

# United States Senate

WASHINGTON, DC 20510

January 13, 2017

The Honorable Orrin Hatch  
Chairman  
Senate Finance Committee  
United States Senate  
Washington, DC 20510

Dear Chairman Hatch:

We ask that the Finance Committee's hearing on the nomination of Steven Mnuchin to serve as Secretary of the Treasury include witnesses who can provide context on Mr. Mnuchin's character and business practices. As you know, Mr. Mnuchin led the bank OneWest for six years in the aftermath of the 2008 financial crisis, during which time the bank foreclosed on thousands of families and threw them out of their homes. Before deciding whether Mr. Mnuchin should serve as the country's top economic official, the Committee should hear from some of these families and other Americans who have had first-hand experience with Mr. Mnuchin or the businesses he has led.

The Finance Committee has an obligation to hear from these witnesses. The Constitution authorizes the President to appoint officers of the United States "by and with the advice and consent of the Senate." Consistent with that constitutional mandate, Senate Finance Committee Rule 11 states that, "[i]n considering a nomination, the committee may conduct an investigation or review of the nominee's experience, qualifications, and suitability, to serve in the position to which he or she has been nominated."

Mr. Mnuchin's tenure at OneWest – and his bank's treatment of thousands of working families struggling to recover from the financial crisis – bear directly on his qualifications and suitability to serve as Secretary of the Treasury. In the wake of the crisis, Mr. Mnuchin led a team of investors in purchasing a failed bank, which they rebranded as OneWest. Under Mr. Mnuchin's leadership, OneWest was known as a "foreclosure machine."<sup>1</sup> The bank foreclosed on more than 36,000 homeowners, including the Schaffers – an elderly California couple who lost their home of nearly 50 years even though they had qualified for a government-assisted loan modification<sup>2</sup> – and a 90-year-old woman in Florida after a payment error led to a 27-cent shortfall on her account.<sup>3</sup> The Federal Reserve fined OneWest for foreclosure abuses during Mr.

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<sup>1</sup> John Ydstie, *Trump's Potential Treasury Secretary Headed A 'Foreclosure Machine,'* NPR (Nov. 29, 2016), at [http://www.npr.org/2016/11/29/503755613/trumps-potential-treasury-secretary-headed-a-foreclosure-machine?utm\\_source=twitter.com&utm\\_medium=social&utm\\_campaign=npr&utm\\_term=nprnews&utm\\_content=2056](http://www.npr.org/2016/11/29/503755613/trumps-potential-treasury-secretary-headed-a-foreclosure-machine?utm_source=twitter.com&utm_medium=social&utm_campaign=npr&utm_term=nprnews&utm_content=2056).

<sup>2</sup> Id.

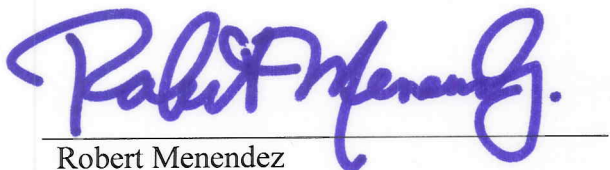
<sup>3</sup> Lorraine Woellert, *Trump Treasury Pick Made Millions After His Bank Foreclosed on Homeowners*, Politico (Dec. 1, 2016), at <http://www.politico.com/story/2016/12/trump-treasury-foreclosed-homes-mnuchin-232038>.

Mnuchin's tenure.<sup>4</sup> Yet within six years, Mr. Mnuchin and the rest of his investor group sold OneWest and pocketed nearly \$1.5 billion in profits.<sup>5</sup>

If confirmed to serve as Treasury Secretary, Mr. Mnuchin would be responsible for administering loan modification and foreclosure prevention programs established following the 2008 crisis. And as the Chairman of the Financial Stability Oversight Council, Mr. Mnuchin would be responsible for helping spot and stop the next financial crisis – rather than profiting from it. His bank's treatment of families seeking to avoid foreclosure is critical to assessing his fitness to serve as the nation's top economic policy official.

To fulfill the Senate's constitutional duty, the Finance Committee should hear testimony from a broad range of individuals familiar with Mr. Mnuchin and his business practices. We hope you will work with us to ensure that Mr. Mnuchin's nomination hearing before the Finance Committee includes these voices.

