

# Forethought Advisors Identifies Strategies To Avert Looming Socioeconomic Crisis Marked By Rising Interest Rates

*Newsletter details strategies that expand equity while curbing inflation, allow FHLBanks to remain relevant, effectively channel federal dollars to communities*

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WASHINGTON, D.C. – In its [latest newsletter](#), Forethought Advisors, a group of seasoned Washington insiders, said that America faces a growing socioeconomic crisis with new fault lines in the nation’s housing industry and a lackluster performance by the Biden administration in realizing its “equity” agenda.

“

(President Biden and Congress) must immediately act boldly to reverse the devastating impact of rising interest rates on the housing industry and open the spigots to investment in local communities.”

*Lawrence H. Parks*

To see progress, Forethought Advisors recommended that the Biden administration supervise the implementation of new legislation and government policy that expand racial equity while curbing inflation; that Federal Home Loan Banks should forge a marriage with fintech mortgage lenders to survive and keep cash flowing to businesses, consumers and communities; and, in a new “Big Idea,” policymakers must develop new delivery networks to

channel federal funding to local partners so urban and rural transformation can truly begin.

Lawrence Parks, co-founder of Forethought Advisors and a national expert in financial services, public policy, and regulatory affairs, said, “We are in a critical flashpoint in America’s looming socioeconomic crisis. The Biden administration and U.S. Congress must immediately act boldly to reverse the devastating impact of rising interest rates on the housing industry and open the spigots to investment in local communities.”

Parks, a former senior vice president at the Federal Home Loan Bank of San Francisco who has worked as a chief policy expert at the U.S. Commerce Department and is a former congressional staffer, added:

“Corporations, trade associations, state and local governments and non-profit organizations can benefit from better understand the challenging Washington environment we’re in. We can help them realize their regulatory and legislative objectives.”

The Forethought Advisors newsletter, published quarterly, offers comprehensive analysis on policy issues that public and private sector leaders, as well as non-profit organizations, need to inform their decision-making. Subscribe here: <https://www.forethoughtadvisorsllc.com/>.

Timothy Simons, a co-founder of Forethought Advisors and former executive at Federal Home Loan Bank of San Francisco, KPMG and Cable & Wireless in the U.S., Caribbean, and Latin America, said, “We provide strategic advice to chief executives, public policy makers and corporate and nonprofit leaders that helps navigate the divided landscape in Washington, D.C., so they can realize the transformations they seek in our economy and communities.”

The latest issue of the newsletter features this analysis:

#### □ Rising Interest Rates Create Fault Lines within America’s Housing Industry

As the Federal Reserve pushes interest rates higher, conservatives and economists focused on taming inflation approve of each uptick. By contrast, in most corners of the housing industry, ranging from potential home buyers to sellers, builders, developers, and lenders, there are more



Lawrence "Larry" Parks



Tim Simons

groans than cheers as the inflation-fighting policies raise costs throughout the entire housing sector. In fact, higher mortgage rates are stirring serious concerns about the industry's future in both the short and long term. And at least one major question looms above the turbulence: will the Administration and/or Congress intervene in bold ways if faults in the housing sector threaten to drag the national economy into a recession?

#### □ The Big Idea: Improve the Capacity of Localities to Effectively Use Federal Resources

A radically changed business environment has emerged for corporations. Federal resources are available to pay for new infrastructure, create housing opportunities for changing populations, spur community development, help American companies compete in the global marketplace, shift strategies so more goods are manufactured and warehoused in the U.S., and many additional tasks that generate revenue. A rare common thread for Presidents Trump and Biden is recognition that government must actively engage with the private sector, buffering some economic pain from the pandemic, so that workers and the nation's economy can benefit. Outside of wartime, this level of federal, industry-targeted resources is unprecedented.

□ The Office of Information and Regulatory Affairs under Biden: More Questions Than Answers  
On many fronts, President Joe Biden has aggressively pressed an agenda that returns the federal government to "active duty." His federal spending priorities forge a new era of industrial policy that encourages manufacturing and warehousing goods in America. His domestic priorities expand the safety-net and opportunities for low-income and middle-class families. But the Administration was slow to bring leadership to an obscure government division – the Office of Information and Regulatory Affairs (OIRA) – that plays an essential role in turning signed legislation into new realities on the ground for industry, communities, workers, and families. (Since our newsletter was published, President Joe Biden nominated NYU Law's Dean Emeritus Richard Revesz to be OIRA administrator.)

□ Federal Home Loan Banks: Could Mutual Benefits Derive from Collaboration with FinTech?  
Looking into a crystal ball, could a future marriage between FinTech mortgage lenders and the Federal Home Loan Banks quiet their respective critics? The Home Loan Banks face sharp criticism for being stagnant for decades, with few innovations or new reasons to justify their existence in the modern banking environment.

In future newsletters, Forethought Advisors will continue offering insights on the fight against inflation, as well as other issues, and how the private sector can increase revenue, while workers receive sustainable wages.

Parks and Simons are available to comment on public policy issues or appear as speakers on panels at convenings and conferences. [Enjoy our newsletter.](#)

For more information about Forethought Advisors and to subscribe to the newsletter, please visit <https://www.forethoughtadvisorsllc.com/>.

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