

**HOUSING AFFORDABILITY:
SAVING THE AMERICAN DREAM**

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC GROWTH, ENERGY
POLICY, AND REGULATORY AFFAIRS

OF THE

COMMITTEE ON OVERSIGHT AND
GOVERNMENT REFORM

U.S. HOUSE OF REPRESENTATIVES

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- * Article, *Urban Institute*, “Mass Deportations Would Worsen Our Housing
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- * Fact Sheet, *ACEEE*, “NABH’s Fictitious Building Code Cost Claim”; sub-
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The documents listed above are available at: docs.house.gov.

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* Questions for the Record: Mr. Buddy Hughes; submitted by Rep. Burlison.

These documents were submitted after the hearing, and may be available upon request.

HOUSING AFFORDABILITY: SAVING THE AMERICAN DREAM

THURSDAY, JANUARY 22, 2026

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON ECONOMIC GROWTH, ENERGY POLICY, AND
REGULATORY AFFAIRS

Washington, D.C.

The Subcommittee met, pursuant to notice, at 2 p.m., Room 2247, Rayburn House Office Building, Hon. Eric Burlison, [Chairman of the Subcommittee] presiding.

Present: Representatives Burlison, Higgins, Perry, Frost, Ansari, and Min.

Mr. BURLISON. This hearing of the Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs will come to order.

I welcome everyone for joining us today. Without objection, the Chair may declare a recess at any time. And I recognize myself for the purpose of making an opening statement.

OPENING STATEMENT OF CHAIRMAN ERIC BURLISON REPRESENTATIVE FROM MISSOURI

Let us start with the basic reality check. A young American can work full-time, do everything right, and still have no realistic path to owning a home, not because they are lazy, not because they made reckless choices, but because public policy has made ownership more expensive and further out of reach than it has been in decades. Only 25 percent of Americans say they are confident that they can afford to buy a home. More than half say that they have little or no confidence at all. Housing affordability is now at a 40-year low.

At the same time, Americans are seeing something that does not add up. Across the country, people who entered the United States illegally are living in housing that many working Americans cannot afford. That is not a talking point; it is a policy outcome. Young adults who follow the law, entered the workforce, and tried to build the future are told that they should accept permanent renting. Meanwhile, the government programs increase housing demand, subsidize select populations, and then drive prices higher for everyone else. That is not fairness. That is displacement. Nearly 1/4 of homeowners and almost 1/2 of renters spend at least 30 percent of their income on housing. For millions of families, housing is no longer a foundation for stability. It is a financial chokepoint.

So, how did we get here? First, the Federal Reserve held interest rates near zero and injected trillions of dollars into the economy leading up to and during the COVID pandemic. Mortgage rates fell sharply, demand surged, and home prices skyrocketed while housing supply failed to keep pace. Then the Federal Reserve reversed course, and interest rates climbed to their highest level since 2008. Americans were left with the worst possible combination, elevated home prices and sharply higher borrowing costs. At the same time, the Biden Administration fueled historic inflation through excessive Federal spending. Paychecks lost purchasing power while housing costs continued to rise.

Now consider the supply. The United States is short somewhere between 3.8 and 8.2 million homes today. By 2035, that shortage could approach ten million units. Instead of prioritizing supply, Federal policy increased demand. Mass illegal immigration placed immediate pressure on housing markets across the country, especially in working-class communities. More people competing for too few homes has driven up rent and prices higher for Americans already struggling to get ahead.

Washington also has made housing more expensive to build. Federal regulations on building codes, energy standards, and home appliances added tens of thousands of dollars to the cost of constructing or renovating a home. Proposals for nationwide rent control further discouraged new construction and reduced the supply. The result is a system that squeezes working Americans from every direction: higher prices, higher interest rates, too little supply, and the demand competition driven by Federal policy. That is not a failure of the free market. It is a failure of government.

President Trump and congressional Republicans are taking a different approach. On day one, the President directed his Cabinet to deliver emergency price relief by expanding housing supply and eliminating regulations that raise costs. The Department of Housing and Urban Development (HUD) and Department of Interior are working to make the Federal land available for housing development. Congress passed H.R. 1 and the One Big Beautiful Bill, which delivered historic tax relief for working families and removed barriers to make it harder to build homes.

The direction is clear. Housing affordability will not be restored by trapping Americans in permanent rent. It will not be restored by distorting markets or importing demand into an already broken system. It will be restored by unleashing American builders, dismantling the regulatory cartel, and putting hardworking American families back at the center of national policy where they belong, and that is why we are here today.

