

## **Statement by Senator Elizabeth Warren**

Thank you all for being here – especially our panelists, who have taken time away from work or from their families to travel across the country to share their stories.

We're here because President-elect Trump has named Steve Mnuchin to serve as his Secretary of the Treasury. The Treasury Secretary is the single most important economic official in the country – and if he is approved by the Senate, Mr. Mnuchin will make decisions that affect every American.

He will advise the President on the economy. He will oversee the IRS. He will manage the nation's finances. And he will lead the council responsible for reining in Wall Street to prevent the next financial crisis.

Senators voting on this nomination must decide what kind of Treasury Secretary Mr. Mnuchin would be. Will this economy create jobs and grow wages for all Americans, or will it simply work for those at the top?

Unfortunately, judging by Mr. Mnuchin's tenure as the head of OneWest Bank, there is significant evidence that he has no interest in working for the benefit of all Americans.

In late 2008, as the financial crisis was sweeping across the country, Mr. Mnuchin led a team of investors to purchase IndyMac Bank out of federal receivership. He rebranded the bank as OneWest and put himself in charge as CEO. And then Mr. Mnuchin and OneWest did something extraordinary. They acted decisively to boot tens of thousands of families out of their homes all across the country.

Foreclosures happen in an economic crisis. But OneWest was different. It quickly gained a reputation as a "foreclosure machine."<sup>1</sup> Even when compared to the other financial institutions that aggressively and illegally tossed families out of their homes after the financial crisis, OneWest was notorious for its belligerence, and for its cruelty. And eight years after the crash, they're still doing it. The stories will break your heart:

- A 90-year old woman in Florida who was foreclosed on because of a 27-cent shortfall on her account.<sup>2</sup>
- A woman in Minnesota who was foreclosed on and locked out of her home by the bank in the middle of a blizzard.<sup>3</sup>
- A 99-year old man in California who lost his home of over forty years after he was sold a teaser-rate mortgage at the age of 95.<sup>4</sup>

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<sup>1</sup> <http://www.npr.org/2016/11/29/503755613/trumps-potential-treasury-secretary-headed-a-foreclosure-machine>

<sup>2</sup> <http://www.politico.com/story/2016/12/trump-treasury-foreclosed-homes-mnuchin-232038>

<sup>3</sup> <http://www.startribune.com/after-2-year-foreclosure-battle-she-owns-minneapolis-home/128110078/>

<sup>4</sup> <http://www.mercurynews.com/2011/05/05/herhold-an-ugly-exile-for-a-centenarian/>

Countless homeowners with the misfortune of ending up with a OneWest mortgage have had their lives turned upside down. Some ended up homeless. OneWest paid millions of dollars for predatory foreclosure practices, including almost three million dollars for violating the rights of dozens of active duty servicemembers.<sup>5</sup>

The OneWest model was terrible for homeowners – but it was great for Mr. Mnuchin. Six years after buying the bank, he sold it and reportedly may have pocketed more than two hundred million dollars in personal profit.<sup>6</sup>

Mr. Mnuchin's confirmation hearing will take place tomorrow. At that hearing, he will have the opportunity to explain why his years of grinding families into the dirt at OneWest Bank does not disqualify him from becoming the nation's top economic official.

But Senators should also hear from some of the many thousands of families who had direct experience with his bank. That's why 25 Democratic Senators wrote a letter last week asking the Republican Chairman of the Senate Finance Committee to include some of people as witnesses at Mr. Mnuchin's hearing. The Chairman refused. So we invited them to come to the Senate anyway, and have invited every Senator – Republican or Democrat – to attend this forum.

I should note that we also invited Mr. Mnuchin to come today to answer questions and to hear from these families directly. He declined.

We have four people here today who were foreclosed on – or were threatened with foreclosure – by OneWest:

- Colleen Ison-Hodroff, from Minneapolis, Minnesota, is 84 years old. When her husband got a reverse mortgage on their fully paid-off home from Financial Freedom – a OneWest subsidiary – the broker assured the couple that Colleen could keep living there even if her husband passed away. That was a lie. Just days after the funeral for her husband of 55 years, the bank told her she needed to pay off the entire loan or face foreclosure. She's been fighting them off ever since, but the threat continues to hang over her and her family.
- Heather McCreary, from Sparks, Nevada, and her husband did everything they were told, multiple times, to obtain a loan modification from OneWest. It didn't matter. OneWest strung them along for years but foreclosed anyway, so abruptly that it literally put Heather, her husband, and twin boys out on the street.
- Sylvia Oliver, from Scotch Plains, New Jersey, has been trying for years to get a loan modification from OneWest – and for years, the bank has refused to work with her in

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<sup>5</sup> <https://www.occ.gov/news-issuances/news-releases/2014/nr-occ-2014-65a.pdf>, table 6.

<sup>6</sup> <https://www.bloomberg.com/politics/articles/2016-11-22/trump-treasury-contender-mnuchin-found-profits-in-mortgage-mess>

**EMBARGOED // Wednesday, January 18<sup>th</sup> at 2:15pm**

good faith. She was about to lose her battle – her foreclosure date was literally today – but with the help of Senator Menendez’s office, she has gotten 30-day reprieve.

- Cristina Clifford, from Carlsbad, California, is a self-employed small business owner. She continually followed OneWest’s instructions for obtaining a loan modification, and OneWest kept cashing her checks – but making up excuses about her paperwork. Cristina was foreclosed on just days after a OneWest employee personally assured her that she could still work out a modification to keep her in her home.

We are also lucky to have the chance to hear from Paulina Gonzalez, the Executive Director of the California Reinvestment Coalition. She and her organization have been tracking OneWest’s predatory foreclosure practices for years, and working with families to try to keep them in their homes.

I want to thank all of you for being here today. I know how difficult it is to talk about what you’ve gone through. But you are doing a great service to the Senate – and to the country – by being here. We look forward to hearing what you have to say.