

**STATEMENT OF
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SECRETARY
OF
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
BEFORE THE
HOUSE FINANCIAL SERVICES COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES
OVERSIGHT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND THE FEDERAL HOUSING ADMINISTRATION
JANUARY 21, 2026**

Chairman Hill, Ranking Member Waters, and distinguished Members of the Committee.

Thank you for this chance to testify today about what HUD has been doing the past year to spur prosperity in our communities, safety in our streets, and homeownership across America.

Under President Trump's leadership, we are fulfilling our mission of fostering strong communities by supporting access to quality, affordable housing, expanding the housing supply, and unlocking homeownership opportunities for the American people.

And we're doing that by empowering Americans and cutting red tape instead of intruding government power into every corner of Americans' lives.

As part of our campaign against overregulation, we eliminated the Affirmatively Furthering Fair Housing rule, which turned HUD into a national zoning board and robbed local communities of their zoning powers. This regulation was based on a bad faith assumption that local policies are racist until proven innocent, requiring Washington's heavy hand to fix things. The result was

rising home prices and saddling communities with more red tape. (And AFFH did not build one home.)

We also deactivated and archived almost 600 outdated mortgagee letters to bring clarity to Federal Housing Administration (FHA) lenders, and rescinded more than 12 policies in our single-family mortgage insurance programs to make homes more affordable.

These rescissions include:

- Eliminating several antiquated and burdensome procedural steps that FHA appraisers had to complete during each assignment, better aligning FHA with industry standards and reducing unnecessary costs and delays that were passed on to homebuyers.
- Rescinding the full-time employment requirement for Direct Endorsement underwriters, which provides increased staffing flexibility for FHA lenders by allowing them to employ part-time underwriters.
- Ending the Supplemental Consumer Information Form requirement, which collected information about the borrower's language preferences and homeownership education or counseling. This requirement had limited benefit and imposed an additional collection burden.
- Rescinding the Federal Flood Risk Management Standard, which required that the lowest floor in newly constructed properties located within the one-percent-annual-chance (100-year) floodplain be built at least two feet above the Base Flood Elevation. This standard would have limited the land available for development and increased the cost of construction for FHA-insured single-family properties.

- And finally, for forward mortgages, we modified mandatory pre-endorsement inspection requirements for properties located in Presidentially Declared Major Disaster Areas that previously applied regardless of whether any damage actually occurred. This update reduces costly and unnecessary delays and will improve the bandwidth of home property inspectors that are often overwhelmed following a natural disaster.

Such deregulation helps place the American Dream of homeownership within reach for more families. We also ended the Multifamily Green and Energy Efficient Mortgage, or Green MIP for short, which sacrificed Americans' interests to serve a radical environmentalist agenda.

Terminating the Green MIP removes a burden off the backs of Americans and helps clear the path to making housing more affordable to build.

But HUD doesn't just promote housing affordability, we also help Americans recover after natural disasters destroy or damage their homes. We have given disaster survivors more flexibility in how they use recovery funds, and we have also allocated more than \$12 billion to assist Americans who suffered from natural disasters in 2023 and 2024. This aid provides survivors with a crucial helping hand to rise from the ruins of storms and floods.

Disaster relief is just one part of our mission of protecting vulnerable Americans. HUD defended women in shelters by ending the enforcement of a Biden-era policy that forced them to share spaces with men who claimed to "identify" as women. Women in these shelters oftentimes have suffered from severe trauma like sexual assault, or domestic violence, or both. It is outrageous that such women were put in danger in the name of far-left gender ideology, and restoring safety to these shelters marked a return to sanity.

Caring for the vulnerable also means helping the homeless. We are aiming to restore balance to the Continuum of Care program and prioritize treatment and recovery, as well as other supportive services, to address the root problems of homelessness, including drug addiction and mental illness, so we can reduce homelessness and keep our streets safe. This is a marked difference from the Biden-era policy of just throwing taxpayer dollars at the issue and calling it a day.

My uncle is a good example of how we have other options besides forcing homeless Americans into permanent dependence on government. He was homeless, broken, drug-ridden, and had a debilitating disease. But my family and I took care of him, and made sure he got the wraparound services he needed. How would he have been better helped by being thrown into permanent public housing with no long-term treatment?

Vulnerable Americans benefit most when we get them real treatment, and we're making sure that all of our efforts are specifically helping American citizens. We are committed to working to reduce barriers facing homeless Americans that keep them from accessing evidence-based treatment and achieving successful, long-term recovery from drug addiction, to ultimately become productive citizens. We eliminated non-permanent resident eligibility for FHA-insured mortgages, and we are auditing public housing authorities to ensure taxpayer dollars don't support illegal aliens. American dollars should benefit American citizens. (And American citizens *only*.)

By focusing on our core mission of helping Americans, HUD provided a pathway for homeownership and supported housing affordability for more than one million Americans through FHA and Ginnie Mae in less than one year.

We also take stewardship seriously, so we're cracking down on waste, fraud, and abuse. Our Office of the Chief Financial Officer, for example, uncovered more than \$5 billion in potential payment errors, out of over \$50 billion in total rental assistance for Fiscal Year 2024—and that includes money that went to nearly 30,000 dead people. That is ludicrous, it is anti-stewardship, it's a violation of our sacred trust to American taxpayers, and it's going to end. To help prevent fraud, waste, and abuse before it happens or detect it in real time, we are also taking steps to improve recipient and subrecipient reporting, enhance HUD monitoring capabilities, and streamline grants management. And we are working to root out corruption at public housing authorities and private multifamily owners nationwide as seen by our taking action to address rampant fraud in the Atlantic City Housing Authority and New York City Housing Authority.

Finally, as part of making HUD run more efficiently, we have established a new HUD Efficiency Task Force to promote efficiency gains.

We've made tremendous strides over the past year, and under President Trump's leadership, we'll continue promoting housing affordability and cultivating the independence, freedom, and enterprise that pave the way to the American Dream of homeownership.

Thank you all, and I look forward to answering your questions.