

Official: Treasury 'broadly supportive' of FHFA proposals for Fannie, Freddie

Politico Pro

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A top Treasury Department official today said the department is "broadly supportive" of recommendations made by the agency overseeing Fannie Mae and Freddie Mac on how to reform the mortgage giants.

"We're broadly supportive of what they're saying," Craig Phillips, counselor to the Treasury secretary, said at an event sponsored by Women in Housing and Finance. "I think some of the harder parts of it are the how. ... How do you sort of measure the value of supporting low and moderate-income vs. the other goals?"

But Treasury Secretary Steven Mnuchin didn't have "an allergic reaction" to anything put forward by the Federal Housing Finance Agency, Phillips said.

In [documents](#) sent this week to the Senate Banking Committee, FHFA recommended that Congress transform Fannie and Freddie into privately owned utilities and that the government back the housing finance market with an explicit guarantee.

At the same event, Phillips said he would like to release within the next month recommendations on improving the regulations implementing the Community Reinvestment Act, which encourages lending to low-income borrowers.

WHAT'S NEXT: Sens. [Bob Corker](#) (R-Tenn.) and [Mark Warner](#) (D-Va.) have been putting together a proposal that would revamp the housing finance system. Senate Banking Committee Chairman [Mike Crapo](#) (R-Idaho) has said addressing the issue in general is a top priority of his.