

# PRESIDENT TRUMP'S CABINET NOMINEE, STEVE MNUCHIN

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Ohio (Ms. KAPTUR) for 5 minutes.

Ms. KAPTUR. Mr. Speaker, today I rise to place in the RECORD a very important story from The Columbus Dispatch newspaper. It focuses on Steve Mnuchin, President Trump's nominee to be Treasury Secretary, and it raises issues of deep concern.

[From the Columbus Dispatch, Jan. 29, 2017]

TRUMP TREASURY PICK MNUCHIN MISLED  
SENATE ON FORECLOSURES, OHIO CASES SHOW  
(By Alan Johnson and Jill Riepenhoff)

President Donald Trump's nominee for U.S. treasury secretary was untruthful with the Senate during the confirmation process, documents uncovered by The Dispatch show.

Steve Mnuchin, former chairman and chief executive officer of OneWest Bank, known for its aggressive foreclosure practices, flatly denied in testimony before the Senate Finance Committee that OneWest used "robo-signing" on mortgage documents.

But records show the bank utilized the questionable practice in Ohio.

"The guy is just lying. There's no other way to say it," said Bill Faith, executive director of the Coalition on Homelessness and Housing in Ohio.

The revelation comes with the committee's vote on whether to confirm Mnuchin's nomination, currently scheduled for Monday night.

Barney Keller of Jamestown Associates, who represents Mnuchin, was asked to comment for this story but did not respond before deadline. Jamestown Associates is a Washington political consulting and advertising firm that represented Trump in his campaign.

"Robo-signing" is the informal term for when a mortgage company employee signs hundreds of foreclosures, swearing they have scrutinized the documents as required by law when in fact they have not.

"OneWest Bank did not 'robo-sign' documents," Mnuchin wrote in response to questions from individual senators, "and as the only bank to successfully complete the Independent Foreclosure Review required by federal banking regulators to investigate allegations of 'robo-signing,' I am proud of our institution's extremely low error rate."

But a Dispatch analysis of nearly four dozen foreclosure cases filed by OneWest in Franklin County in 2010 alone shows that the company frequently used robo-signers. The vast majority of the Columbus-area cases were signed by 11 different people in Travis County, Texas. Those employees called themselves vice presidents, assistant vice presidents, managers and assistant secretaries. In three local cases, a judge dismissed OneWest foreclosure proceedings specifically based on inaccurate robo-signings.

The Dispatch found more than 1,900 OneWest foreclosures in the state's six largest counties from 2009 to 2015.

Carla Duncan, a social worker from Cleveland Heights, was snared by OneWest's robo-signing machinery.

On her way out of town for a short trip in 2010, Duncan stopped by her home to get her mail and found a note from a field inspector for her mortgage company saying that her house was vacant and was going to be boarded up.

"It wasn't vacant. I was living there," Duncan said. "There were curtains on the windows. The radio was playing and the dog was there."

What Duncan didn't know at the time was that OneWest had begun foreclosure pro-

ceedings on her three-bedroom home even though she was up-to-date on her payments. OneWest refused to accept a loan modification approved by a previous lender that had been purchased by OneWest, and it wanted to substantially increase Duncan's interest rate and monthly payment and add late fees. The company also put a lock box on a separate rental property she owned in Cleveland.

After hiring former Ohio Attorney General Marc Dann, waging a five-year court battle and filing personal bankruptcy, Duncan was finally able to get the foreclosures dismissed and keep her home and rental property. She said the experience was devastating.

"It's almost like being raped, like being emotionally violated," Duncan said. "It got to the point that I was afraid to open my own door."

Court records show that Duncan's mortgage was robo-signed by Erica Johnson-Seck, vice president of OneWest's department of bankruptcy and foreclosures. From her office in Austin, Texas, Johnson-Seck robo-signed an average of 750 foreclosure documents a week, according to a sworn deposition she gave in a Florida case in July 2009.

