

**Senate Committee on Banking, Housing, and Urban Affairs**  
*“The Administration’s Report to Congress: Reforming America’s Housing  
Finance Market.”*

**Tuesday, March 15, 2011 – 10:00 A.M.; 538 Dirksen**

**OPENING STATEMENT OF SENATOR MICHAEL BENNET**

Mr. Chairman, thank you for holding this important hearing.

With this hearing, we start the difficult process of reforming our housing finance system and reducing the government’s role in the secondary mortgage market.

As we start our work, it’s critical that we remember that families across the country continue to struggle in this difficult economy. In Colorado, one property out of forty had some form of a foreclosure filing making the state tenth in the nation when it comes to foreclosure problems. Between foreclosure sales and vacant homes, there are reminders across Colorado of how the failure in our housing market has fundamentally changed our lives.

Problems with Fannie Mae and Freddie Mac are emblematic of a financial system that had spun completely out of control. As the subprime lending boom escalated, Fannie and Freddie sought to maximize their profits by entering this unstable market. By doing so, they undermined their financial integrity and exposed taxpayers to billions of dollars in risk.

Moving forward, we need to ensure that the American taxpayer will not be subject to such exposure again. We also need to reduce the government’s involvement in the secondary mortgage market. Finally, these reforms must ensure that middle-income families can still attain the American dream of home ownership.

I look forward to this challenge.

Thank you Mr. Chairman.