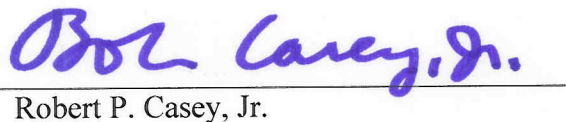
Sincerely,

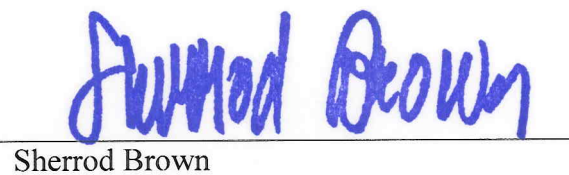
  
Robert Menendez

  
Elizabeth Warren

  
Debbie Stabenow

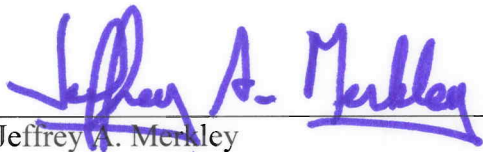
  
Benjamin L. Cardin

  
Robert P. Casey, Jr.


  
Sherrod Brown

<sup>4</sup> Jim Puzzanghera & E. Scott Reckard, *Federal Reserve to Fine Eight More Banks on Foreclosure Violations*, L.A. Times (Mar. 19, 2012) at <http://articles.latimes.com/2012/mar/19/business/la-fi-mo-bank-fines-20120319>.

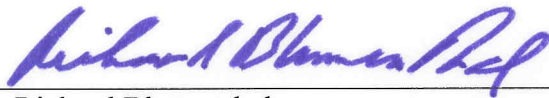
<sup>5</sup> John Ydstie, *Trump's Potential Treasury Secretary Headed A 'Foreclosure Machine,'* NPR (Nov. 29, 2016), at [http://www.npr.org/2016/11/29/503755613/trumps-potential-treasury-secretary-headed-a-foreclosure-machine?utm\\_source=twitter.com&utm\\_medium=social&utm\\_campaign=npr&utm\\_term=nprnews&utm\\_content=2056](http://www.npr.org/2016/11/29/503755613/trumps-potential-treasury-secretary-headed-a-foreclosure-machine?utm_source=twitter.com&utm_medium=social&utm_campaign=npr&utm_term=nprnews&utm_content=2056).



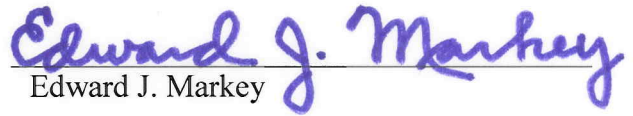
Jeffrey A. Merkley



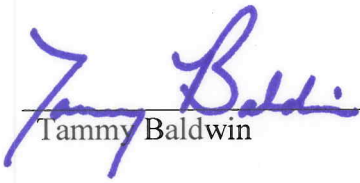
Chris Van Hollen



Richard Blumenthal



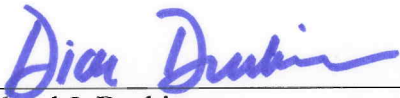
Edward J. Markey




Tammy Baldwin



Al Franken



Richard J. Durbin



Mazie Hirono



Kirsten Gillibrand



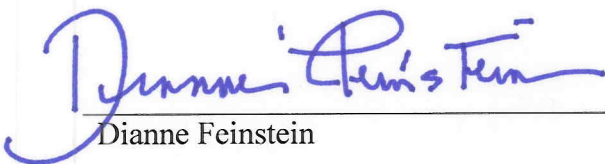
Cory A. Booker



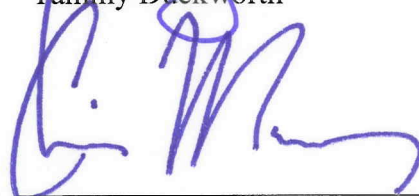
Bernard Sanders



Tammy Duckworth



Dianne Feinstein



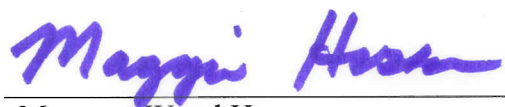
Christopher S. Murphy



Patty Murray



Gary C. Peters



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Margaret Wood Hassan



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Sheldon Whitehouse



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Jeanne Shaheen