

1 OPEN EXECUTIVE SESSION TO CONSIDER FAVORABLY REPORTING
2 THE NOMINATIONS OF KIPP KRANBUHL, SARAH C. ARBES, AND
3 JASON J. FICHTNER
4 WEDNESDAY, MARCH 11, 2020
5 U.S. Senate,
6 Committee on Finance,
7 Washington, DC.

8
9 The hearing was convened, pursuant to notice, at
10 10:14 a.m., in Room SD-215, Dirksen Senate Office
11 Building, Hon. Chuck Grassley (chairman of the
12 committee), presiding.

13 Present: Senators Crapo, Roberts, Enzi, Cornyn,
14 Thune, Burr, Portman, Toomey, Scott, Cassidy, Lankford,
15 Daines, Young, Sasse, Wyden, Cantwell, Carper, Cardin,
16 Brown, Bennet, Casey, Warner, Whitehouse, Hassan, and
17 Cortez Masto.

18 Also present: Republican staff: Nicholas Wyatt,
19 Tax, Infrastructure, and Nominations Policy Advisor.
20 Democratic staff: Michael Evans, Deputy Staff Director
21 and Chief Counsel; Tom Klouda, Senior Domestic Policy
22 Advisor; Ian Nicholson, Investigator; and Joshua
23 Sheinkman, Staff Director.

1 OPENING STATEMENT OF HON. CHUCK GRASSLEY, A U.S. SENATOR
2 FROM IOWA, CHAIRMAN, COMMITTEE ON FINANCE

3

4 The Chairman. Today we are meeting to consider
5 three nominations that this committee examined in our
6 hearing February the 5th. The first nominee we will
7 consider is Kip Kranbuhl, nominated to be an Assistant
8 Secretary of Treasury for Financial Markets.

9 This position is responsible for debt management.
10 In that capacity, he essentially works to finance the
11 Federal Government. Though this position certainly does
12 not set federal fiscal policy, which is done by the
13 Congress as a whole, this position does carry out the
14 day-to-day operations to keep the government funded so
15 that we can carry out our programs that our constituents
16 depend on.

17 We will also be voting on the nomination of Sarah
18 Arbes to serve as Assistant Secretary for Legislation at
19 HHS. The Assistant Secretary serves as the top advisor
20 to the HHS Secretary on legislative matters, and is the
21 primary liaison between those of us who are Senators and
22 the Department of HHS.

23 Ms. Arbes has served in an acting capacity since
24 June of last year. She has played a very vital role in
25 efforts to lower prescription drug costs and other

1 important matters. She has also served as a conduit of
2 information related to the virus outbreak that we are
3 now confronted with. HHS programs touch millions of
4 Americans, and the department is on the front lines of
5 combatting long-standing challenges, as well as this
6 emerging virus health threat.

7 It is important to have an Assistant Secretary of
8 Legislation that is confirmed by the Senate. More
9 importantly, it is vital that HHS respond to requests
10 from members of this committee in a constructive way.
11 And that has not always happened with HHS. Over the
12 past year, our Ranking Member Wyden and I have had
13 extreme difficulties in obtaining information that we
14 have requested through our oversight work. So Ms. Arbes
15 has been helpful in resolving some of these outstanding
16 issues, and I am confident that she will act diligently
17 to make further requests fruitful.

18 I support Ms. Arbes' nomination. I urge my
19 colleagues to join me in voting to advance her
20 nomination so that it can be taken up by the entire
21 Senate.

22 Finally, we will consider the nomination of Jason
23 Fichtner, nominated to the Social Security Advisory
24 Board, created as what the law says, "a bipartisan,
25 independent Federal Government agency established in

1 1994 to advise the President, the Congress, and the
2 Commissioner of Social Security on matters of policy and
3 administration" end quote.

4 The Social Security Advisory Board is comprised of
5 seven members. Dr. Fichtner is one of the three that is
6 appointed by the President. I intend to support all
7 three nominees and encourage my colleagues to do the
8 same.

