

Statement of Congressman Gary G. Miller
Hearing on Regulatory Oversight of the Government Sponsored Enterprises
House Committee on Financial Services

September 10, 2003

As a homebuilder and developer for more than 30 years, I have witnessed what answering the needs of homebuyers can mean to a community. This country is home to people of many different origins, but everyone has the same dream - to own their own home. In my career, I have enjoyed watching many people achieve this dream.

I have made helping Americans achieve the dream of homeownership one of my top priorities in Congress. I firmly believe that homeownership benefits our communities and national economy. Indeed, it is the key to promoting long-term economic stability for our citizens and nation.

Government Sponsored Enterprises (GSEs) have been at the forefront of creating affordable housing opportunities for American families. In my district, for example, Fannie Mae has created employer-assisted housing programs for the City of Brea Police Department to allow police officers to live in the communities they serve. They have helped to finance affordable housing initiatives in Anaheim, California. Across the district, they have been able to offer innovative programs to allow those with blemished credit to afford the dream of homeownership, to help seniors convert the equity in their homes into cash to help them meet their needs, and to help families and individuals with special needs become homeowners. All of this, in partnership with lenders, is intended to meet the ever-growing needs of our communities.

As we move forward in addressing deficiencies in GSE supervision, we must not lose sight of Congress' original goal in chartering GSEs. The mission of Fannie Mae and Freddie Mac is to provide stability and on-going assistance to the secondary market for residential mortgages, and to promote access to mortgage credit and homeownership in the United States. Regardless of the regulatory reforms we make, Congress must be unwavering in our commitment to help Americans achieve the dream of homeownership and continue to ensure the accessibility of mortgage funds at the lowest cost. We must completely understand the implications of changes to the regulatory structure in meeting the goals of the charter, being careful not to inadvertently hinder the ability of GSEs to be innovative in meeting the needs of potential homebuyers.

While there is no question that regulatory changes must be made to ensure the safety and soundness of the secondary mortgage market, I urge my colleagues to remain mindful that strong regulation provides a means to achieve our ultimate goal of expanding the supply of affordable mortgage credit across this nation. I look forward to hearing from Secretary Snow and Secretary Martinez for suggestions on how to best sustain America's robust housing finance system into the future.