



Americans for Financial Reform  
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## AFR Statement on Nomination of Mel Watt

We welcome President Obama's nomination of Representative Mel Watt of North Carolina to serve as the FHFA's new director. Representative Watt is a knowledgeable and thoughtful public servant and a longtime leader in the fight against predatory lending. As the overseer of Fannie Mae and Freddie Mac, the Federal Housing Finance Agency (FHFA) has a huge potential role to play in preventing needless foreclosures and stabilizing the housing market and the economy; Representative Watt can lead the agency to realize that potential.

The importance of new FHFA leadership was underscored again by a [Congressional Budget Office analysis](#) that came out on the day the nomination was announced. The CBO study confirmed that incorporating principal reduction into mortgage modification programs would prevent more foreclosures, help more families continue to pay their mortgages and stay in their homes, and reduce costs to the taxpayer. Unfortunately, the FHFA has refused to take such action because outcome-based considerations have been overwhelmed by Acting Director Edward DeMarco's extreme ideological position.

We need an FHFA committed to better results for homeowners, communities, and our economy as a whole, and we call on Senators to confirm Mel Watt without delay. It is past time for new leadership at FHFA, and we urge swift action to bring about that change.