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Committee to Consider Sustainable Housing Finance Reform Bill on Tuesday

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Washington, Jul 19 -

The Financial Services Committee will meet on [Tuesday, July 23 at 10:15 a.m.](#) to consider and begin voting on the Protecting American Taxpayers and Homeowners (PATH) Act.

The PATH Act creates a sustainable housing finance system for America. Among its provisions, the PATH Act:

- ends the taxpayer-funded bailout of Fannie Mae and Freddie Mac and phases out the troubled Government-Sponsored Enterprises within five years;
- increases competition by ending the federal government’s domination of the housing finance market that has left taxpayers liable for \$5.1 trillion in mortgage guarantees; and
- gives consumers more choices in determining which mortgage product best suits their needs.

“Americans deserve a better housing finance system. One that protects homeowners and taxpayers, so that every American who works hard and plays by the rules can have opportunities and choices to buy homes they can actually afford to keep. One that protects hardworking taxpayers, so they never again have to bail out corrupt government sponsored enterprises like Fannie Mae and Freddie Mac, whose top managers engaged in extensive accounting fraud to trigger huge executive bonuses for themselves. America needs a housing policy that is sustainable over time, not one that causes endless boom-bust cycles in real estate that harms our economy. The PATH Act protects taxpayers, protects homeowners and will give Americans the better, fairer, and sustainable housing finance system they deserve,” said Chairman Jeb Hensarling (R-TX).

Over the past five months, the Financial Services Committee has held [12 hearings and heard from more than 50 witnesses](#) on the failures of the current housing finance system and the need to create a sustainable housing finance model.

Many of these expert witnesses noted that the financial crisis that began in 2008 started with failed Washington housing policies and Fannie Mae and Freddie Mac. While their senior executives engaged in financial fraud so they could receive hundreds of millions of dollars in bonuses, these Government-Sponsored Enterprises exploited their government guarantee to take on enormous risk. When the housing bubble burst, Fannie and Freddie received the biggest bailout in history, nearly \$200 billion courtesy of hardworking taxpayers. The Dodd-Frank Act, passed by a Democratic Congress and signed by President Obama in 2010 in response to the crisis, did nothing to reform the GSEs. In fact, witnesses said Dodd-Frank compounds the government’s disastrous foray into housing policy through onerous regulations that hobble the private mortgage market and lock out thousands – if not millions – of qualified borrowers who will be unable to obtain an affordable mortgage.

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