

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

January 6, 2017

The Honorable Loretta E. Lynch
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

The Honorable Julián Castro
Secretary
U.S. Department of Housing & Urban
Development
451 7th Street, SW
Washington, D.C. 20410

Dear Madam Attorney General and Mr. Secretary:

In light of President-elect Donald Trump's recent nomination of Steven Mnuchin to be his Secretary of Treasury, I write to request that the Department of Justice (DOJ) and the Department of Housing and Urban Development (HUD) act quickly to expedite and release as much information as possible regarding any investigations into Mr. Mnuchin's involvement in fraudulent or discriminatory activities during his tenure as the CEO of OneWest Bank. I have grave concerns about the ability of the incoming administration to take unbiased action towards one of its own cabinet members, and I urge you to do everything in your power to ensure that justice is served for those homeowners that fell victim to the illegal activities of OneWest.

I understand that two advocacy groups from my home state of California have filed an official complaint with HUD regarding OneWest, alleging that the bank violated and continues to violate the Fair Housing Act. For example, the complaint alleges that OneWest kept REO homes in predominately white neighborhoods well maintained while neglecting REO homes in neighborhoods of color. These are the kinds of pernicious, discriminatory practices that condemned families and communities of color to suffer disproportionately from the housing crisis, and they should not be taken lightly by the Administration.

I am also aware of reports regarding OneWest's aggressive foreclosure actions that unfairly forced homeowners out of their homes, particularly elderly homeowners participating in HUD's reverse mortgage program. For example, ProPublica has reported that OneWest's reverse mortgage division has conducted a disproportionately high percentage of the nation's reverse mortgage foreclosures, with numerous examples of foreclosures with legally questionable bases.

Mr. Mnuchin profited from his role at Goldman Sachs, helping to push the kinds of risky mortgage products that ultimately crashed the housing market and our economy. He then went on to profit from his role at OneWest, pushing families out of their homes without proper due process despite the fact that they were struggling as a direct result of the crisis and the risky mortgage products that he himself had helped bring about. He should not now be allowed off the hook only because he is poised to be in a position wherein a sympathetic new administration fails to properly investigate his actions. The homeowners that were unfairly pushed out of their homes deserve better than that, and I urge you to fight for them until your very last day in office.

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The Honorable Julián Castro
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Thank you for your consideration of this important issue.

Sincerely,

A handwritten signature in black ink that reads "Maxine Waters". The signature is written in a cursive, flowing style with a long horizontal line extending from the end of the name.

MAXINE WATERS
Ranking Member