Under oath, Johnson-Seck acknowledged that she did not read the documents she was signing, taking only about 30 seconds to sign her name. To speed up the process, Johnson-Seck said she shortened her first name on her signature to just an "E." She said in the deposition that OneWest's practice was to review just 10 percent of the foreclosure documents for accuracy.

Dann, who now specializes in representing clients who have problems with banks and other lenders after he was forced to resign as attorney general nearly 10 years ago, said Mnuchin's businesses were a "major offender" in problem mortgages. Dann said Mnuchin's firms were known for dual tracking (pursuing foreclosures simultaneously as they allegedly worked with homeowners), fabricating documents and other tactics "that caused unbelievable devastation in people's lives."

In 2010, federal laws were changed, enabling borrowers victimized by lenders to sue them. Dann said he worries that Mnuchin, as treasury secretary, would quietly work to repeal reforms, collectively known as the Dodd-Frank Wall Street Reform and Consumer Protection Act.

That appears to be the case.

"It has been over six years since the passage of Dodd-Frank and it seems like an appropriate time to review all of the regulations from Dodd-Frank to understand their impact on the market, investors, small businesses and economic growth," Mnuchin said in a written answer to the Senate.

U.S. Sen. Sherrod Brown, D-Ohio, grilled Mnuchin at his recent hearing and in follow-up written questions.

"Mnuchin profited off of kicking people out of their homes and then gave false testimony about his bank's abusive practices," Brown told The Dispatch. "He cannot be trusted to make decisions about policies as personal to working Ohioans as their taxes and retirement."

Faith, the homelessness coalition director, said foreclosure practices by Mnuchin's companies and others like them "created havoc."

"People were bamboozled into signing these mortgages," Faith said. "We watched this train wreck happen. It's been devastating, not only to the people who got caught in this kind of scheme, but also to people who happened to live in the neighborhood . . . It's scary that he's going to be treasury secretary."

The Dispatch analysis showed thousands of Ohio homeowners—including 245 in Franklin County—found themselves in OneWest's

crosshairs when they defaulted on their loans, the majority of them with high interest rates. Many mortgages had terms that housing and financial experts view as predatory: prepayment penalties, interest-only loans and no-money-down loans.

In addition to OneWest, which was born in 2009 from the collapse of subprime mortgage giant IndyMac, Mnuchin's banking group also acquired Financial Freedom, a subsidiary of Lehman Brothers that went bankrupt because of its toxic mortgage portfolio. The firm specialized in loans to senior citizens cashing in on their homes' equity.

Mnuchin was labeled by critics at the time as the "Foreclosure King."

Of the nearly four dozen foreclosure cases filed by OneWest in Franklin County in 2010 that were analyzed by The Dispatch, a quarter were filed within three years of the homeowner taking out the loan, typically a red flag that there was a problem with the mortgage terms and/or vetting the borrowers.

Thirteen of the borrowers had double-digit interest rates, ranging from 10 percent to 17.31 percent, largely because of adjustable-rate mortgage terms.

In the cases in which the houses were sold at an auction, two-thirds ended up in the hands of the federal government, which had backed those loans. Collectively, more than \$4 million was due on those loans.

Only seven borrowers were able to get a loan modification, even though former President Barack Obama's administration had been pushing since 2009 for lenders to help Americans keep their homes by lowering interest rates and, in some cases, the principal balance.

Mnuchin does have supporters, including the American Bankers Association, which sent a letter to the Senate committee saying Mnuchin's "public statements as well as his career in finance bring us optimism with regard to the outlook for public policies focused on growth and prosperity."

Grover Norquist, head of Americans for Tax Reform, released a statement supporting Mnuchin's nomination, in part because of his stated intention to roll back some of the Dodd-Frank legislation: "Mr. Mnuchin has made it clear that reforming the Dodd-Frank Act will be his 'number one priority on the regulatory side' once he becomes secretary of the treasury."