9 And now I turn to Senator Wyden.

1 OPENING STATEMENT OF HON. RON WYDEN, A U.S. SENATOR FROM
2 OREGON

3
4 Senator Wyden. Thank you, Mr. Chairman. Just a few
5 remarks, colleagues, as I know it is a busy morning. I
6 plan to support Ms. Arbes's nomination to serve as HHS
7 Assistant Secretary for Legislation. In that role, she
8 will be the key liaison between the Congress and the
9 Department. We talk often in this room about the
10 extraordinary problems the Finance Committee Democrats
11 have had getting responses to oversight letters sent to
12 the Trump administration.

13 I appreciate that Ms. Arbes has a track record of
14 actually working to help. The Committee is going to
15 count on her to step up that effort and do considerably
16 more with respect to responses.

17 The Department faces a lot of big challenges and
18 serious questions, including when come to the handling
19 of the coronavirus. There is going to be a lot more to
20 say on those subjects in the days ahead.

21 Second, I am not going to support Mr. Kranbuhl's
22 nomination today. He has been nominated to a position
23 that has considerable influence over America's housing
24 policy. In my view, Mr. Kranbuhl's record shows that he
25 would take housing policy in the wrong direction, making

1 our housing market more volatile and less affordable for
2 working families. I think we need a much more activist
3 approach with respect to meeting housing needs.

4 Recently I have developed a new proposal called "The
5 DASH Act," The Decent, Affordable, Safe Housing for All
6 Program. I know my colleagues have ideas with respect
7 to housing policy. We are going to need a much more
8 activist approach with respect to meeting the needs of
9 the vulnerable and working families, and I have
10 questions with respect to his track record on whether he
11 would address those concerns.

12 I note that Senator Brown is here. He has been the
13 leading Democrat on housing issues. I think he has more
14 to say on the subject, as well, but I am going to be
15 opposing Mr. Kranbuhl's nomination.

16 Finally, colleagues, the toughest call for me today
17 deals with Mr. Fichtner's nomination to the Social
18 Security Advisory Board. Mr. Fichtner has taken
19 positions on issues that I have disagreed with since my
20 days with the Oregon Gray Panthers. However, that is
21 always going to be the case with some nominees from the
22 other Party. The Advisory Board does important work
23 with respect to consumer service information technology,
24 and the challenges that come with serving some of the
25 most vulnerable Social Security beneficiaries.

1 Mr. Fichtner comes with experience, actual
2 experience, in places that have worked to try to get the
3 kind of bipartisanship that we talk about here in this
4 committee. It is important to the Advisory Board's work
5 in what is a very difficult call for me today
6 personally on something I have put my life into, which
7 is the rights of seniors. I am going to support his
8 nomination today.

9 Thank you, Mr. Chairman.

10 The Chairman. Senator Brown, did you want to speak?

1 OPENING STATEMENT OF HON. SHERROD BROWN, A U.S. SENATOR
2 FROM OHIO

3
4 Senator Brown. I would, Mr. Chairman. Thank you
5 for allowing me to do that. I will speak only on Mr.
6 Kranbuhl, if I could speak for three or four minutes.
7 He has been nominated to serve as Assistant Secretary of
8 the Treasury for Financial Markets. He would be
9 responsible for housing finance policy, including reform
10 of the Government-Sponsored Enterprise, the GSEs.

11 He seems like a good and dedicated public servant.
12 He is an Ohioan. I think he means well, but I fear he
13 is the wrong person to address housing, the housing
14 challenges we face. Home ownership is an increasingly
15 elusive dream, particularly for communities of color.
16 In fact, the young African American today is less likely
17 to own her own home than at any time since the end of
18 the Great Depression.

19 Mr. Kranbuhl would not answer basic questions about
20 his plan for assistance to under-served communities.
21 The diverse -- we heard from him and his work that
22 stakeholders, we heard from stakeholders that reforms
23 should preserve the duty to serve, and serve affordable
24 housing goals. It should preserve the multi-family
25 market. It should boost funds for affordable housing.

1 But when the administration -- and I do not put this on
2 Mr. Kranbuhl, it starts at the top, it is the
3 President's just total lack of interest in affordable,
4 accessible housing -- when they released its
5 recommendation, Mr. Kranbuhl helped develop them, they
6 ignored any of that feedback.

