



## Watt's activism and credentials put to test

by Herbert L. White May 8, 2013

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President Barack Obama and U.S. Rep. Mel Watt (D-N.C.) step off Air Force One upon their arrival at Asheville Regional Airport in Fletcher, N.C., on Feb. 13. Obama last week nominated Watt, who represents the 12th Congressional District that includes Charlotte, to lead the Federal Housing Finance Agency, which oversees mortgage loan giants Freddie Mac and Fannie Mae.

Watt, a Charlotte Democrat who has been in Congress for 20 years, is seen as an advocate for consumers who've lost their homes in the housing meltdown. But conservatives counter Watt lacks the experience to lead FHFA, which oversees mortgage lending giants Freddie Mac and Fannie Mae.

Mark Calabria, director of financial regulation studies at the Cato Institute, told HousingWire, a journal of the national housing industry, that Watt doesn't have the credentials to run FHFA.

"There are statutory requirements for a director," said Calabria, a staff member on the Senate Banking Committee during FHFA's creation. "It requires you to have financial regulatory management experience.

"I am pretty sure it's not going to be an easy nomination. Watt would politicize the agency in a way that in my opinion would harm the agency."

Watt does have experience in dealing with financial issues as a member of the House Financial Services Committee and his district includes Bank of America's headquarters in Charlotte. Supporters contend his legislative background qualify him for the job.

“Rep. Watt’s service on the Financial Services Committee makes him perfectly suited to lead (President Barack Obama’s) efforts to ensure homeownership is within reach for more of America’s citizens,” U.S. Black Chamber of Commerce President Ron Busby said. “Homeownership is critical to building both families and intergenerational wealth, and to have a proven champion in this key role is an important statement at the right time.”

The foreclosure crisis has severely impacted African Americans, sucking out an estimated 53 percent of collective black wealth and widening the economic gap between blacks and whites. African Americans have been prime targets of subprime mortgages, which have been blamed in part for the housing crisis and led to lawsuits against some of the country’s biggest banks, including Charlotte-based Bank of America and Wells Fargo.

Watt has been a booster of federal consumer protections from predatory lenders and foreclosure relief. He also pushed the expansion of affordable housing for low-income and middle class families as well as passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

“During his 20 years as a corporate and real estate attorney and subsequent service on the Committees on Financial Services and the Judiciary, Rep. Watt advocated for provisions that protect the American people from damaging financial practices and that expand the availability of affordable housing for low-income and middle class families,” said U.S. Rep. Marcia Fudge (D-Ohio), chair of the Congressional Black Caucus. “Rep. Watt was instrumental in the passage of the Dodd-Frank Act and has worked to end predatory lending and to address the foreclosure issues that advanced this country deeper into the recession.”

Republicans, however, aren't particularly impressed. U.S. Sen. Bob Corker railed against federal involvement in mortgages and relief for troubled loans.

"I could not be more disappointed in this nomination," said Corker, R-Tenn. "The debate around his nomination will illuminate for all Americans why Fannie and Freddie failed so miserably."

U.S. Sen. Richard Burr (R-N.C.) sounded a more optimistic tone.

"Having served with Mel, I know of his commitment to sustainable federal housing programs and am confident he will work hard to protect taxpayers from future exposure to Fannie Mae and Freddie Mac," Burr said in a statement. "I look forward to working with Rep. Watt in his new role to find new ways to facilitate more private sector involvement in the housing and mortgage markets."

As the Senate debates Watt's confirmation, Fudge is unwavering in her support.

"Rep. Watt is uniquely qualified, has the specialized knowledge and the commitment required to address our nation's broken housing market that has affected so many families across this country," she said. "He has an incredible attention to detail and recognizes the need to examine every issue closely to consider the impact policies may have on individuals and communities. Rep. Watt will be the transformational leader the FHFA needs to make sure this country stays on the path to full economic recovery."