Ms. KAPTUR. According to The Columbus Dispatch, Mnuchin was untruthful to the Senate Finance Committee regarding his company's aggressive role in hastening thousands of home foreclosures during the 2000 financial crisis and what followed, and his misdeeds deeply impacted places like Ohio.

Mr. Mnuchin was the chief executive officer of OneWest Bank, which engaged in so-called robo-signing of mortgage documents. That means you really don't—you treat people like objects; you really don't go into the details of every case.

The Columbus Dispatch said its analysis of dozens of foreclosure cases in Ohio, and subsequent action, prove otherwise.

The dastardly practice of robo-signing, prevalent throughout the mortgage industry in the aftermath of that terrible financial crisis, had certain leaders, of which Mr. Mnuchin was at the top of the heap; and their employees signed foreclosure documents en masse without properly reviewing them and forcing unjust foreclosures.

The Columbus Dispatch found more than 1,900 such cases in Ohio alone. Individual cases revealed OneWest Bank declared properties vacant, even though someone was living in them. OneWest Bank, time and again, refused to abide by agreed-upon loan modifications.

Is that the kind of person that we really want in charge of the U.S. Treasury Department?

Nominee Mnuchin comes with a Goldman Sachs pedigree. Well, wouldn't we know that? He was nicknamed the "foreclosure king" after buying up IndyMac, a subprime lender that evicted about 36,000 people during the financial crisis.

Sadly, Mr. Speaker, while President-elect Trump promised to drain the swamp, his nominee for Treasury Secretary proves he is not doing that at all. He is enlarging the swamp.

The Columbus Dispatch found more than 1,900, I repeat, OneWest Bank foreclosures in our State's six largest counties from 2009 to 2015.

In addition, Mr. Mnuchin profited personally off of kicking people out of their homes. Does such a person actually deserve confirmation as Secretary of the Treasury of the United States of America?

Wake up, America. Wake up. Pay attention to what is happening here in Washington, D.C. This city belongs to you. This Capitol belongs to you.

Mr. Speaker, I would also like to place in the RECORD a release I sent out over the weekend relating to President Trump's executive order on immigration and refugees.

KAPTUR STATEMENT ON PRESIDENT TRUMP'S EXECUTIVE ORDER ON IMMIGRATION AND REFUGEES

CONDEMNS MISGUIDED MANDATE, INVITES TRUMP TO MEET WITH REFUGEES WHO CALL OHIO HOME

WASHINGTON, DC.—Today Congresswoman Marcy Kaptur (OH-09) released the following statement in light of confusion and hurt emanating from President Donald Trump's Executive Order on immigration and refugees.

"In New York harbor, not far from President Donald Trump's office tower stands the awesome Statue of Liberty with Emma Lazarus' immortal words, 'Give me your tired, your poor, your huddled masses yearning to breathe free.' Surely, President Trump has read these words.

"Ancestors of the Trump and Kaptur families both passed through that unforgettable portal as they made their way to America as immigrants. How can we deny to others the gift of freedom bequeathed to us?

"I support robust efforts to make America safe and secure. But a workable solution should ensure America's safety without destroying our heritage as an immigrant nation, dedicated to liberty and justice for all.

"President Trump's mandate will make America less safe. It penalizes worthy individuals and actually gives terrorist cells ammunition to use against America. This mandate puts people at risk who have helped America in our battle against terrorism, at home and abroad. It punishes innocent individuals caught in the crossfire fleeing terror and tribal conflict.

"Dangerously this misconceived Executive Order will spur anti-American sentiment

globally and on the Internet, spurring more terrorism, including against our troops, and it potentially aggravating religious conflict half way around the world. Reckless rhetoric puts our nation at greater risk at home and puts Americans traveling abroad in danger.

"I cordially invite the President to northern Ohio to meet personally with some of the crossfire fleeing the terror of war and tribal conflict. A well-crafted policy should enshrine liberty for all law-abiding persons while avoiding unintended consequences that can be used by our enemies to enflame terrorism."