7 He says that the affordability tools the GSAs have
8 today should be reformed. The affordable housing goals
9 should be replaced. Yesterday we heard from Ms.
10 Kraninger, the Director of the CFPB, there have been no
11 anti-discrimination actions made in housing by her
12 office.

13 Mr. Kranbuhl offered no explanation of how Treasury
14 would reform the existing tools designed to meet the
15 needs of under-served borrowers, particularly low-income
16 borrowers in communities of color.

17 Mr. Kranbuhl fundamentally offered no explanations
18 about his leaving out affordable housing goals.
19 Instead, he parroted back the Treasury's report
20 recommendations for reforms to these essential tools. I
21 have asked Mr. Kranbuhl how Treasury would address the
22 role of private equity in our housing system. We see
23 more and more discrimination, more and more attacks on
24 working class people of all races in housing policy
25 coming from this administration, allowing private equity

1 firms more and more, even in single-family homes, let
2 alone trailer manufactured housing, and lower income
3 housing complexes and apartment buildings.

4 He just said a dynamic housing market should
5 accommodate diverse forms of capital competing to
6 promote consumer choice. It really does not work that
7 way. I appreciate his willingness to learn more. I am
8 still willing to talk to Mr. Kranbuhl about how we can
9 do this. But because of the people in the White House
10 pulling his string, I am not optimistic. I am always
11 willing to try, and I know Senator Casey is the same, on
12 health care, and Senator Cortez Masto the same.

13 The report he helped author, the responses he gave
14 show that so far he does not understand the stakes for
15 millions of Americans who are in need of an affordable
16 place to call home. That is why I am opposing his
17 nomination.

18 And last, Mr. Chairman, I will not violate my 3
19 minutes here too much, I would like to enter two letters
20 opposing Mr. Kranbuhl's nomination into the record. The
21 first is from the National Urban League, NAACP, the
22 Housing -- Fair Housing Alliance, the Center for
23 Responsible Lending.

24 The second is from Americans for Financial Reform.
25 If he is confirmed, I hope Mr. Kranbuhl will still be

1 willing to learn --

2 Senator Wyden. Was my friend asking for something
3 to go in the record?

4 Senator Brown. And I ask these two to go into the
5 record.

6 The Chairman. Without objection, so ordered.

7 [The letters appear at the end of the transcript.]

8 Senator Brown. Thank you for your patience, Mr.
9 Chairman.

10 The Chairman. Senator Casey?

1 OPENING STATEMENT OF HON. ROBERT P. CASEY, JR., A U.S.
2 SENATOR FROM PENNSYLVANIA

3

4 Senator Casey. Mr. Chairman, just a comment on one
5 of the nominees today, Sarah Arbes. I am going to vote
6 yes on her nomination, but I have a real strong
7 complaint against the department.

8 The administration has not been responsive on a
9 whole range of requests for documents and information.
10 Ever more so and ever more egregious I think with regard
11 to requests of the Department of Health and Human
12 Services. You and the ranking member, Mr. Chairman,
13 have spent a lot of your time in the Senate doing
14 oversight and trying to obtain documents and information
15 from departments, whether they are controlled by
16 Democrats or Republicans.

17 All of this oversight is especially significant in
18 light of the country being in the vortex of a COVID-19
19 coronavirus challenge.

20 I have asked for -- just to give an example -- since
21 March of '19, I have been waiting for documents on
22 Medicaid. Since July of '19, waiting on documents on
23 Medicaid Managed Care. So despite that, I will vote in
24 favor of her nomination. But they have a lot of
25 explaining to do of why the hell it takes so long for

1 them to get documents and information in the course of
2 our oversight.

3 Thank you, Mr. Chairman.

4 The Chairman. Senator Wyden?

5 Senator Wyden. Mr. Chairman, thank you for the
6 courtesy. Not only is Senator Casey right, it should
7 not be essentially some kind of torture exercise to get
8 this kind of information, essential for bipartisan
9 oversight.

