

the demands of capital market investors.

In constructing and monitoring these deals, we need to know that decisions in how to balance the necessity of encouraging private markets with the protection of the taxpayers are being made based upon effective market analysis, absent the political preferences of one individual.

Another important aspect of the transition will be development of the common securitization platform. FHFA has noted that the GSEs' infrastructures are ineffective when it comes to adapting to market changes, issuing securities that attract private capital, aggregating data or lowering barriers to market entry. As such, there must be an updating and continued maintenance of the enterprises' securitization infrastructure.

This is an incredibly complex undertaking that will take years to develop, but it is an essential component of most reform proposals. Because of this, it is incredibly important the Director, on day one, has the technical expertise and the commitment to establish this potential utility similar to ones used in securities markets.

All of us are currently witnessing the consequences of political people leading technical platform development as we watch the continued failures of the rollout for ObamaCare. We cannot afford the same mistakes in the context of our \$5 trillion mortgage market.

The management of the current assets of Fannie and Freddie is another essential component of the Director's task, for many reasons, both currently and in the future. When Congress passed HERA authorizing the FHFA Director to appoint the agency conservator of the GSEs, it authorized FHFA to put the GSEs in a "sound and solvent condition," and to "preserve and conserve the assets of the properties" of the GSEs.

Congress very specifically intended that the assets of Fannie and Freddie be managed in such a way to maximize payments to the Treasury in exchange for bailing out the GSEs in 2008 and to maximize their value in whatever system is designed for the future. Acting Director DeMarco has done a commendable job fulfilling this task.

However, some believe that other statutory provisions trump this mandate and advocate using the GSEs in manners they believe would achieve other policy goals. Representative WATT noted at his confirmation that, if confirmed, he would decide whether there is sufficient capital to fund various social programs.

In order to ensure the taxpayers are made whole and to best position the secondary market for reform, we cannot afford the FHFA Director to make any decisions that do not first prioritize the preservation and conservation of taxpayer assets. So long as

Fannie Mae and Freddie Mac are in conservatorship, profits accumulated by the GSEs should not be used to fund social programs.

Additionally, we cannot return to any of the policies that contributed to the housing crisis, such as further pressing the GSEs' affordable housing goals. Decisions affecting social housing policy should be made through congressional action on housing financing reform.

One final yet incredibly important element of the unique qualifications is regulatory interaction. In a new housing finance system, the already complex web of regulatory interaction between various Federal banking regulators and Federal and State regulators becomes further muddled. State insurance regulators and State banking supervisors must communicate effectively with Federal counterparts.

As this system is being built, the FHFA must coordinate effectively with prudential banking regulators and the CFPB to make sure we are not bogging down our economy with duplicative regulation. To accomplish this the Director needs not only to have an understanding that is built of highly technical expertise, but this person must be seen by other regulators as acting without political intent.

For all of these reasons, and many more, the conservator must be an apolitical financial regulator with the technical expertise who will resist political pressure from all sides of the political spectrum.

Joseph Smith, the last nominee for this position, failed to win confirmation by the Senate because of concerns over whether he was independent enough. At the time of Representative WATT's nomination, the White House was fully aware that these concerns have only been heightened since then.

In the wake of repeated attempts by outside political groups and individuals to influence the decisions of the conservator and in view of the countless complex decisions—of which I have only mentioned a few—numerous Senators repeatedly called for a technocrat rather than a political figure. However, rather than acknowledging the unique aspects of this job, the White House chose to ignore calls to emphasize technical expertise and political independence in their search. As a result, their nominee failed to be confirmed by this body just a few weeks ago. Yet again the White House failed to accept the advice of the Senate.

Today, because of a historical rewrite of Senate rules, we are now facing another vote. Instead, this time the White House and the Democrats in the Senate chose to break the rules of this body so that they could push through Representative WATT and other nominees in partisan votes. I am disappointed with the White House and those in the Senate who supported this

rewrite of our rules, and at some time we will all likely be disappointed that these are the rules of this body moving forward. However, I continue to be opposed to this nomination and urge my colleagues to vote no today when the vote comes before us.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:31 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Ms. BALDWIN).

The PRESIDING OFFICER. The majority leader is recognized.

NOMINATION OF MELVIN L. WATT TO BE DIRECTOR OF THE FEDERAL HOUSING FINANCE AGENCY—Continued

Mr. REID. On the matter now before the Senate, how much of the time that remains is controlled by the Democrats?

The PRESIDING OFFICER. There is 147 minutes.

Mr. REID. That is a little over 2 hours. How much time for the Republicans? The same?

The PRESIDING OFFICER. There is 130 minutes for the Republicans.

Mr. REID. Oh, I see. Why don't we yield back 130 minutes of our time. That would leave us 14 minutes or something like that?

The PRESIDING OFFICER. Seventeen minutes.

Mr. REID. That is far too much time. I yield back another 10 minutes.

The PRESIDING OFFICER. The majority leader's time is now set to 7 minutes.

The PRESIDING OFFICER. The Republican whip.

HEALTH CARE

Mr. CORNYN. Madam President, 4 years ago Members of both parties came to this Senate floor virtually every day to discuss the problems with America's health care system and offered suggestions for how we could remedy that.

I distinctly remember being here on Christmas Eve, 2009, at 7 in the morning and witnessing a party-line vote on ObamaCare. All of our Democratic friends voted for it, and all Republicans voted against it. I guess the most charitable thing I can say is that our Democratic friends actually thought it would work while Republicans were skeptics about this big government takeover of one-sixth of our national economy.

Well, 4 years later the cost of ObamaCare has become abundantly clear. I don't think it is an exaggeration to say that ObamaCare is the biggest case of consumer fraud ever perpetrated in this country. A law that