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## United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

December 21, 2016

Mr. Steve Mnuchin  
Dune Capital Management LP  
623 Fifth Avenue  
New York, NY 10022

Dear Mr. Mnuchin,

Congratulations on your selection to be nominated for the position of Treasury Secretary.

As you know, the Treasury Secretary has many responsibilities, which Congress expanded in the aftermath of the financial crisis. Today, a Treasury Secretary is expected to be an expert in financial market operations and regulation, in addition to industrial and international trade policy, terrorist financing and sanctions, and tax and fiscal policy, among others. Many of your predecessors had long histories and extensive experience relevant to these areas, but I am currently unaware of your views and record on a host of these issues. In particular, I am unclear about your approach to issues within the jurisdiction of the Committee on Banking, Housing, and Urban Affairs, of which I am ranking member, with the exception of your desire to “strip back parts of Dodd-Frank” as your “number one priority on the regulatory side.”

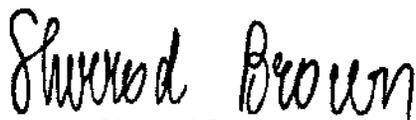
Because you do not appear before the Banking Committee as part of your nomination process, I am submitting the following questions relevant to the Committee’s jurisdiction over the Department of Treasury in the hopes that you can shed some light on your views and record for our members, as these topics of great importance to our nation:

1. As a former partner at Goldman Sachs, reportedly overseeing the mortgage-trading desk, you have described structured financial products as “an extremely positive development in terms of being able to finance different parts of the economy and different businesses efficiently.” What are your views on the role these products played in the financial crisis of 2008? Will you be a strong defender of the regulatory framework created by Dodd-Frank for complex securities and derivatives? If not, why not?
2. As the purchaser of a failed thrift, you and your partners entered into a loss sharing agreement with the FDIC’s insurance fund. What was the total amount of financial support OneWest received from the FDIC between 2009 and 2015? What are your views on the most effective ways to prevent bank failures?
3. As chairman and CEO of a financial institution that has been labeled a “foreclosure machine” do you believe the federal government should maintain its loss mitigation and foreclosure prevention programs or not? Will you support the regulatory efforts of the Office of the Comptroller of the Currency, including those affecting mortgage servicers or not?
4. As a former executive at a bank that has been accused of “failing to effectively market, offer and originate mortgage loans and other loan products in communities of color,” what are your views on the importance of fair lending laws?

1. As a former executive at a bank that merged with a large regional bank under your leadership, please describe the investigation currently being conducted by the Office of the Inspector General of the Department of Housing and Urban Affairs, your involvement at OneWest during the period in question, and whether any continued cooperation with this investigation will impair your ability to serve as Secretary of the Treasury.
2. As a recent former board member of a large regional bank, what are your views on the proper role of regulation in overseeing large regional banks?
3. As a former executive at a bank, you know that the Treasury Department has been at the forefront of our nation's national security policy through the use of economic sanctions and targeted financial measures, as you oversaw compliance efforts in this area. In light of the continuing threat from terrorist financing, money laundering, and other illicit finance risks to our financial system, what role do you see the Treasury Department playing in this area?
4. As a hedge fund partner, will you, as Chair of the Financial Stability Oversight Council, continue the efforts of the Oversight Council to address the risks that so-called shadow banks and other non-banks might pose a risk to the economy?
5. How will your past business – and presumably social – connections to hedge fund partners who invested in preferred shares of the Government Sponsored Enterprises, Fannie Mae and Freddie Mac, inform your views on efforts to reform those Enterprises?
6. You recently stated that, “We’ve got to get Fannie and Freddie out of government ownership. It makes no sense that these are owned by the government and have been controlled by the government for as long as they have... [W]e gotta get them out of government control.” Please explain what you meant by this statement.
7. Finally, though the law requires that you recuse yourself from participating in decisions that could benefit you or your close family financially, what additional steps will you take to provide Congress and the American public confidence that you are not using the power of the United States Treasury to benefit your current or former business partners, or disadvantage their competitors?

As you prepare for the nomination process, and Congress prepares to fulfill our role in providing advice and consent on nominees that come before the Senate, I appreciate your willingness to provide us information on these important issues. I respectfully ask that you provide responses by January 6, 2017.

Sincerely,



Sherrod Brown  
Ranking Member

cc: Senate Finance Committee Chairman Orrin Hatch  
Senate Finance Committee Ranking Member Ron Wyden