

# Roll Call

## Trump's Treasury Hopefuls Steeped in Wall Street Experience

*Some pushback from liberals expected*

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President-elect Donald Trump's potential candidates for Treasury secretary are being praised for their business experience, while consumer advocates are probing their past investments and work on Wall Street.

Steve Moore, an economic adviser to Trump, said in an interview that Steve Mnuchin, the Republican's campaign finance chairman and a former Goldman Sachs executive, would be a front-runner for Treasury secretary. Other potential candidates could include billionaire investor Wilbur Ross, chairman of a private equity firm, and Lawrence Kudlow, a CNBC commentator and former chief economist for Bear Stearns, according to Moore.

Also being mentioned in media reports: House Financial Services Chairman Jeb Hensarling, R-Texas, and Jamie Dimon, chairman and CEO of JPMorgan Chase.

"It's nice to be mentioned, and I certainly want to help our new president make America stronger and more prosperous, but serving in his Cabinet is not something I've indicated an interest in and it's not something I am pursuing," Hensarling said in a statement Thursday.

Trump advisers floated Dimon's name as a possibility this week, but he has said in the past that he was not interested in the job, according to a CNBC report.

Mnuchin, chairman and co-chief executive officer of Dune Capital Management, "probably has the inside track" to be Trump's nominee to succeed Treasury Secretary Jacob J. Lew, Moore said. He "had a big hand in devising the [Trump] tax cut plan" and is a "free-market principled guy, who has a lot of knowledge of financial markets," Moore said. Mnuchin worked at Goldman Sachs for 17 years.

House Ways and Means Chairman Kevin Brady, R-Texas, hailed the trio's business experience but stopped short of making any endorsements. "I hear very good things," he said. "It seems like Mr. Trump is really determined to surround himself with good leaders," Brady said.

The House's top tax writer said he is "really eager to work with our next Treasury secretary, especially on tax reform."

Brady said he was well-acquainted with Kudlow, who worked as a staff economist at the Federal Reserve Bank and as associate director of economics and planning at the Office of Management and Budget under President Ronald Reagan. Kudlow earlier this year decided against challenging Sen. Richard Blumenthal, D-Conn., who won a second term Tuesday.

"He is one of our best conservative thought leaders on growing the economy, including tax reform. I love working with him," Brady said of Kudlow.

Richard Hunt, president of the Consumer Bankers Association, a trade group for large retail banks, said he hoped the next Treasury secretary would be a strong supporter of an effort to persuade the Federal Reserve to lift low interest rates, which he blamed for compressed profit margins of lenders and the closure of a number of small community banks.

"At first blush, they are people all with experience with taxes and the international implications. They are people who understand business. The number one priority for the Trump administration should be moving the economy forward," Hunt said. "All three would bring a commonsensical approach to regulation."

Hunt said Mnuchin would bring a familiarity with financial regulation and the banking industry as a founder of OneWest Bank, based in Pasadena, Calif. Mnuchin led an investor group that purchased the assets of the former IndyMac Bancorp for about \$1.5 billion, launched OneWest Bank in 2009 and sold OneWest last year for \$3.4 billion to CIT Group Inc.

Some consumer advocates have argued that the transactions fueled mortgage foreclosures in Southern California. IndyMac collapsed in the housing crisis and was seized in 2008 by the Federal Deposit Insurance Corporation.

The Americans for Financial Reform, a liberal advocacy group, said Mnuchin "purchased a bailed-out bank for pennies on the dollar and then aggressively foreclosed on tens of thousands of families. Anyone concerned about Wall Street billionaires rigging the economy should be terrified of a Treasury Secretary Mnuchin."

In his long career, Mnuchin also has worked with investor George Soros, including a stint as an employee of Soros Fund Management, and has been a producer of several movies, including "American Sniper" and "Mad Max: Fury Road."

Mark A. Calabria, an analyst at the Cato Institute, a conservative think tank, said that Mnuchin's background could draw opposition from liberal Democrats. "It will be interesting to see whether the Goldman experience is a barrier to confirmation," Calabria said, referring to the big Wall Street investment bank.

Calabria said Ross could face pushback from liberals because of his role as a private equity investor, with a reputation for acquiring companies and winnowing employees. "He could face concerns or opposition from organized labor, but the Treasury secretary doesn't deal with labor issues," Calabria said.

Mnuchin and Ross previously supported some Democrats. According to a study by the nonpartisan Center for Responsive Politics, Mnuchin has been an occasional contributor to Democratic candidates. For example, in the 2016 cycle, he contributed \$2,000 to the campaign of Sen.-elect Kamala Harris, who is currently California's attorney general, while also contributing \$5,400 to the Trump campaign and \$310,000 to the Republican National Committee.

Ross contributed to Democratic candidates in the 1990s and was appointed by President Bill Clinton to an oversight board for the U.S.-Russia Investment Fund. In the 2016 election cycle, Ross gave \$250,000 to the Republican National Committee, \$25,000 to the National Republican Congressional Committee and \$5,400 to the Trump campaign.