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Pence hires libertarian Calabria as chief economist

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Vice President Mike Pence has hired Mark Calabria, a libertarian advocate of free markets, as his chief economist, according to a Pence spokesman.

Calabria was director of financial regulation studies at the Cato Institute, where he was a prominent voice on financial and economic policy and an expert on mortgage and housing reform.

He gives President Donald Trump's White House "a voice around the table that will give them their philosophical true North," said Jim Parrott, a senior adviser to former President Barack Obama's National Economic Council.

Before joining Cato in 2009, Calabria worked for the Senate Banking Committee, where he handled housing, mortgage finance, economics, banking and insurance for then-ranking member Richard Shelby (R-Ala.).

His resumé includes stints at the Department of Housing and Urban Development, the National Association of Realtors and the National Association of Home Builders.

He takes on a role similar to the one held by Jared Bernstein, who served as chief economist to former Vice President Joe Biden. Bernstein was a strong voice and public face for the Obama administration, speaking frequently on employment, economic inequality and the middle class.

"Bernstein was in exactly the same role and was pretty influential in our world," said Parrott. "He played the role on our team of representing an economist version of Biden."

In a blog post this week, Calabria offered a way for Treasury to rein in mortgage giants Fannie Mae and Freddie Mac without help from Congress. He urged Steven Mnuchin, Trump's choice for Treasury secretary, to "strongly consider" the idea.

Fannie and Freddie have been wards of the government since the housing collapse and rely on taxpayers for financial support. Congressional efforts to rebuild the companies have failed, bogged down by competing interests, complexity and a lack of urgency among lawmakers.

House Financial Services Chairman Jeb Hensarling has said he'll make his mortgage-reform bill a priority this year.

Calabria's hiring isn't likely to lower the political hurdles to getting a bill passed, said Isaac Boltansky, senior vice president at Compass Point Research. He puts the odds of Fannie and Freddie reform at 30 percent.

"Calabria does have considerable knowledge and gravitas, which could suggest a forthcoming push from the administration," Boltansky said. But "I don't think anything or person will change the underlying dynamics."