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CORKER STATEMENT ON HOUSING FINANCE REFORM PRINCIPLES RELEASED BY SENATE BANKING COMMITTEE

U.S. Senator Bob Corker (R-Tenn.), a member of the Senate Banking Committee, issued the following statement today regarding Chairman Tim Johnson (D-S.D.) and Ranking Member Mike Crapo's (R-Idaho) announcement on an agreement to reform the housing finance system.

"I have been working with Senator Warner and a bipartisan group of senators for months to advance legislation that ends the failed model of private gains and public losses in our housing finance system and moves our country to a modernized structure that protects the American taxpayer," said Corker. "I am pleased the Banking Committee is demonstrating their commitment to this effort by putting pen-to-paper and releasing a set of principles based on the bill we introduced, and I look forward to working closely with them in the coming months."

Chairman Johnson and Ranking member Crapo announced that [the Housing Finance Reform and Taxpayer Protection Act \(S. 1217\)](#), introduced by Senators Corker and Mark Warner (D-Va.) and cosponsored by a bipartisan group of 10 senators, will serve as the base text for the committee's housing finance reform bill.

In June 2013, Corker and Warner [introduced](#) S.1217 to strengthen America's housing finance system by replacing government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac with a privately capitalized system that preserves market liquidity and protects taxpayers from future economic downturns.

In 2008, Fannie Mae and Freddie Mac were taken into government conservatorship and given a \$188 billion capital injection from taxpayers to stay afloat. As a result of this bailout, the private market has almost completely disappeared, and so nearly every loan made in America today comes with a full government guarantee. Despite this unsustainable situation, there has still been no real reform to our housing finance system since the financial crisis.

In addition to Corker and Warner, S. 1217 is currently cosponsored by Senators Mike Johanns (R-Neb.), Jon Tester (D-Mont.), Dean Heller (R-Nev.), Heidi Heitkamp (D-N.D.), Jerry Moran (R-Kan.), Kay Hagan (D-N.C.), Mark Kirk (R-Ill.), Joe Manchin (D-W.V.), Saxby Chambliss (R-Ga.), and Mark Begich (D-Alaska), which includes five Republicans and five Democrats from the Senate Banking Committee.

Permalink: <http://www.corker.senate.gov/public/index.cfm/2014/3/corker-statement-on-housing-finance-reform-principles-released-by-senate-banking-committee>

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