

**Testimony of Mark A. Calabria, Ph.D., nominee for Director, Federal Housing Finance Agency
Before the United States Senate Committee on Banking, Housing and Urban Affairs**

February 14, 2019

Chairman Crapo, Ranking Member Brown and distinguished members of the Committee, I thank you for the opportunity to appear before the Committee today as the nominee for Director of the Federal Housing Finance Agency (FHFA).

I also want to thank the President for the trust and confidence placed in me for this nomination. Additionally I want to express my deep appreciation to Vice President Pence. Serving as Chief Economist for the Vice President has been one of the greatest honors of my life.

It perhaps rivals the other great privilege of my career, which has been to serve on the staff of this Committee. I take tremendous pride in having served on the Committee staff under Senator Shelby. While GSE reform was eventually passed in 2008, the structure of that reform largely mirrors the Shelby bills of 2004 and 2005. If anyone is the legislative father of FHFA, it is Senator Shelby.

I believe being part of the process that resulted in the Housing and Economic Recovery Act of 2008 (HERA) has also given me unique and valuable insights into the mission and history of FHFA. I well remember the short comings of its predecessors, OFHEO and the FHFB.

I was also extremely fortunate to serve on the Committee staff during the leadership of Senator Paul Sarbanes. While I did not always agree with his policy positions, I have strived to live up to the standards of professionalism and conduct he set for this Committee. Particularly Senator Sarbanes' belief that it is indeed possible to disagree without being disagreeable.

I take great pride in the fact that I continue to count a number of former Sarbanes staff as friends.

Speaking of friends, it is also a true pleasure to be sitting at the table today with three gentlemen I have the privilege of calling friends.

I also want to recognize my partner, Allison Randall, who is here with me today. Allison's life-long work to end domestic violence has been a daily inspiration to me.

I have to thank the Committee here as well, as Allison and I met working on the 2005 reauthorization of the Violence Against Women Act, whose Title VI: Housing Opportunities and Safety for Battered Women and Children, was the product of this Committee.

Lastly, I want to recognize my mother, Janie Jones, who is here with me today. I know my sitting at this table is only possible due to the many sacrifices made by my mother. I doubt I could have done half the job she did, for many years as a single mother raising four children.

It was also my mother's twenty plus years working for the County of Fairfax Virginia that instilled in me a deep respect for public service.

As she spent her service there in the Comptroller's office, she also instilled in me the unavoidable reality that whatever the goals of government, the numbers have to add up.

While the primary focus of FHFA is on our nation's mortgage markets, the last piece of legislation I was privileged to work on for this Committee was the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009. It was a particular honor working with Senator Reed and his staff to strengthen our nation's homelessness assistance programs to better service homeless families, especially those living in rural America.

Homelessness and rural housing are only a few of the areas I have worked on. During my service on the Committee staff I worked on over 20 pieces of legislation that became law, mostly in the areas of housing and mortgage finance.

In addition to my Committee experience, I briefly oversaw HUD's regulation of the mortgage market, primarily under RESPA.

I have also spent a number of years performing economic research on the housing and mortgage market for two of the largest housing industry trade associations.

I have spent the last twenty some years researching and writing about our nation's housing and mortgage markets. I believe I have successfully mastered not just the economics of our housing and mortgage markets, but also the legal and policy details. I believe that particular combination of skills and strengths makes me uniquely qualified to serve as the director of FHFA.

As the members of the Committee are perhaps aware, I have an extensive record of writings in the area of mortgage finance. I have on a few occasions expressed strong opinions on the history and future of our mortgage finance system. I have most definitely expressed, and express here today, a frustration with the current state of our mortgage system and the need for reform.

Despite that frustration, I want to very clearly state to this Committee, that if confirmed, my role as Director of FHFA is to carry out the clear intent of Congress, not to impose my own vision.

I have even brought with me today my nearly decade old, dog-eared personal copy of HERA. Whatever the policy issue, my first question will always be "what does the statute say?"

Let me close by emphasizing that I believe we are truly at a critical juncture in housing finance policy. Families across America face heavy burdens making their rent or mortgage payments in many cities, towns and states, as well as the unique barriers faced in our rural and tribal communities.

I also strongly believe that shelter is one of the most critical of basic needs facing any family. Whether it is rented or owned, American families need an affordable place to call home.

I thank you for your consideration today and look forward to your questions.