policy expert and encouraging him to take a careful, collaborative and comprehensive approach toward overhauling the financial plumbing of the mortgage market.

"We look forward to working with him as he carries out the many responsibilities at FHFA, including overseeing important segments of the housing finance system and engaging with Congress to resolve the long-standing conservatorships of Fannie Mae and Freddie Mac," Rob Nichols, president and CEO of the American Bankers Association, said in a statement.

Robert D. Broeksmit, president and CEO of the Mortgage Bankers Association, said in a statement that his organization likewise welcomes the opportunity to engage with Calabria going forward "to identify workable solutions that establish a housing finance system that protects taxpayers, allows equal access to lenders of all sizes and business models and ensures a liquid and stable mortgage market for single-family and multifamily loans."

"His knowledge and experience will serve him well as he takes over this dynamic agency at such a critical time," Broeksmit said. "Fannie Mae and Freddie Mac have been in conservatorship for more than a decade and it's well past time that policymakers address the long-term future of these enterprises."

Likewise, National Association of Realtors President John Smaby said Calabria "understands the critical importance of the FHFA's prudent management of America's housing finance system."

"As he begins his tenure, we urge Director Calabria to work closely with Congress in the effort to responsibly reform the GSEs, particularly in search of policies that protect the 30-year fixed rate mortgage, secure a government guarantee and emphasize taxpayer and consumer protection," Smaby said.