

Former CBC Chair Watt Nominated to Head Housing Agency

Written by Zenitha Prince
Wednesday, 08 May 2013 00:00

Untitled document



President Obama has nominated former Congressional Black Caucus (CBC) Chair Mel Watt to head the Federal Housing Finance Agency (FHFA), which regulates government-backed mortgage giants Fannie Mae and Freddie Mac.

CBC Chair Marcia Fudge (D-Ohio) had earlier suggested Watt as a choice for Secretary of Commerce and was one of several critics who had questioned the homogeneity of the president's cabinet, but praised Obama for his choice of Watt.

"I congratulate President Obama and his Administration for making such an outstanding choice.... Rep. Watt will be the transformational leader the FHFA needs to make sure this country stays on the path to full economic recovery," she said in a statement.

In making his announcement on May 1, President Obama said Watt is the right leader to build on successes and continue the work of healing the crippled housing industry.

"Seven years after the housing bubble burst, triggering the worst financial crisis of our lifetimes and costing Americans millions of jobs, and, in some cases, their homes, our housing market is finally beginning to heal. [But] there are a lot of areas where we can make significant improvement," Obama said, speaking from the White House State Dining Room. "And one of the best things I can do is to nominate Mel Watt to lead the Federal Housing Finance Agency."

Former CBC Chair Watt Nominated to Head Housing Agency

Written by Zenitha Prince

Wednesday, 08 May 2013 00:00

The 11-term Democratic congressman from North Carolina has served on the powerful House Financial Services Committee for two decades. He is known for his efforts to combat predatory lending, and to promote homeownership among lower-income Americans.

“Mel has led efforts to rein in unscrupulous mortgage lenders, he’s helped protect consumers from the kind of reckless risk-taking that led to the financial crisis in the first place, and he’s fought to give more Americans in low-income neighborhoods access to affordable housing,” Obama said of Watt’s years of service on the financial services panel.

“[He] understands as well as anybody what caused the housing crisis,” Obama added. “He knows what it’s going to take to help responsible homeowners fully recover, and he’s committed to helping folks who work really hard, play by the rules day in and day out to provide for their families.”

If confirmed by the Senate, Watt will replace Edward DeMarco, FHFA’s acting director for more than three years.

During his tenure, DeMarco has helped bring the mortgage financiers back into the black, even as he sought to reduce their near-monopoly of the housing industry. But DeMarco was often the target of Democrats, who criticized his handling of the foreclosure crisis and his unwillingness to implement a White House-supported plan that would help homeowners whose outstanding loan balances exceeded their homes’ equities to reduce the principal.

Earlier this year, 45 lawmakers s led by Rep. Elijah E. Cummings (D-Md.), ranking member of the House Committee on Oversight and Government Reform, wrote a letter to the president, criticizing DeMarco’s performance and urging him to nominate someone “who is ready and willing to implement all of Congress’ directives to meet the critical challenges still facing our nation’s housing finance markets.”