

The Washington Post

Skepticism about Mel Watt on left and right

By Rachel Weiner May 1, 2013

President Obama's decision to nominate Rep. Mel Watt (D-N.C.) as the next director of the Federal Housing Finance Agency has provoked some rare bipartisanship, as both liberals and conservatives are panning the choice.

Republicans object to Watt's support for a greater agency role in helping homeowners.

"I could not be more disappointed in this nomination. This gives new meaning to the adage that the fox is guarding the hen house," Sen. Bob Corker (R-Tenn.), a member of the Senate Banking Committee, said in a statement.

Mark Calabria of the Cato Institute, a former Senate Banking Committee staffer, has argued that Watts does not have the "demonstrated understanding" of financial management or oversight, capital markets, and housing finance the position requires.

Congressional Democrats, including Massachusetts Sen. Elizabeth Warren, are supportive of the nomination. But some liberals are wary, pointing to Watt's coziness with the financial industry. Watt battled an attempt by Reps. Alan Grayson (D-Fla.) and Ron Paul (R-Tex.) to audit the Fed back in 2009.

The acting head of the FHFA is Ed DeMarco, who has clashed with the White House over a plan to partially forgive some mortgage debt. Obama attempted to nominate a replacement for DeMarco in 2010, but his choice, North Carolina Commissioner of Banks Joseph Smith Jr., was blocked by Republicans.