

January 19, 2017

Dear Senator:

We, the undersigned organizations, representing millions of Americans, are writing to urge you to oppose the nomination of Steven Mnuchin as Secretary of the Treasury.

The holder of this office will be a pivotal player in shaping the nation's economic policies. The Treasury Secretary has direct responsibilities in crucial areas such as tax policy (including control of the Internal Revenue Service), the enforcement of laws against financial crimes, and oversight of Wall Street as the chair of the Financial Stability Oversight Committee. The Secretary also serves as a key advisor to the President on a wide range of fiscal, regulatory, consumer, housing, and other key economic issues.

Under any circumstances, we would have grave doubts about the appointment of a hedge fund magnate and Wall Street insider to this position. The Treasury Secretary must act in the interest of all Americans and not serve as an inside-the-government representative of the wealthiest special interests in our society. This is something that often requires standing up to narrow Wall Street demands.

Experience has shown what can happen when big-bank executives are put in charge of the Treasury Department. All too frequently, such appointments have led to a pro-Wall Street policy tilt which has caused enormous economic harm to the rest of the country. Major conflicts of interest are created when appointees have long-standing ties to the same Wall Street firms regulated by the Treasury. Appointing a former Goldman Sachs executive and hedge fund manager such as Mr. Mnuchin as Treasury Secretary would result in numerous such conflicts. This is not what the American people thought they would get when they voted for a candidate who promised to "drain the swamp" of special-interest politics.

A notable conflict, for example is created by the role of the Treasury Secretary in determining tax policies like the President-elect's proposal to repeal the estate tax. Such a repeal could personally benefit Mr. Mnuchin's family by over a hundred million dollars, while losing hundreds of billions in revenue that supports infrastructure, education, and other vital investments for middle class families. Countless other decisions either made or influenced by the Treasury Secretary likewise could benefit Mr. Mnuchin and his former business associates.

Beyond these conflicts, Mr. Mnuchin's specific record as a banker and financier raises especially serious concerns. As the chief executive of OneWest bank, Mr. Mnuchin executed tens of thousands of foreclosures, which were particularly concentrated in minority communities. He received taxpayer bailout funding and special government support to purchase OneWest based on agreeing that his bank would make its "best efforts" to restructure loans and avoid throwing families out of their homes. But Mr. Mnuchin did not make such efforts. Instead, OneWest was quick to evict families from their homes in order to increase profits, and even broke the law to do so. Lawyers for the California Department of Justice have documented that OneWest bent the rules to speed up foreclosures, and a New York State Supreme Court judge has called OneWest's foreclosure practices "harsh, repugnant, shocking, and repulsive."

The practices of OneWest's reverse mortgage subsidiary, Financial Freedom, which was also directed by Mr. Mnuchin, are also extremely disturbing. Reverse mortgage products, marketed to the elderly as a way for them to tap home equity, are supposed to include protections against eviction so long as borrowers continue to live in their primary residences. But Financial Freedom apparently engaged in aggressively predatory practices that led to over sixteen thousand foreclosures, a far greater number than would be expected based on the company's market share. Elderly individuals who had recently suffered the death of a spouse were most likely to be victimized. In one case Financial Freedom attempted to evict a 90-year-old woman from her home over a 27 cent error on an insurance payment. We urge you not to support entrusting leadership of our nation's financial system to someone with this record.

Over the past decade, we have seen the disastrous economic results of policies that permit the wealthiest and most powerful institutions and individuals in our society to rig the rules and engage in predatory financial practices that devastate ordinary American families. The Senate, by confirming a nominee with Mr. Mnuchin's record, would put its stamp of approval on such practices, and encourage a government that enables them. We urge you to vote against his confirmation.

Sincerely,

AFL-CIO

Alliance of Californians for Community Empowerment Action

Allied Progress

American Family Voices

American Federation of State, County and Municipal Employees (AFSCME)

American Federation of Teachers, AFL-CIO

California Reinvestment Coalition
Center for Corporate Responsibility
Center for Popular Democracy Action
CFED
Communications Workers of America
Consumer Action
Consumer Federation of America
Courage Campaign
CREDO
Daily Kos
Democracy for America
Free Press Action Fund
Institute for Policy Studies, Global Economy Project
Juma Ventures
The Leadership Conference on Civil and Human Rights
Main Street Alliance
Media Voices for Children
NAACP Washington Bureau
National Association of Consumer Advocates
National Center for Lesbian Rights
National Fair Housing Alliance
NETWORK Lobby for Catholic Social Justice
New York Communities for Change
Other98 Action
People's Action
Public Citizen
Public Investors Arbitration Bar Association
ReFund America Project
Renaissance Entrepreneurship Center
The Rootstrikers project at Demand Progress
Strong Economy For All Coalition
UNITE HERE
U.S. PIRG
Woodstock Institute
Working America
Working Families Party