



MEMBER SPOTLIGHT

Rep. Trey Hollingsworth (R, IN-9)



Trey Hollingsworth represents Indiana's Ninth Congressional District and was sworn in on January 3, 2017. His constituents are diverse as his district is comprised of small businesses, suburban communities, hard-working farmers, and striving students, all united by their focus on how to collectively build a more prosperous, safer, and stronger America.

In Congress, Trey serves on the House Financial Services Committee where he works on two Subcommittees: Investor Protection, Entrepreneurship, and Capital Markets and Diversity and Inclusion.

What role should the Federal government play in housing finance, specifically as it relates to the Government Sponsored Enterprises (Fannie Mae and Freddie Mac)?

We must have a robust housing finance market that enables Americans to buy homes, grow their families, invest in their communities, and pursue their American dream. Ultimately, the US housing market has benefited from America's pioneering of securitization and the robust secondary market; not only has this enabled more people to buy homes through their local lenders, but it has also provided a steadier stream of capital through economic expansions and contractions. We must be cognizant to ensure that standardization – and the securitization that depends on that – remains going forward.

Government has a role to play in maintaining that process, but, unfortunately, over the last 60 years, misguided regulatory attempts to expand the government's mission have led to credit being available where it shouldn't be. Clarity is needed in the role government plays in the market, and the footprint should be narrowed to only those functions required to keep an orderly and transparent market.

What role should the legislative branch play in ensuring healthy and robust capital markets for American families and businesses?

There are several different roles that the legislative branch can play in healthy capital markets. First, we need to enable private firms to innovate, invest, and develop not only new products but also new ways to do business; that requires, in some instances, government to get out of the way and, in other instances, government to clarify the rules of the road.

Second, the legislative branch needs to be the voice of the people in ensuring that rules and regulations set forth by agencies and regulators reflect the will of the people and businesses of this country. Congress can be lackadaisical about its responsibility to monitor the executive branch and evaluate the efficacy of rules at the time of rulemaking or later once the results are seen.

Third, the legislative branch should provide the basic architecture for the type of financial system we want in this country. We want a level playing field for all participants, not government choosing winners or losers. We want a robust, diverse financial ecosystem that provides for different profit motives, different risk appetites, and different services offered. We want a system that is safe and resilient but also one that is expansive and efficient.

Ultimately, Americans are deeply dependent on healthy capital markets, and ours have long been the envy of the world. We should understand that these deep, liquid, and vibrant markets remain a matter of policy choice interacting with private businesses and individuals, not a predetermined fate.

What do you think are the most important aspects of the recently passed financial regulatory reform package, from the perspectives of economic growth and US consumers' access to credit?

Ten years after the last financial crisis, we needed to evaluate the regulatory response to the crisis and its effects on the system overall and individual Americans who, directly or indirectly, depend on it. Our markets must be safe: safe from the bottom up in terms of fraud detection and prevention and safe from the top down in terms of systemic risk.

However, we should always bear in mind that efficiency in markets is what enables them to reach more Americans, help more American businesses, and empower the American economy. We must strike the right balance between safety and efficiency, at which is what the recent work was aimed.

I had hoped we could have done more. I wanted us to reevaluate, not through a partisan or hostile lens but rather with thoughtful reflection on the results we have seen, the responses to the crisis and ascertain if we are collectively still comfortable with the results from those rules. Many rules have been found costly without benefit; some rules served to make the system more brittle and less safe; some rules worked as intended and better aligned interests in the market. We went far to remove the first two while keeping those in the last category, but more work in this area needs to be done. We have markets that are the nonpareil of the world; Congress should understand how tenuous our hold on that title is.

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