



## **Pence Aide Says ‘Principles’ for GSE Reform Likely in Coming Months**

Tara Jeffries

March 21, 2017

Overhauling Fannie Mae and Freddie Mac is a financial regulation priority for the Trump administration, Vice President Mike Pence’s chief economist said Tuesday, adding that “a set of principles” will likely emerge in the coming months.

Mark Calabria told participants at the American Bankers Association Government Relations Summit in Washington that the administration is examining mortgage finance policy to “try to figure out, really, what should the best approach be?”

Officials are examining “what role Fannie and Freddie currently play” in the mortgage market, he said, emphasizing that taxpayers should “never again” bail out the government-sponsored enterprises.

Fannie Mae and Freddie Mac were placed under the conservatorship of the Federal Housing Finance Agency in 2008 and received \$187 billion in a taxpayer bailout that kept the two GSEs afloat. Republicans in Congress frequently cite the need to wind down government control of the two entities, and Calabria warned today that taxpayers are increasingly exposed to risks in the housing market.

“We put ending bailouts at the top of the agenda,” Calabria said, referring to the administration’s regulatory overhaul priorities.

Calabria, former director of financial regulation studies at the Cato Institute, characterized the Financial Stability Oversight Council’s impending review of Dodd-Frank rules as a process typical of White House transitions. “It’s pretty much standard practice for any new administration to do a review of financial regulation,” he said.

The review, expected to conclude in June, was set in motion by an executive order in February. The White House may tackle other financial regulation priorities with further executive actions, Calabria said, without providing details.

He added that he considers the Dodd-Frank review an appropriate move given the amount of time since the law's enactment in July 2010.

"It's been almost a decade since the financial crisis," Calabria said. "It's been seven years, almost, since Dodd-Frank was passed."