10 I will tell my colleagues I did not make up my mind
11 until last night whether I was going to vote for Sarah
12 Arbes, in spite of the fact that over the years Senator
13 Alexander and others, she has been one of the folks on
14 the other side of the aisle who would meet people like
15 us halfway. And I made it very clear to her in private
16 conversation that this has got to be a new day.

17 I mean, we have got challenges like the coronavirus
18 that just cannot be addressed with all this dawdling and
19 stall tactics, and stonewalling and the like. So I
20 appreciate, as we go to the vote, my colleague
21 mentioning it because I have been very blunt with Ms.
22 Arbes that it has got to be a new day. And the Chairman
23 has made that point, as well. So thank you for bringing
24 it up.

25 The Chairman. And I take off on the word that he

1 used "tortuous." Even when you get the documents, for
2 months and months we were only going to get them on
3 paper, never by email. And you can imagine the
4 mountains of paper you would get that would make it
5 impossible to go through. And then some of the -- even
6 when you get some of it on email, it was in a condition
7 you could not make sense of, tables, et cetera.

8 So now I have talked to the Secretary about that,
9 and I think we are getting some by email now -- maybe
10 all of them by email -- but you are not even getting
11 your documents. So I have gone through this, whether I
12 have been in the Majority of the Minority, whether you
13 have a Republican or a Democrat President. So I have
14 sympathy for what you are saying.

15 I will call on Cortez Masto.

16 Senator Cortez Masto. I'm ready to vote Mr.
17 Chairman.

18 Senator Wyden. I believe we do not have a quorum.

19 The Chairman. Okay, so then let me say that since a
20 quorum is not present, we will convene in the
21 President's Room S-216, Capitol Building, during a roll
22 call vote, which I think is scheduled and still going to
23 be happening at noon.

24 So I hope you can all help us get that sort of a
25 majority. Thank you, very much.

1 [Whereupon, at 10:29 a.m., the meeting was recessed,
2 to reconvene at the call of the chair.]

3 The executive session was reconvened, pursuant to
4 notice, at 12:00 p.m., in room S-216, The President's
5 Room, United States Capitol.

6 The Chairman. The committee will come to order. We
7 will continue this morning's session to report out the
8 three nominees. The first is the nomination of Kipp
9 Kranbuhl to be an Assistant Secretary of the Treasury.
10 I would entertain a motion to favorably report the
11 nomination of Mr. Kranbuhl.

12 Senator Crapo. So moved.

13 The Chairman. The clerk will call the roll.

14 The Clerk. Mr. Crapo?

15 Senator Crapo. Aye.

16 The Clerk. Mr. Roberts?

17 Senator Roberts. Aye.

18 The Clerk. Mr. Enzi?

19 Senator Enzi. Aye.

20 The Clerk. Mr. Cornyn?

21 Senator Cornyn. Aye.

22 The Clerk. Mr. Thune?

23 Senator Thune. Aye.

1 The Clerk. Mr. Burr?

2 Senator Burr. Aye.

3 The Clerk. Mr. Isakson?

4 Senator Isakson. Aye.

5 The Clerk. Mr. Portman?

6 Senator Portman. Aye.

7 The Clerk. Mr. Toomey?

8 Senator Toomey. Aye.

9 The Clerk. Mr. Scott?

10 Senator Scott. Aye.

11 The Clerk. Mr. Cassidy?

12 Senator Cassidy. Aye.

13 The Clerk. Mr. Lankford?

14 Senator Lankford. Aye.

15 The Clerk. Mr. Daines?

16 Senator Daines. Aye.

17 The Clerk. Mr. Young?

18 Senator Young. Aye.

19 The Clerk. Mr. Wyden?

20 Senator Wyden. No.

21 The Clerk. Ms. Stabenow?

22 Senator Wyden. No by Proxy.

1 The Clerk. Ms. Cantwell?
2 Senator Cantwell. No.
3 The Clerk. Mr. Menendez?
4 Senator Wyden. No by proxy.
5 The Clerk. Mr. Carper?
6 Senator Carper. No.
7 The Clerk. Mr. Cardin?
8 Senator Cardin. No.
9 The Clerk. Mr. Brown?
10 Senator Brown. No.
11 The Clerk. Mr. Bennet?
12 Senator Bennet. No.
13 The Clerk. Mr. Casey?
14 Senator Casey. No.
15 The Clerk. Mr. Warner?
16 Senator Warner. No.
17 The Clerk. Mr. Whitehouse?
18 Senator Whitehouse. No.
19 The Clerk. Ms. Hassan?
20 Senator Hassan. No.
21 The Clerk. Ms. Cortez Masto?
22 Senator Cortez Masto. e.No

