

Ex-Obama Housing Adviser Joins Group Aiming to Shape the Future

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President Barack Obama's former point man on housing finance reform is taking a job with a think tank that has sought to play a major role in shaping rules for a world without mortgage guarantors Fannie Mae and Freddie Mac — at least in their current form.

Michael Stegman, who left the government in April, will lead housing policy research at the Bipartisan Policy Center when he joins next month, he and the group said Wednesday. The new role is likely to see Stegman remain a prominent voice in the debate over how to replace the government-controlled companies with a new mortgage system.

With housing finance legislation unlikely to advance before the November elections, advocacy groups are planning to release proposals laying the groundwork for bills in the next Congress and presidential administration. One such plan was released earlier this year by authors, including housing advisers to presumptive Democratic presidential nominee Hillary Clinton's campaign.

A Bipartisan Policy Center commission in 2013 released a set of housing finance reform recommendations, many of which appeared in legislation later that year. Those points included winding down Fannie Mae and Freddie Mac, giving private investors a bigger role in absorbing the risk of mortgage defaults, and preserving the government's role in guaranteeing mortgages.

In an interview, Stegman said future legislation will have to address the stumbling blocks that stymied the Johnson-Crapo bill, including how to ensure mortgage access for moderate- and lower-income households.

He said he doesn't expect housing-finance reform to be a first-year priority of the next administration if Fannie Mae's and Freddie Mac's current operations stay stable. The next couple years will mostly be used to build consensus on what form the new mortgage system should take, he said.

"We certainly recognize housing-finance reform as the last unfinished business of the financial crisis," Stegman said.

Stegman, 75, was senior policy adviser for housing for the National Economic Council in the White House. Before joining the Obama administration, he was director of policy and housing for the MacArthur Foundation. He is professor emeritus of public policy at the University of North Carolina-Chapel Hill.

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