

# Bloomberg

## Hensarling Gets Long-Shot Challenge for Chairmanship

*By Cheyenne Hopkins - Oct 22, 2014*

House Financial Services Committee Chairman Jeb Hensarling is facing a long-shot challenge to his chairmanship from an Oklahoma Republican.

Representative Frank Lucas announced he is considering opposing Hensarling for the panel's gavel. Hensarling, a Texas Republican, under his party's rules could serve four more years as chairman.

Lucas's attempt will face opposition from conservatives who back Hensarling and wouldn't be popular among fellow committee leaders wary of such a precedent, said Jaret Seiberg, an analyst at Guggenheim Securities LLC. He said Lucas is unlikely to be successful in winning the chairmanship.

"It would be a political bloodbath on the committee if there was a serious challenge to Hensarling," Seiberg said. "It's hard to see a scenario where this could succeed."

Lucas is currently House Agriculture Committee chairman and faces Republican term limits that would bar him from continuing in that post beyond this year. The House Financial Services Committee will have at least two subcommittee leader slots open in the next Congress with the retirement of Representative John Campbell of [California](#) and Representative Shelley Moore Capito of West Virginia's candidacy for the U.S. Senate.

A committee staff member said no decision has been made on subcommittee assignments.

### Financial Services

"Chairman Lucas has been approached by members who are concerned about the direction of the House Financial Services Committee," Tamara Hinton, a spokeswoman for Lucas, said in a statement. "They have expressed a desire to see things change. Chairman Lucas is listening to his colleagues and taking their frustrations into consideration."

The Lucas challenge was first reported by Politico.

Hensarling has previously considered a run for House leadership. He had served as chairman of the House Republican conference, the fourth-ranking party job, and has been mentioned as a possible successor to House Speaker John Boehner.

Spokesmen Jeff Emerson for Hensarling, Matt Sparks for House Majority Leader Kevin McCarthy and Kevin Smith for Boehner declined to comment. The House Republican Steering Committee will choose committee chairmen in December.

## **‘Uphill Battle’**

“This to me would open up a battle within the caucus between the Tea Party folks and the establishment,” said Mark Calabria, director of financial regulation studies at the Cato Institute, which supports free markets, and a former Republican congressional staff member. “The problem Lucas has in that world is Hensarling has a lot of support in both worlds. It strikes me as an uphill battle for Lucas but also that he doesn’t have anything to lose.”

The Heritage Foundation, a Washington-based group that advocates limited government and lower taxes, issued a statement today questioning Lucas’s legislative record.

“If the Republican Party is truly seeking to rebrand and reorient itself by attacking corporate welfare, they’d be hard-pressed to find a better chairman than Jeb Hensarling,” said Dan Holler, a spokesman for Heritage Action for America.

Hensarling, a proponent of more limited government, took over as committee chairman in 2013 and vowed to roll back the landmark Dodd-Frank regulatory overhaul law. His panel has passed more than 20 regulatory bills that haven’t become law.

## **Flood Insurance**

House leaders bypassed Hensarling on reauthorizing flood insurance. Hensarling has been unable to move his bill to the House floor that would eliminate Fannie Mae and Freddie Mac and largely privatize housing.

His efforts to eliminate the 80-year-old Export-Import Bank this year didn’t pan out; Congress instead passed a nine-month reauthorization. Hensarling’s terrorism insurance reauthorization bill has been stalled in the House over objections from fellow Republicans.

Brian Gardner, a former congressional staff member who is now senior vice president for Keefe, Bruyette & Woods Inc., said Lucas’s challenge reflects dissatisfaction among fellow Republicans with Hensarling. Lucas’s bid, he said, won’t be successful because conservatives and the Texas delegation would rally behind Hensarling.

“The leadership, even if they share Lucas and others’ frustration, probably don’t want to engage in that fight,” Gardner said.