1 The Clerk. Mr. Chairman?

2 The Chairman. Aye.

3 The clerk will announce the vote.

4 The Clerk. Mr. Chairman, the final tally is 15
5 ayes, 13 nays.

6 The Chairman. The "ayes" have it. The
7 nomination is ordered favorably reported.

8 The next nomination is Sarah Arbes to be an
9 Assistant Secretary of Health and Human Services. I
10 would entertain a motion to favorably report the
11 nomination of Ms. Arbes.

12 Senator Wyden. So moved.

13 The Chairman. The clerk will call the roll.

14 The Clerk. Mr. Crapo?

15 Senator Crapo. Aye.

16 The Clerk. Mr. Roberts?

17 Senator Roberts. Aye.

18 The Clerk. Mr. Enzi?

19 Senator Enzi. Aye.

20 The Clerk. Mr. Cornyn?

21 Senator Cornyn. Aye.

22 The Clerk. Mr. Thune?

1 Senator Thune. Aye.

2 The Clerk. Mr. Burr?

3 Senator Burr. Aye.

4 The Clerk. Mr. Isakson?

5 Senator Isakson. Aye.

6 The Clerk. Mr. Portman?

7 Senator Portman. Aye.

8 The Clerk. Mr. Toomey?

9 Senator Toomey. Aye.

10 The Clerk. Mr. Scott?

11 Senator Scott. Aye.

12 The Clerk. Mr. Cassidy?

13 Senator Cassidy. Aye.

14 The Clerk. Mr. Lankford?

15 Senator Lankford. Aye.

16 The Clerk. Mr. Daines?

17 Senator Daines. Aye.

18 The Clerk. Mr. Young?

19 Senator Young. Aye.

20 The Clerk. Mr. Wyden?

21 Senator Wyden. Aye.

22 The Clerk. Ms. Stabenow?

1 Senator Wyden. Aye by proxy.
2 The Clerk. Ms. Cantwell?
3 Senator Cantwell. Aye.
4 The Clerk. Mr. Menendez?
5 Senator Wyden. Aye by proxy.
6 The Clerk. Mr. Carper?
7 Senator Carper. Aye.
8 The Clerk. Mr. Cardin?
9 Senator Cardin. Aye.
10 The Clerk. Mr. Brown?
11 Senator Brown. Aye.
12 The Clerk. Mr. Bennet?
13 Senator Bennet. Aye.
14 The Clerk. Mr. Casey?
15 Senator Casey. Aye.
16 The Clerk. Mr. Warner?
17 Senator Warner. Aye.
18 The Clerk. Mr. Whitehouse?
19 Senator Whitehouse. Aye.
20 The Clerk. Ms. Hassan?
21 Senator Hassan. Aye.
22 The Clerk. Ms. Cortez Masto?

1 Senator Cortez Masto. Aye.

2 The Clerk. Mr. Chairman?

3 The Chairman. Aye.

4 The clerk will announce the vote.

5 The Clerk. Mr. Chairman, the final tally is 28
6 ayes, and 0 nays.

7 The Chairman. The "ayes" have it. The
8 nomination is ordered favorably reported. The final
9 nomination is Jason Fichtner to be a Member of the
10 Social Security Advisory Board for a term expiring
11 September 30, 2024. I would entertain a motion to
12 favorably report the nomination of Ms. Arbes.

