United States Senate Committee on Finance
November 10, 2026
Hearing to Consider the Pending Nominations of Francis Browne; Christopher Abbott; and Robert Stebbins

Questions for the Record submitted to Francis Browne from Senator Grassley.

Question 1: The Treasury Secretary has expressed support for targeting deficits of 3 percent of gross domestic product (GDP), which roughly aligns with the post-World War II average. The Fiscal Year 2026 deficit was 6.2 percent of GDP. As Undersecretary for Domestic Finance, you will be the Secretary's top advisor for fiscal and economic policy.

In your view, are 3 percent of GDP deficits attainable through economic growth alone, or will fiscal adjustments also be necessary? What - in your understanding - are the primary drivers of our annual deficits?

Answer: Elevated spending is the primary reason the deficit is above its historical average. Since 1960, federal revenue has averaged 17.3% of GDP. In FY2025, it was 17.2%, broadly in line with the long-run average. Over that same period, federal spending has averaged 20.5% of GDP. In FY2025, it was 23.1%, well above the long-run average.

Both economic growth and spending restraint are needed to reduce the deficit to 3% of GDP. The Administration's FY 2027 Budget proposes gradually decreasing the deficit to under 3% of GDP, projected to be achieved by 2035. While formulation of the President's budget is primarily the responsibility of OMB, if confirmed, I look forward to advising the Secretary on this broader effort.

Questions for the Record submitted to Francis Browne from Senator Tim Scott.

Question 1: Housing affordability is a significant challenge for American families, particularly first-time homebuyers. One contributing factor is that homeowners who purchased their homes decades ago face significant capital gains taxes when they sell, discouraging them from putting their homes on the market. How can Treasury and Congress work together to reduce these cost barriers and improve housing affordability?

- Would indexing the capital gains exclusion for primary residences to inflation improve opportunities for younger families to purchase their first homes?

Answer: The Administration is committed to improving affordability and permitting every American the opportunity to own a home. Implementation of the *21st Century ROAD to Housing Act* is an example of how Congress and the Administration can work together to reduce regulatory barriers to building homes and promoting housing affordability. The capital gains tax exclusion for home sales has been unchanged since 1997. If confirmed, I will review to improve liquidity in the housing market.

Question 2: Opportunity Zones have been an important tool for attracting private investment into economically distressed communities. Last week, Treasury announced more than 6,500 new

Opportunity Zone designations, including 112 in South Carolina. What more could be done between Treasury and Congress to ensure Opportunity Zones are as effective as possible, and what policies do you think Congress should prioritize to best support community development efforts?

Answer: New Qualified Opportunity Zone (QOZ) designations will become effective on January 1, 2027, and retain this designation for 10 years. In total, more than 6,500 eligible census tracts were nominated, of which more than 2,500 were in rural areas. As QOZs begin to attract investment to communities, Congress and the Administration should work together to ensure investors, small businesses, entrepreneurs, and local leaders have the tools needed to commit capital and drive economic growth.

Question 3: Our $40 trillion national debt is not only a fiscal challenge but also a national security liability. As debt-servicing costs consume a growing share of federal budgets, Congress faces difficult choices about funding our military and providing critical federal services. How does our current debt trajectory affect America's long-term security, and what role can Treasury play in mitigating those risks?

- What measures should Congress take to mitigate those risks?

Answer: Our long-term fiscal trajectory is unsustainable and, if continued, could pose a risk to the economy and the financial system. Treasury continually monitors government revenues, expenditures, and the resulting deficit, including developments in the Treasury market. Both pro-growth economic policies and spending restraint are needed to reduce deficits.

Questions for the Record submitted to Francis Browne from Ranking Member Wyden.

1. Mr. Browne, If confirmed, you will oversee the Bureau of Fiscal Service (BFS) system, which pays the government's bills. In early 2025, Treasury provided two DOGE employees with improper access to the BFS system, according to both the Government Accountability Office and Treasury's Office of Inspector General.

   If confirmed, what will you do to safeguard the sensitive personal and financial information within the BFS systems from unauthorized access or breaches by White House employees or anyone else?

Answer: If confirmed, I pledge to work with the Bureau of Fiscal Service to ensure that appropriate safeguards and protocols in accordance with the law are in place to prevent unauthorized access.

Questions for the Record submitted to Francis Browne from Senator Cortez Masto.

Question 1: Will you oppose including any image of President Trump on the Olympic Medals for Los Angeles in 2028?

Question 2: Will you oppose any request to put the image of President Trump on any coins or bills as long as he is alive unless authorized by Congress?

Answers 1-2: If confirmed, this would be a matter outside of my purview.

Question 3: Please describe your understanding of the Treasury Department's role to collaborate with the independent bank regulators, FSOC and other agencies to mitigate cyber attacks on financial institutions. Please include assessments on basic security protocols/standards for financial institutions including the separation of production and non-production platforms/servers when financial institutions are examined.

Answer: Cyber threats have the potential to cause substantial disruption to the financial system. If confirmed, I will work with Treasury's relevant offices, the prudential regulators, and the private sector to strengthen the ability of financial institutions to guard against sophisticated cyber-attacks.

Questions for the Record submitted to Francis Browne from Senator Warren.

Question 1: President Trump has expressed his support for eliminating the debt ceiling, saying that it should be "thrown out entirely." If confirmed, what steps will you take to achieve this goal?

Answer: Congress has responsibility for addressing the statutory debt limit. If confirmed, I look forward to working with Congress to ensure that we prevent a default on our nation's debt. Honoring the full faith and credit of the United States is a critical commitment.

Questions for the Record submitted to Francis Browne from Senator Warnock.

Question 1: The Treasury Department has long described its approach to debt issuance as "regular and predictable."

- Will you commit to continuing to pursue "regular and predictable" debt issuances as Treasury's Under Secretary for Domestic Finance?
- Do you agree that "regular and predictable" should also describe Treasury's market interventions to buy back Treasury debt? If not, what objective should the Treasury Department pursue when buying back Treasury debt?

Answer: Treasury is committed to financing the U.S. government at the lowest cost to the taxpayer over time. The regular and predictable approach to debt issuance provides predictability to market participants. Buybacks support Treasury's objective of obtaining the lowest cost of financing over time by supporting liquidity and reduced issuance volatility.

Question 2: In your view, what are the top three risks to the stability of the United States' financial system?

Answer: If confirmed, I will commit to supporting efforts to monitor for potential risks to financial stability. The Financial Stability Oversight Council's 2025 annual report describes certain financial stability risks that are the focus of regulators.

Question 3: For nearly two decades, government-sponsored entities Fannie Mae and Freddie Mac have been under conservatorship by the federal government. In your view, what are the circumstances in which that conservatorship should end?

Answer: Any step to modify or potentially end the GSEs' conservatorships should be taken only after a careful and deliberative process to identify and assess the potential impacts. As the largest shareholder in the GSEs, Treasury will remain engaged in any discussion regarding the future of Fannie Mae and Freddie Mac, with particular attention to not negatively impacting the borrowing costs for Americans.