

MEMORANDUM

To: Members of the Committee on Financial Services
From: FSC Majority Staff
Date: November 30, 2017
Subject: Housing and Insurance Subcommittee Hearing Entitled “Sustainable Housing Finance: Private Sector Perspectives on Housing Finance Reform, Part IV”

On Wednesday, December 6, 2017, at 10:00 a.m. in Room 2128 of the Rayburn House Office Building, the Housing and Insurance Subcommittee will hold a hearing entitled “Sustainable Housing Finance: Private Sector Perspectives on Housing Finance Reform, Part IV.”

It has been more than nine years since the collapse of the national housing market and the financial crisis. While the Federal Housing Finance Agency placed both Fannie Mae and Freddie Mac in conservatorship on September 6, 2008, the legislative response to the financial crisis, the Dodd-Frank Wall Street Reform and Consumer Protection Act, did not include any reforms to either the Federal Housing Administration or the Government Sponsored Enterprises (Fannie Mae and Freddie Mac). The hearing will provide the Subcommittee with views and perspectives on the need to enact comprehensive housing finance reform, the legal, statutory or regulatory impediments to the return of private capital to the housing finance system, and what factors and metrics Congress should consider to reform the housing finance system.

Specifically, the hearing will explore the role of credit enhancements and credit risk transfers in the U.S. housing finance system. The Subcommittee will examine the effectiveness of these tools to transfer risk from the Government Sponsored Enterprises (GSEs), and its potential to place private capital ahead of any losses to taxpayers as part of comprehensive housing finance reform. The hearing will look at the various types of credit risk transfers available in today’s marketplace, as well as examine ideas to reduce or eliminate barriers and impediments to unleash more private capital into these programs.

This will be a one-panel hearing with the following witnesses:

- Mr. Michael S. Canter. Director, US Multi-Sector and Securitized Assets, Alliance Bernstein L.P.
- Dr. Susan M. Wachter, Sussman Professor, Professor of Real Estate and Finance, The Wharton School, Co-Director Penn Institute for Urban Research, University of Pennsylvania
- Mr. Jeffrey N. Krohn, Managing Director, Guy Carpenter & Company, LLC
- Mr. Andrew Rippert, CEO, Global Mortgage Group, Arch Capital Group, Ltd.
- Mr. Patrick Sinks, CEO, Mortgage Guaranty Insurance Corporation, on behalf of the U.S. Mortgage Insurers

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