Ms. KAPTUR. I just wish to say that the ancestors of the Trump family, as well as the Kaptur family, passed through the unforgettable portal of the Statue of Liberty in New York Harbor. And the words at the base of that statue are emblazoned in the minds of families like our own going back generations. "Give me your tired, your poor, your huddled masses yearning to breathe free." Surely, President Trump has read these words.

I support robust efforts to make America safe and secure, and have served on all the committees in this Congress that aim to do that. But workable solutions should ensure America's safety, without destroying our heritage as an immigrant Nation dedicated to liberty and justice for all.

President Trump's mandate actually will make America less safe because it penalizes worthy individuals and puts them at greater risk, and it actually gives terrorist cells ammunition to use against America.

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Think about it. This mandate puts people at risk who helped America in our battle against terrorism abroad and at home, and it punishes innocent individuals caught in the crossfire fleeing terror and tribal conflict.

Dangerously, this misconceived executive order will spur anti-American sentiment globally and on the internet spurring more terrorism. The old World War II motto "loose lips sink ships" is going to happen because of the way this was conducted. Reckless rhetoric puts our Nation at greater risk at home and puts Americans fighting for us and those traveling abroad in greater danger.

Mr. Speaker, I cordially invite the President to northern Ohio. Come and meet some of the people whose lives your order changed. I think you will change your mind.

The SPEAKER pro tempore. Members are reminded to address their remarks to the Chair.

#### IRAQI SPECIAL IMMIGRANT VISAS

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oregon (Mr. BLUMENAUER) for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, we are seeing from coast to coast demonstrations, protests, with people speaking out against the outrageous, reckless, and cruel executive order pro-

mulgated by the administration on Friday. It is wrong, and it is immoral on so many levels. It is hard to know where to start.

I just left my office with the president of the Western States chiropractic college—the largest such institution in the country—Joe Brimhall has a number of students who are dual citizens who need to leave the United States to take their board-certified tests next week in Canada. He doesn't know what to tell them. Pursue their professional career and maybe not be able to come back to the United States and finish at the college? It is embarrassing that we can't give him guidance about this ill-thought-out and reckless executive order that wasn't planned and still is having the details worked out.

But perhaps the worst aspect of this blanket cancellation is as it affects Special Immigrant Visas for Iraqis who are waiting to come to the United States. Whatever you think about the Iraq war, the men and women in Iraq who volunteered to help our forces were essential. They were guides, they were interpreters, and they worked on the projects. We could not have done the job over there without them. In many cases, they blended into the units in which they served. I have had cases where our soldiers have described to me how these people literally saved their lives.

I have heard from veterans who care deeply and wonder about the signal that they are sending to people they regarded essentially as family. They wonder how this administration could have forgotten about them. The guard in my office in Portland, who is a veteran, was asking me what is going on. He recalled his story about an interpreter who was critical to him when he served in Iraq. How could we have forgotten them?

I will tell you somebody who has not forgotten them are the Taliban and the ISIS terrorists. They regard these people as traitors. The terrorists have long memories, and want to make people pay for helping the United States. We have seen countless examples of these people being hunted down by terrorists. They have been assaulted, they have been kidnapped, they have had family members held for ransom, and they have been murdered.

That is why I have worked on a bipartisan basis for 10 years establishing the Special Immigrant Visa program with the late Senator Kennedy, with Senator JOHN MCCAIN, Senator SHAHEEN, my Republican colleague ADAM KINZINGER, and Congressmen STIVERS and HUNTER who were veterans themselves and understood why this program was important.

There is a lot of talk about extreme vetting. Trust me—the applicants for these visas are extremely vetted, taking 2 and 3 years, sometimes longer, fighting the bureaucracy, trying to make sure that they can escape to safety. Many have been killed because the extreme vetting process took so long.