

No Leadership Change at FHFA; Watt/Democrats will Try Again

By: Jann Swanson | Fri, Nov 1 2013, 1:34 PM

Despite statements of support from housing advocates, industry trade groups, and the White House the Senate yesterday refused to allow a vote on the President's nominee for Director of the Federal Housing Finance Agency (FHFA). The Senate voted 56-42 to end debate on the confirmation of Mel Watt. Under current Senate practice a vote of 60 is needed to bring cloture or end what is called the "**silent filibuster.**"

Watt's nomination was one of two the Senate refused to entertain within a one hour period on Thursday. The nomination of Patricia Millett to fill one of three vacant seats on U.S. Circuit Court of Appeals for the District of Columbia was also denied an up or down vote.

Republicans had objected to the nomination of Watt on the grounds he **lacked experience**. He has also expressed support for principal reduction as a tool for modifying loans held by Freddie Mac and Fannie Mae, something opposed by the current acting director of FHFA Edward J. DeMarco and some Republican members of Congress.

Senate Banking Committee member Bob Corker made the following statement after voting against the Watt confirmation. "I have said from day one that a technocrat, not a politician, should lead the FHFA, the regulator charged with overseeing the \$5 trillion portfolios of Fannie Mae and Freddie Mac," said Corker. "I hope the president will nominate a qualified technocrat with the expertise to play a constructive role in winding down Fannie and Freddie and modernizing our housing finance system."

Watt, a Charlotte, North Carolina attorney and since 1993 a member of the House of Representatives, has served on the House Financial Services Committee for **20 years**. His nomination was endorsed by the National Association of Realtors®, the National Association of Home Builders, and the Mortgage Bankers Association.

The cloture vote for Watt was along straight party lines except for Richard Burr, Watt's fellow member on the North Carolina Congressional Delegation, and Rob Portman of Ohio.

In a statement issued after the vote Watt says he **plans on keeping his name in contention** for the position. Senate Majority Leader Harry Reid says he will bring the nomination back to the floor for another vote.

The Center for Responsible Lending, a consumer group which supported Watt's nomination, issued the following statement yesterday afternoon. "CRL remains a strong supporter of Congressman Watt to head the Federal Housing Finance Agency. Rep. Watt is eminently qualified to run the agency and help put the housing market on the right path. We are deeply disappointed with today's outcome and urge the Senate to reconsider this important nomination."

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