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August 2, 2012

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Obama,

I urge you to appoint a permanent director of the Federal Housing Finance Agency (FHFA) to replace Acting Director Edward J. DeMarco. On Tuesday, Mr. DeMarco took steps to prevent any principal forgiveness on mortgages backed by Fannie Mae and Freddie Mac. Such debt relief initiatives are essential to keeping hundreds of thousands of struggling families in their homes and jumpstarting the economy.

The FHFA itself recently concluded that up to half a million underwater homeowners could benefit from such a principal reduction program and that taxpayers could save up to \$1 billion if it were enacted because recipients would be more likely to continue making their mortgage payments. Economists including Nobel Prize-winner Paul Krugman have argued that debt relief for homeowners would mean greater overall revenue for the government, since it would increase the size of the overall economy. This would likely offset any costs associated with principal reductions.

It is time to support real economic recovery by standing with struggling homeowners. In addition to helping homeowners stay in their homes, principal reduction measures would protect neighborhoods and help save taxpayer money. Mr. President, since Edward DeMarco is currently an Acting Director, you have full authority to replace him by appointing a permanent director. I respectfully urge you to do so.

Best Regards,



Hansen Clarke
Member of Congress