

## **Johnson Opening Statement on Mortgage Refinancing Hearing**

**WASHINGTON** – Today, Senate Banking Committee Chairman Tim Johnson (D-SD) held a hearing entitled “Expanding Refinancing Opportunities to Improve the Housing Market.” The Committee heard from HUD Secretary Shaun Donovan, discussed the state of the housing market and explored potential legislative and regulatory options to help responsible homeowners refinance their mortgages and avoid foreclosure.

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

“Our housing market faces dual problems – the continued lag in the housing recovery which is creating impediments to fixing the second problem - the need for large-scale, long-term housing finance reform. While the Committee continues to be concerned about the long-term structure of the housing finance system, today’s hearing takes a closer look at one of the strategies to improve the struggling housing market.

“During our hearings on the state of the housing market, several witnesses, including Secretary Donovan, discussed the need to expand refinancing opportunities for borrowers who were paying their mortgage. I would like to thank the Secretary for coming back to discuss this topic in greater detail.

“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.” One of the barriers identified in the white paper includes obstacles to refinancing at today’s low interest rates.

“The Administration’s Housing Plan also identifies removing barriers and expanding refinancing opportunities as part of the solution. While FHFA made some changes to the HARP program last year at the urging of Members of Congress and the Administration, I continue to hear from constituents and the housing industry that more could be done to encourage competition in the refinancing market and give homeowners more options.

“During a hearing in the Housing and Transportation Subcommittee two weeks ago, Senator Menendez outlined legislation he and Senator Boxer are working on to expand refinancing opportunities for borrowers with GSE held loans. I look forward to a further discussion of that legislation and any other proposals today.

“As I stated during our state of the housing market hearings on this topic, I share the concern that ongoing challenges in the housing market are acting as a drag on economic recovery. As we have heard many times in this Committee, there isn’t a silver bullet solution that will save the housing market, but several options implemented together could provide stability to the market. I hope that this Committee can work in a bipartisan fashion to find practical solutions to help overcome the barriers that are weighing down our housing recovery.”

