

Opening Statement by Robert Hurt for 7-13-11 IH Subcommittee Hearing on “Mortgage Origination: The Impact of Recent Changes on Homeowners and Businesses”

I thank the gentlelady for yielding, and I am grateful for her leadership as this subcommittee conducts another hearing today to examine the ways in which federal regulations are affecting the housing market.

As we approach the one-year anniversary of the Dodd-Frank Act, the Financial Services Committee has conducted important oversight of this sweeping law and the many sectors of the economy that it affects. It is critical that we closely monitor the litany of rulemaking activities required by this law and ensure that we understand all of the potential consequences of its implementation.

In the context of today’s hearing, we consider that not only are a number of new rules in development relating to mortgage origination, but also that many of those rules, along with existing regulatory mechanisms, will soon shift from various federal agencies to the Consumer Financial Protection Bureau. We should examine the scope of each individual rule on its merits, and we must also consider the effects of the entirety of the regulatory framework during this time of transition.

While no one disputes that we should take appropriate action to protect consumers, we must not allow poorly crafted regulations to harm the very stakeholders that they are intended to benefit - in this case, prospective homebuyers and current homeowners. It is more important for these regulations to be effective rather than excessively prescriptive. Effective regulation will draw private capital back into the housing market and facilitate a sustainable recovery in this vital economic sector.

Again, I’d like to thank Chairman Biggert for holding this important hearing today. I look forward to hearing from the witnesses. I yield back the balance of my time.