



Testimony of Sandra L. Thompson
Nominee to be the Director of the Federal Housing Finance Agency
Before the Committee on Banking, Housing, and Urban Affairs
United States Senate
January 13, 2022

Chairman Brown, Ranking Member Toomey, and members of the Committee. I first want to thank President Biden for nominating me to serve as the Director of the Federal Housing Finance Agency (FHFA), it is the greatest honor of my career to appear before you today.

Thank you to the Senators and the staff members with whom I have met in advance of this hearing. If I am fortunate enough to be confirmed, I look forward to meeting with and working with all of you on the important issues at the FHFA.

I would like to introduce my sons, Jarrett and Aaron Nobles, who are here with me today. And I would like to recognize and thank my parents, Herman and Helen Lathan. While due to COVID considerations they are not able to be here in person, the fact that my parents are still alive to witness today's hearing is very meaningful to me. I was born and raised on the South Side of Chicago to my extraordinary parents who came to Chicago from Mississippi as part of the Great Migration. My parents and family, along with the Chicago Public School system, and my beloved Howard University right here in Washington, D.C. taught me hard work, determination, commitment, and perseverance. I would like to specifically recognize the schools I attended that helped me succeed: McDade Elementary School, Gillespie Jr. High School, and Lindblom Technical High School, all on the South Side.

My nomination for Director of the FHFA is a great privilege. I recognize that it is rare for a career public servant to have the opportunity to lead a federal agency, and, as the first African American woman nominated for this position, I appreciate the opportunity to demonstrate my expertise, good judgement, and leadership in this position.

I am proud of the work we have done at FHFA in my eight years there. The Agency plays a vital role in both promoting access to mortgage credit nationwide and protecting the safety and soundness of the housing finance system through our supervision of Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System (housing GSEs).

Throughout my 40-year career, with experience in mortgage markets and Federal financial regulation at multiple agencies, I have seen what it takes to lead a Federal agency and be effective in that role. In my work at FDIC and FHFA, I have demonstrated leadership, management ability, an understanding of the secondary mortgage markets and industry, a fair and balanced perspective, and a strong belief in the importance of the safety and soundness of America's financial institutions.

During my time in Federal financial institution regulation, I have witnessed and worked to end several financial crises. These crises exposed some truths in housing finance. When I served as the FDIC's head of supervision and consumer protection throughout the 2008 financial crisis, I witnessed firsthand the consequences of irresponsible lending when hundreds of banks across the country were closed and a record number of homes went into foreclosure.

Testimony of Sandra L. Thompson
January 13, 2022

I saw how the borrowers who received unsustainable loans and predatory loan products were devastated in the downturn. And historically underserved and disadvantaged communities were hit especially hard. Years of progress in closing the homeownership and wealth gaps were erased as a result. In fact, today the Black-White homeownership gap is wider than it was in the 1960s, when lending discrimination based on race was still legal.

As a financial regulator, I have long believed that safety and soundness and access to credit are not mutually exclusive. Broad, fair access, and the stability of financial institutions work together as pillars of the nation's housing finance system. Indeed, sustainable access to credit requires sustainable lending standards. FHFA will continue to promote sustainable and equitable access to credit in a safe and sound manner. We will responsibly focus our efforts on the safety and soundness mission Congress gave to FHFA and on the mission that Congress gave the housing GSEs under our supervision— providing liquidity across the nation and especially supporting underserved markets like rural and tribal areas, manufactured housing, and preserving affordable housing.

If confirmed, it would be an honor for me to serve as the FHFA Director, and I will continue to be fair, balanced, and transparent. Thank you for the opportunity to testify before you today. I am happy to answer any of your questions.