

# Mel Watt Officially Nominated to Head FHFA

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Confirming earlier speculation, President Barack Obama this afternoon nominated Congressman **Mel Watt** (D-NC) to be the **director of the Federal Housing Finance Agency (FHFA)**. Watt, who has served in the House of Representatives for 20 years, will succeed Edward J. DeMarco who has acted as director through most of the Obama presidency.

In announcing the nomination the President said the Congressman "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."

**Shaun Donovan**, Secretary of Housing and Urban Development said he applauded the President's nomination. "Mel brings to this position more than twenty years of expertise on the House Financial Services Committee and two decades in the private sector as a small business owner. He has a proven track record of fighting to rein in deceptive mortgage lenders, protect consumers from abusive financial practices, and expand affordable housing, as well as to generate bipartisan cooperation to find common ground on key issues."

**David H. Stevens**, President and CEO of the Mortgage Bankers Association offered no opinion on the selection but said Watts had a big job ahead of him. Noting that the two GSEs had been in conservatorship for almost five years Stevens said, "It is time to begin transitioning these companies, creating a strong secondary mortgage market that relies first and foremost on private capital with a limited government guarantee that can function for the long term. That needs to be the FHFA Director's number one priority."

"In the meantime, in order to sustain the burgeoning housing recovery, the FHFA director ought to ensure that the agency, as well as Freddie and Fannie, operate in a completely transparent manner. These entities currently dominate the mortgage market, and changes they make to programs and policies have profound implications for borrowers and lenders alike. That is why MBA has been, and will remain, a loud voice for an open and transparent process that requires FHFA, Freddie and Fannie to publish their proposals and directs them to fully consider input from all stakeholders on important policy matters."

Watt's confirmation is **far from assured**. Several Republican senators have already expressed opposition to the appointment including Senator Bob Corker (R-TN) who sits on the Senate Banking Committee which must vet the appointment. Corker said he **could not be more disappointed** in the President's pick.

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