13 Senator Wyden. So moved.

14 The Chairman. The clerk will call the roll.

15 The Clerk. Mr. Crapo?

16 Senator Crapo. Aye.

17 The Clerk. Mr. Roberts?

18 Senator Roberts. Aye.

19 The Clerk. Mr. Enzi?

20 Senator Enzi. Aye.

21 The Clerk. Mr. Cornyn?

22 Senator Cornyn. Aye.

1 The Clerk. Mr. Thune?
2 Senator Thune. Aye.
3 The Clerk. Mr. Burr?
4 Senator Burr. Aye.
5 The Clerk. Mr. Isakson?
6 Senator Isakson. Aye.
7 The Clerk. Mr. Portman?
8 Senator Portman. Aye.
9 The Clerk. Mr. Toomey?
10 Senator Toomey. Aye.
11 The Clerk. Mr. Scott?
12 Senator Scott. Aye.
13 The Clerk. Mr. Cassidy?
14 Senator Cassidy. Aye.
15 The Clerk. Mr. Lankford?
16 Senator Lankford. Aye.
17 The Clerk. Mr. Daines?
18 Senator Daines. Aye.
19 The Clerk. Mr. Young?
20 Senator Young. Aye.
21 The Clerk. Mr. Wyden?
22 Senator Wyden. Aye.

1 The Clerk. Ms. Stabenow?
2 Senator Wyden. Aye by proxy.
3 The Clerk. Ms. Cantwell?
4 Senator Cantwell. No.
5 The Clerk. Mr. Menendez?
6 Senator Wyden. No by proxy.
7 The Clerk. Mr. Carper?
8 Senator Carper. Aye.
9 The Clerk. Mr. Cardin?
10 Senator Cardin. Aye.
11 The Clerk. Mr. Brown?
12 Senator Brown. No.
13 The Clerk. Mr. Bennet?
14 Senator Bennet. Aye.
15 The Clerk. Mr. Casey?
16 Senator Casey. No.
17 The Clerk. Mr. Warner?
18 Senator Warner. Aye.
19 The Clerk. Mr. Whitehouse?
20 Senator Whitehouse. Aye.
21 The Clerk. Ms. Hassan?
22 Senator Hassan. Aye.

1 The Clerk. Ms. Cortez Masto?

2 Senator Cortez Masto. Aye.

3 The Clerk. Mr. Chairman?

4 The Chairman. Aye.

5 The clerk will announce the vote.

6 The Clerk. Mr. Chairman, the final tally is 24
7 ayes, and 4 nays.

8 The Chairman. The "ayes" have it. The
9 nomination is ordered favorably reported. I thank my
10 colleagues for their time. The committee is adjourned.

11 [Whereupon, at 12:35 p.m., the meeting was adjourned.]

12

	STATEMENT OF:	PAGE
1		
2	Hon. Chuck Grassley,	2
3	a U.S. Senator from Iowa,	
4	chairman, Committee on Finance	
5		
6	Hon. Ron Wyden,	5
7	a U.S. Senator from Oregon	
8		
9	Hon. Sherrod Brown,	8
10	a U.S. Senator from Ohio	
11		
12	Hon. Robert P. Casey, Jr.,	12
13	a U.S. Senator from Pennsylvania	



**National
Urban League**



NAACP



CRL

Center for Responsible Lending



March 10, 2020

The Honorable Charles Grassley
Chairman
Senate Finance Committee
SD-219
United States Senate
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
Senate Finance Committee
SD-219
United States Senate
Washington, D.C. 20510

Dear Chairman Grassley and Ranking Member Wyden:

The undersigned groups write to oppose the nomination of Kipp Kranbuhl to serve as Assistant Secretary for Financial Markets at the Department of Treasury.

As Assistant Secretary for Financial Markets, Mr. Kranbuhl would be charged with managing the Department of Treasury's work on housing finance reform. Mr. Kranbuhl would take this role at a time when the Department of Treasury and the Federal Housing Finance Agency (FHFA) are discussing both administrative and legislative reforms to our nation's housing finance system, including government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac. It is therefore critical that Treasury have an Assistant Secretary with a deep understanding of the GSEs' public mission and the role they play in facilitating access to affordable homeownership and rental housing for underserved borrowers and renters and in underserved communities.

