

Incoming MBA President Potentially Hindered by Revolving Door Policy

By: Jann Swanson | Wed, Mar 16 2011, 4:55 PM

A day after the Mortgage Bankers Association (MBA) announced the **resignation** of CEO John Courson and the appointment of David Stevens to replace him, the MBA's choice of Stevens seems a little puzzling.

MBA is the national association representing the real estate finance industry. That makes them lobbyists. David Stevens is currently the Assistant HUD Secretary and Commissioner of the Federal Housing Administration (FHA). According to **"The Revolving Door Ban"** contained in Part (5) of the Ethics Commitments by Executive Branch Personnel, which Stevens would have signed when he was appointed to head the FHA, he isn't eligible to lobby any member of the executive branch for the mortgage finance industry.

"In addition to abiding by the limitations of paragraph 4, I also agree, **upon leaving Government service, not to lobby any covered executive branch official or non-career Senior Executive Service appointee for the remainder of the Administration.**"

So how do this rule and Steven's new job coexist?

Tim Rood, Partner and Managing Director of Collingwood LLC said that **Stevens could find himself somewhat hamstrung when it comes to policy aspects of his new job.** He cited recent rumors that conventional mortgages might be subject to risk retention rules under the Dodd-Frank Act. "This could prove to be challenging because Stevens will have lots of constituents pushing for MBA to work for a reversal of the rule, and he might have to leave it all up to his staff." Rood pointed out that, if President Obama is reelected, Stevens might have to isolate himself from the Administration for six long years.

Of course, there are three branches of government, and **the Revolving Door Rule only applies to the Executive one.** Stevens is an old hand at working with Congress and given the amount of time he has spent testifying to various House and Senate Committees, he probably knows the players who deal with housing, finance, and the economy as well as anyone. Still, with the Republicans very much in control of the show on the House side and the Democrats barely hanging on to power in the Senate, choosing a representative fresh out of a Democratic administration to be the face of your organization on the Hill is a little quixotic.

A HUD spokesperson said that as soon as Stevens entered discussions with MBA he began working closely with the HUD's Office of General Counsel to ensure he complied with both the letter and the spirit of the Obama Administration's "Revolving Door Ban". Stevens, the spokesman said, will recuse himself from any matters that come to the FHA involving MBA or its affiliated groups between now and March 31 when his resignation becomes effective. **Once he is officially employed by the association he will conduct himself in conformance with the lobbying rules.** "It is critical," the spokesperson said, "that there not be even an appearance of a conflict of interest between Mr. Steven's present and future roles."

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