

Congressman Gary Ackerman's Statement

March 1, 2011

“Mortgage Finance Reform: An Examination of the Obama Administration's Report to Congress”

Thank you, Mr. Chairman,

Secretary Geithner, I think we all share many of the same goals for the future of mortgage finance in the United States. There is, I would imagine, unanimous agreement that we all want a system that actually works and doesn't contribute to bringing the American consumer and the American economy to the brink ever again. I think a system that functions and serves homebuyers would be vastly preferable to the Wild West of the last decade. I am sure you will agree.

Congress must create a new system that protects consumers from exploitation. A system in which consumers are offered loans at rates they can actually pay, with terms they can actually understand. The new consumer finance protections must be stringently enforced. For too long the game was rigged against the people it was supposed to serve and that's going to change, it must change. It is critical that in this future system money flows to credit-worthy borrowers in both good times and bad. Most of all, long term, fixed-rate financing must continue to be an affordable option for homebuyers. And, if an investor wants to buy a mortgage security, that investor should feel confident-in fact be certain-that they are not buying a AAA-rated pile of garbage.

So far, the questions regarding GSE reform have been theoretical. The mortgage finance system of the future will not exist theoretically. It is not going to exist in a think tank; it is going to exist in people wallets and the homes that it will provide will be our neighborhoods. It will be a reality and when we discuss mortgage finance it is crucial that we frame the issue properly: This is the largest and most important investment most American families will ever make. It's critical that we get this right and it is critical we protect the American consumer. I appreciate your efforts towards creating a system that works.