Regrettably, Mr. Kranbuhl's work at the Department of Treasury demonstrates that he does not meet this test. While at Treasury, Mr. Kranbuhl helped author the Department of Treasury's Housing Reform Plan. Among its many harmful proposals, this plan would replace the GSEs' existing affordable housing goals, which ensure the GSEs meet their public mission of providing access to homeownership and rental housing that serves low- and moderate-income households, though Treasury offers no substantive alternative proposals. The Treasury report that Mr. Kranbuhl helped author also suggests that the GSEs' "statutory mandates should be reformed," which suggests reforms of the Duty to Serve underserved markets and funding to the Housing Trust Fund and Capital Magnet Fund. Taken together, Mr. Kranbuhl has proposed to eviscerate the affordable housing tools that help the GSEs serve their public mission and that disproportionately serve communities of color.

The proposals in the report Mr. Kranbuhl helped author do not stop at gutting the GSEs' public mission. The proposals also attempt to separate Federal Housing Administration (FHA) and GSE borrowers, effectively limiting consumers' choice, consumers who are disproportionately persons of color. And the report proposes "leveling the playing field" for highly profitable companies to compete with the GSEs by relaxing securities reporting requirements, increasing consumer prices, and allowing the Qualified Mortgage GSE "patch" to expire – all of which would hurt consumers, and particularly borrowers of color, and increase risk in the housing market. In short, the plan Mr. Kranbuhl has helped author would take us backwards to a time when the mortgage market was less transparent and provided less access to credit for borrowers of color.

These proposals are in direct contradiction to the civil rights community's principles for housing finance reform (see attached + the September NEC letter). Mr. Kranbuhl's record shows that he has not prioritized the housing needs of communities of color or low- and moderate-income households. We urge this Committee to reject his nomination.

Should you have any questions, please feel free to contact Clint Odom (codom@nul.org) at the National Urban League's Washington Bureau. Thank you for your consideration of our views on this critical matter.

Sincerely,

National Urban League
NAACP
Center for Responsible Lending
National Fair Housing Alliance

cc: United States Senate Committee on Banking, Housing, and Urban Affairs
United States House Committee on Financial Services

AFR Americans for
Financial Reform

March 10th, 2020

Dear Senator:

We write in opposition to the nomination of Kipp Kranbuhl to serve as Assistant Secretary for Financial Markets at the Department of Treasury.

As Assistant Secretary for Financial Markets Mr. Kranbuhl would have broad responsibility for policies regarding financial regulation and financial markets, and for critical decisions regarding housing finance. Unfortunately, his career is marred by a record of supporting dangerous deregulatory policies that have left our financial system ill equipped to face the economic challenges it is now confronted by. This includes efforts to weaken the Volcker rule that will further damage the resiliency of major financial institutions and a housing policy that treats market deregulation as the solution to our nation's housing affordability crisis. He has endorsed rolling back crucial fair housing protections and undermining the enforcement of laws against discrimination, measures that threaten to make a bad situation even worse for millions of the most vulnerable people in the country.

In recent years, private equity and other large corporate owners have bought up a growing number of manufactured housing communities and increased rents dramatically in order to generate outsized profits. These rent and fee increases – sometimes as much as 70% – present an unmanageable cost burden for residents and threaten access to a major source of affordable housing in rural, suburban and urban areas across the country. In response to a series of questions about what role the federal government should have in maintaining the affordability and accessibility of housing, and of manufactured housing in particular, Mr. Kranbuhl failed to even acknowledge the dangers residents face because of the current private equity model. Instead, he repeatedly referred to the Administration's actions to remove alleged "regulatory barriers" as the solution.

Taken in total, Mr. Kranbuhl's policy impulses would harm families that are already struggling to afford shelter. At a time when global markets are in turmoil, we should not confirm as Under Secretary of the Treasury for Financial Markets someone who would roll back consumer protections, enable banks to engage in risky activities with customer's savings, and is impervious to the impact that skyrocketing rents are having on hardworking Americans. At this moment, when there is a clear need for effective financial regulation to protect the public interest, we urge you to reject this nomination.

Many thanks for your attention. For more information please contact Linda Jun, Senior Policy Counsel (linda@ourfinancialsecurity.org)