

Sen. Johnson: Joins letter to Biden administration blasting proposal to subsidize higher-risk borrowers with low credit scores

Posted on Wednesday, Apr 26, 2023

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WASHINGTON — Today, U.S Senator Ron Johnson (R-Wis.) joined a letter with 17 Republican senators to the Biden Administration's Federal Housing Finance Agency (FHFA) Director Sandra Thompson. This letter expressed the Senators' outrage at FHFA's proposal to penalize Americans who have managed their money responsibly so the Biden administration can subsidize higher-risk borrowers.

Proposals like these set a dangerous precedent. In their letter, the Senators wrote in part:

"This shortsighted and counterproductive policy demonstrates a profound misunderstanding of the necessity of accurately tailoring housing finance products to credit risk and establishes a perverse incentive that punishes hardworking Americans for their fiscal prudence," **said the Senators.** "Under your leadership, FHFA has pushed forward a number of policy proposals and changes that seek to social-engineer the U.S. housing market in ways that increase riskiness and promote discrimination...The fact that a proposal flaunting credit risk is being openly pushed by FHFA just a decade-and-a-half after the housing-led 2008 financial crisis is staggering...The housing market should not be exploited as a means to pander to targeted demographics that you have chosen, nor an instrument to secure political favoritism."

Senator Johnson was joined on the letter by U.S. Senators Roger Marshall (R-Kan.), Thom Tillis (N.C.), Mike Braun (R-Ind.), Ted Budd (R-N.C.), Shelley Moore Capito (R-

W.Va.), Tom Cotton (R-Ark.), Kevin Cramer (R-N.D.), Lindsey Graham (R-S.C.), Chuck Grassley (R-Iowa), James Lankford (R-Okla.), Jerry Moran (Kan.), Mike Rounds (S.D.), Marco Rubio (Fla.), Eric Schmitt (Mo.), Rick Scott (Fla.), John Thune (S.D.), and Todd Young (Ind.).

The letter can be found [here](#).