

**Statement by Michael R. Bright**  
**Nominee for President, Government National Mortgage Association**  
**Before the Committee on Banking, Housing, and Urban Affairs**  
**United States Senate**  
**July 24, 2018**

Chairman Crapo, Ranking Member Brown, and distinguished members of this committee, thank you for inviting me here today. It is an honor to appear before you as the nominee to be the President of the Government National Mortgage Association, or Ginnie Mae.

Let me take a moment to quickly thank my family who is here. I'm joined by my wife, Maggie, and my son, Mac. My daughter Margaux, who is 5, is at her grandparent's house in Florida, probably watching on the computer. All 3 of them have been incredibly supportive of me since coming to Washington, and that comes despite the many nights of coming home tired, grumpy, and distracted with work. I know that I ask a lot of them, and I am always thankful for their love and support.

In addition to being a father, for the past twelve months it has been my honor to serve as the Executive Vice President and Chief Operating Officer of Ginnie Mae. I'd like to tell you a little about what I have learned, and what I think still needs to be done.

Ginnie Mae was created in 1968 when Congress spun off Fannie Mae as a government-sponsored *private* company and retained Ginnie as a complimentary government corporation given the task of facilitating the securitization of certain mortgages with an explicit, transparent, and paid for government guarantee. Ginnie Mae has since evolved into a \$2 trillion government security with a focus on facilitating lending to low and moderate income, rural, urban, and veteran borrowers.

Today, Ginnie Mae's bond and Ginnie Mae's brand are globally recognized as the most pristine mortgage security in the world. This is because of Ginnie Mae's track record of success and our robust process for ensuring the timely payment of principal and interest to security holders. Ginnie Mae has never missed a payment in its 50 years of existence, even during the financial crisis. That is exactly what an explicit government guarantee is meant to provide and delivering on that mission is what we do every single day.

The day job of managing the roughly 150 employees of Ginnie Mae has been an incredibly rewarding experience for me over the past year. Ginnie has some of the most dedicated, knowledgeable, and mission-focused professionals I have ever worked with. They are squarely focused on the challenges of dealing with both Ginnie's growth and the evolving nature of the U.S. mortgage market.

To address these challenges, over the past twelve months we have launched a modernization campaign called "Ginnie Mae 2020," a three-year strategic plan that will have our data centers running on cutting edge technology, realign our counterparty risk management framework, help bring in additional financing for mortgage servicing rights, and expand our global investor base through outreach and education in dozens of countries around the globe. All these efforts are well under way, some are even nearing completion, and we are very excited about the promise they hold for the future of our organization.

One issue I have worked with many of you on this past year is that of so-called “VA loan churning,” or the rapid refinancing of VA loans with little or no benefit to the borrower, as well as the making of VA loans at interest rates higher than a veteran should be getting. I want to specifically thank Senators Tillis and Warren for their leadership on this issue. Between the work we have done administratively at Ginnie as well as the language recently passed into law, we have taken a major step towards rooting out behavior that was threatening the very viability of the Ginnie security, and thereby threatening the viability of the VA, USDA, and FHA programs we support. We will not tolerate this behavior, and we now know that Congress stands with us. Collectively, our efforts are working. We can already see that in the form of a better security price, which directly translates into lower rates for FHA, VA, and USDA borrowers.

I didn’t begin my career in Washington. I came here after working in my twenties on mortgage trading desks in Los Angeles and Charlotte, including through the financial crisis. During that time, I learned thousands of lessons that I place into two thematic buckets: First, I learned that the mortgage market is incredibly technical and enormously complex. I feel honored to be able to use the technical knowledge I gained to serve a broader public policy mission that benefits all Americans. Second, I learned that greed and unbridled ambition can be dangerous realities, and if left unchecked in the housing market, the consequences can be disastrous. I came to Washington in large part to help ensure we never repeat the 2008 financial crisis, and I wake up every day with that mindset still.

I also want to say thank you to the members and staff that I have been privileged to work with in the past, most especially Senator Corker. Working with Senator Corker, Senator Warner, Senator Crapo, and other members of this committee as a staffer was a tremendous honor and an experience I still think about every single day.

Going forward, my main goals for Ginnie Mae are to ensure that the agency is well run, and that the agency can continue to serve its statutory obligations to help ensure a stable U.S. housing market. There is much to be done, and I look forward to the task.

Thank you.