

## MEMBER SPOTLIGHT

### Sen. Thom Tillis (R, NC)



Senator Thom Tillis is currently serving his first term in the United States Senate as the junior Senator from North Carolina.

Before coming to Congress, he served in the North Carolina House of Representatives and was selected by his peers to serve as Speaker of the House from 2011 to 2014. Before entering public service, he was a top-level executive at PricewaterhouseCoopers and IBM. Unable to afford to go to college immediately following high school, he took a job as a warehouse records clerk earning minimum wage. While working and raising a family he also attended school at night, and he finally earned his degree at the age of 36.

In Congress, Senator Tillis serves on the Banking, Housing & Urban Affairs Committee and three Subcommittee: Economic Policy, Financial Institutions and Consumer Protection, and Securities, Insurance and Investment. His other full Committee assignments include Judiciary and Veterans' Affairs.

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

Ten years after the financial crisis, which was significantly, but not completely, driven by the nation's housing policies and specifically Fannie Mae and Freddie Mac, Congress is long overdue in deciding the future of our housing finance system. Going forward, we must ensure that our housing finance system continues to benefit from our country's deep and liquid capital markets, yet resilient enough to sustain itself during periods of economic downturn.

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

The legislative branches two main functions in regards to capital markets are to provide oversight of the federal regulators, to ensure provide consumer protection, enforce a level playing field for market participants, and prevent regulators from discriminating against legal financial products. Faith in our capital markets, and its oversight, is of the utmost importance. We must ensure that our regulators are equipped to root out the bad actors and ensure consumers have all of the information necessary to make informed decisions about which financial products make sense for them.

An example of my work in holding banking regulators accountable in the payment space is applicable to capital markets as well. I oppose the Federal Reserve's efforts to nationalize a vibrant sector of the US economy and develop its own 'faster payment system' to compete with The Clearinghouse's Real Time Payments system, a private sector product that emerged at the encouragement of the Federal Reserve. The Fed's plan is not something you usually see in countries with strong private enterprise and a tradition of non-state control of the financial sector.

More specifically to capital markets, along with Senator Van Hollen, I introduced the Encouraging Public Offerings Act last Congress, which requires the SEC to expand its test the waters process beyond the emerging growth companies to all companies as they determine whether or not to seek an IPO. I share Chairman Clayton's goal of making it easier and more appealing for companies to go public and will continue to work with the SEC to advance this effort. I also have introduced legislation to modernize investor accreditation standards so that they make sense across America, allowing more investment in startups that create jobs and grow the economy.

**How do we encourage the flow of private capital within the housing finance market so that, in the event of an economic downturn, taxpayers are not on the hook for future losses?**

As the Administration begins the work of removing Fannie and Freddie from conservatorship, we must find a way to deal with systemic risk of the current duopoly of Fannie Mae and Freddie Mac, increase the amount of private risk bearing capital in the system, and ensure a level playing field for mortgage originators and guarantors of all sizes and types.

Our mortgage finance system needs guardrails to ensure that Fannie and Freddie do not continue to dominate the mortgage finance market as they do now, and did prior to conservatorship. One major opportunity in front of us to do that is the work the CFPB is doing on the upcoming expiration of the Qualified Mortgage patch. We must ensure the proper rules of the road to such that originators and investors are comfortable developing a robust non-QM lending space funded by private capital.