

## **Johnson Opening Statement on Housing Finance Hearing**

**WASHINGTON** – Today, Senate Banking Committee Chairman Tim Johnson (D-SD) held the second in series of hearings on the state of the housing market and barriers to economic recovery. The Committee heard from HUD Secretary Shaun Donovan, Federal Reserve Board Governor Elizabeth Duke, and Federal Housing Finance Agency Acting Director Edward DeMarco.

*Below is Chairman Johnson's statement as prepared for delivery:*

“I thank our witnesses for joining us. Today's hearing is part two of our examination of the state of the housing market and steps that can be taken in the near term to remove housing market barriers to economic recovery.

“This committee has undertaken a bipartisan, in-depth look at long-term housing finance reform. I hope to continue this effort with additional hearings and by working with Ranking Member Shelby and Committee members to seek bipartisan consensus. In today's hearing, we will focus on the immediate problems confronting the housing market and the larger economy, which is a critical first step in finding a long-term solution.

“In January, the Federal Reserve released a white paper entitled “The U.S. Housing Market: Current Conditions and Policy Considerations.” In this paper, the Fed stated that “continued weakness in the housing market poses a significant barrier to a more vigorous economic recovery.”

“As I stated during our February 9<sup>th</sup> hearing on this topic, I share the concern that ongoing challenges in the housing market are acting as a drag on economic recovery. I want to find practical solutions to help overcome them.

“Today's hearing provides a good opportunity to discuss the current housing market environment with regulators and the Administration's top housing official. I would like to hear from our witnesses about potential solutions, both legislative and administrative.

“In addition to the Federal Reserve's recent White Paper, other analysts, regulators, and the Administration have offered up options and proposals to address barriers to housing and economic recovery. Earlier this month, the Administration outlined a new Housing Plan to give more families the opportunity to refinance at today's low rates. Just yesterday, the Federal Housing Finance Agency announced its first pilot sale in an Initiative to address the large volume of Real Estate Owned properties held by the Government-Sponsored Enterprises.

“At our February 9<sup>th</sup> hearing, the witnesses and a number of Committee members on both sides of the aisle cited helping families refinance at today's low interest rates as a powerful example of an action that would help bolster the housing market and stabilize housing prices. This is particularly true for mortgages held by the GSEs. I would like to see the FHFA take additional steps to facilitate refinancing for families currently stuck in higher-interest mortgages held by

Fannie and Freddie. I look forward to hearing more from Acting Director DeMarco on steps that FHFA is planning to take to speed these refinancings.

“Without a robust housing market recovery, our economy will continue to drag and millions of Americans will continue to struggle to make ends meet. I look forward to continuing to work with our witnesses and members of the Committee to find workable solutions to improve the housing market and lead us further down the road to prosperity.”