

Treasury Department Submits Housing Reform Plan to President

September 5, 2019

WASHINGTON – The U.S. Department of the Treasury today released its plan to reform the housing finance system. The Treasury Housing Reform Plan (Plan) consists of a series of recommended legislative and administrative reforms that are designed to protect American taxpayers against future bailouts, preserve the 30-year fixed-rate mortgage, and help hardworking Americans fulfill their goal of buying a home.

“The Trump Administration is committed to promoting much needed reforms to the housing finance system that will protect taxpayers and help Americans who want to buy a home,” said U.S. Treasury Secretary Steven T. Mnuchin. “An effective and efficient Federal housing finance system will also meaningfully contribute to the continued economic growth under this Administration.”

During the financial crisis of 2008, the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) — together known as the Government-sponsored enterprises (GSEs) — suffered significant losses due to their structural flaws and lack of sufficient regulatory oversight, and subsequently received more than \$190 billion from the Treasury Department.

On March 27, 2019, President Donald J. Trump issued a Presidential Memorandum directing the Secretary of the Treasury to develop a plan for administrative and legislative reforms to address this last unfinished business of the financial crisis.

The Plan includes nearly 50 recommended legislative and administrative reforms to define a limited role for the Federal Government in the housing finance system, enhance taxpayer protections against future bailouts, and promote competition in the housing finance system.

During the development of the Plan, the Treasury Department met with a wide range of stakeholders including affordable housing advocates; broker-dealers; investors; mortgage lenders, servicers, and insurers; think tanks; trade associations; and other interested parties.

Treasury also consulted with the Federal Housing Finance Agency, the Department of Housing and Urban Development, and other government agencies. The Plan was submitted to the

President for approval through the Assistant to the President for Economic Policy.

[Read the Treasury Housing Reform Plan !\[\]\(99f58673407353e96a019fbca558fd72_img.jpg\) .](#)

[Read the HUD Housing Reform Plan !\[\]\(0f848bbd71cef6b345273b16f905912a_img.jpg\) .](#)

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