

Washington, D.C. (Apr. 10, 2012) – Rep. Elijah E. Cummings, Ranking Member of the House Committee on Oversight and Government Reform, released the following statement in response to a speech today by Federal Housing Finance Agency (FHFA) Acting Director Edward DeMarco at the Brookings Institution on the housing market:

"I have been saying for many months that we need to focus on data rather than ideological or political opposition to principal reductions," said Cummings. "Although I am encouraged that Mr. DeMarco has now begun to move in this direction, we continue to await the documents and analyses we requested months ago, and the jury is still out on whether he will act to serve both homeowner and taxpayer best interests."

Cummings has led the effort over the past year to press DeMarco to comply with existing law requiring FHFA to maximize assistance to American homeowners—including through principal reduction—and to provide legitimate data to validate his claims that principal reduction does not serve taxpayer interests.

On February 8, 2012, Cummings and Committee Member John Tierney wrote a [letter](#) to DeMarco revealing that data he submitted to Congress in January showed that principal reduction would save U.S. taxpayers billions of dollars compared to allowing underwater homes to go into foreclosure, and that principal reduction could save U.S. taxpayers hundreds of millions of dollars compared to DeMarco's preferred alternative of principal forbearance. These data directly contradict DeMarco's

[testimony](#)

before the Oversight Committee on November 16, in which he stated that principal reduction "is not going to be the least-cost approach for the taxpayer."

On March 23, 2012, Cummings and Tierney again [called](#) on DeMarco to comply with their request for information in light of [pre](#)  
[ss reports](#)

that "both firms have concluded that giving homeowners a big break on their mortgages would make good financial sense."

To date, DeMarco has provided no documents in response to these requests.

