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MassHousing Executive Director Thomas R. Gleason Testifies Before House Committee on Financial Services on Government Sponsored Entities Reform

Gleason selected to testify on behalf of the nation's housing finance agencies

BOSTON – April 14, 2010 – MassHousing Executive Director Thomas R. Gleason testified before the House Committee on Financial Services in Washington, D.C., today, advocating for reform of Fannie Mae, Freddie Mac, and other so-called GSEs, and urging Congress to make sure future GSEs commit themselves to supporting affordable housing.

Gleason, who has a 32-year career in affordable housing finance, was selected by the National Council of State Housing Agencies (NCSHA) to represent the housing finance agencies from all 50 states, District of Columbia, New York City, Puerto Rico and the U.S. Virgin Islands.

Gleason testified as part of the Committee on Financial Services' hearing on "Housing Finance – What Should the New System Be Able to Do?" The hearing featured testimony from Shaun Donovan, Secretary of the Department of Housing and Urban Development as well as governmental, private and non-profit sector stakeholders in housing finance.

The Committee on Financial Services is exploring reforms to the housing market and mortgage finance system and specifically, functions performed by GSEs such as Fannie Mae, Freddie Mac and the Federal Home Loan Bank, which are essential to a robust market.

Gleason told the Committee, chaired by U.S. Rep. Barney Frank, that GSEs need to "make a powerful commitment to affordable housing" and that Congress should "direct future GSEs to use the proven housing finance agency delivery system" to fulfill that commitment.

Gleason said the work of Chairman Frank's committee is critical to determining the appropriate role for the secondary mortgage market in our country's housing finance system.

Gleason noted that despite the GSEs involvement in the collapse of the mortgage market they had developed successful programs with housing finance agencies where sound lending practices had helped many homebuyers.

"Unfortunately, Fannie Mae and Freddie Mac both made investments in subprime and nontraditional mortgages that contributed significantly to their financial woes," Gleason testified. "But this shouldn't negate the sound affordable housing investments they made in housing finance agencies. These investments have performed exceedingly well."

Gleason testified as part of a panel that included: Anthony T. Reed, Executive Vice President of Capital Markets Sun Trust Mortgage, Inc.; Sheila Crowley, President and CEO of the National Low Income Housing Coalition; Alex J. Pollock, Resident Fellow of the American Enterprise Institute; Jack E. Hopkins, President and CEO of CorTrust Bank on behalf of the Independent Community Bankers of America; Anthony M. Randazzo, Director of Economic Research of the Research Foundation; and Rick Judson, Third Vice Chairman of the National Association of Homebuilders.

Gleason is a member of the NCSHA Board of Directors and received an Impact Award from NCSHA in 2008 for his work on an affinity agreement with Fannie Mae which provides housing finance agencies access to Fannie Mae programs at favorable terms and makes more affordable home loans available to moderate-income homebuyers. As a result of this agreement, MassHousing has more than doubled its lending in the last four years.

More recently, Gleason was part of a small team of housing finance professionals who advised the U.S Department of the Treasury, the Federal Housing Finance Agency, Fannie Mae and Freddie Mac, regarding the Obama Administration's pledge to work with HFAs to increase their liquidity.

About MassHousing

MassHousing (The Massachusetts Housing Finance Agency) is an independent, quasi-public agency created in 1966 and charged with providing financing for affordable housing in Massachusetts. The Agency raises capital by selling bonds and lends the proceeds to low- and moderate-income homebuyers and homeowners, and to developers who build or preserve affordable and/or mixed-income rental housing. MassHousing does not use taxpayer dollars to sustain its operations, although it administers some publicly funded programs on behalf of the Commonwealth. Since its inception, MassHousing has provided more than \$10.4 billion for affordable housing. For more information, visit the MassHousing website at www.masshousing.com.

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