Mr. BURLISON. And with that, I yield to Ranking Member Frost for his opening statement.

**OPENING STATEMENT OF RANKING MEMBER
MAXWELL FROST, REPRESENTATIVE FROM FLORIDA**

Mr. FROST. Thank you so much, Chairman Burlison, and thank you for calling this hearing today on such an important subject.

Stable housing should be the essential foundation upon which families in America can build a good life, but housing is not affordable in this country. Especially my generation has pretty much

given up hope of ever being able to have stable housing since the cost is high to purchase a home and the rising cost of rent, student debt, healthcare, and everyday expenses prevent us from being able to stay housed, let alone purchase a home. In fact, my office opened up one of the first satellite congressional offices on a university's campus. I thought the top issue that people would come and ask us for help on would be student debt, but in fact the top two were food insecurity, hungry students, and people who were homeless and did not have a place to live.

This is a personal thing for me. When I decided to run for Congress, I experienced homelessness for many months when I was priced out of my apartment after the rent moratorium hike was taken away in the State of Florida just after COVID. I always joked to myself that at least if I won my race for Congress, I would not deal with housing issues again. I was elected to Congress, and as a Congressman-elect, I was denied to every apartment complex I applied to in Washington, D.C. I joked about having to couch surf on news, not knowing it would become national news that a new Member of Congress was essentially homeless in his new place that he would have to work in.

I say this to say this is an issue that is far-reaching that impacts all Americans. And even when I took out a loan to be able to pay the high cost of rent moving to D.C., I was denied the opportunity to pay the high rent too.

First-time homebuyers have been driven down to 21 percent of the market. And the median age of first-time homebuyer is now 40 years old, the highest ever recorded. Families are getting priced out while big money investors are cashing in. In the first quarter of 2025, investors bought nearly 27 percent of homes sold, the highest share in at least five years and way above the number of first-time buyers. That is not a cultural shift. That is what happens when government tilts the field toward corporate buyers and then shrugs when regular people lose.

The commodification of housing has gotten way out of control. There is a crisis that has been made even worse at every opportunity by greed and turning the American dream into a commodified asset. Plus, tariffs, an underdeveloped workforce, and outdated zoning laws prevent the growth of housing supply that we need.

I will work with anyone to fix these issues. Congress, as well as the Federal Trade Commission (FTC), Department of Justice (DOJ), HUD, and Treasury can and must rapidly mobilize to lower housing costs today, and all it takes is the political will and focus. For too long, the Federal Government has washed its hands clean of housing laws, relegating it to being a state and local issue, but there is a lot we can do at the Federal Government.

Political will and focus, unfortunately, are absent right now with the Republican triple majority. In fact, President Donald Trump is actively making it worse. He is driving up the cost to build homes through tariffs on construction materials and fixtures. His reckless immigration policies are going to shrink our workforce capacity at a time when immigrants make up about 1/4 of the construction workforce—again, 1/4 of the construction workforce.

Now facing backlash over high prices, the President is suddenly saying he is on board with a Democratic proposal to ban institutional investors from being able to buy single-family homes. We welcome this. President Trump received a lot of attention when he announced this month, "I am immediately taking steps to ban large institutional investors from buying more single-family homes, and I will be calling on Congress to codify it."

But earlier this week, the President revealed the details of his executive order, and it falls short. This executive order does not include an outright ban on institutional home purchases but just limits conventional mortgage guarantees for these transactions. What he failed to mention is that most of these transactions happen in cash or outside of Fannie and Freddie financing and will not be impacted by his executive order.

For President Trump and congressional Republicans to truly implement this proposal that the President himself called for, they must buck the same Wall Street investors and corporations that they have also been delivering massive tax handouts for. So, I will believe it when I see it.

But we are here to work together on it. Trump helped to create the problem that we are in. Blackstone built the leasing company Invitational Homes into a single-family rental giant that got rich by buying up houses at distressed prices, and then it became the template for gentrification, displacement, and turning our neighborhoods into portfolios. GAO report in 2017, Fannie Mae backed a ten-year, \$1 billion loan to Invitational Homes. Market-based solutions alone are not going to fix this crisis.

But it gets worse. It is not just corporate ownership that is driving up housing costs for families. It is also corporate coordination and extraction. The Biden-era Department of Justice sued RealPage for colluding to rig rents using algorithms that drive up prices and harm renters. Then the same Biden-era DOJ sued six of the Nation's largest landlords for colluding to rip off American renters, names like Greystar, Blackstone, Camden Property Trust, Cushman & Wakefield, Pinnacle, Willow Bridge and Cortland.

So, my question for all of us here is, if this hearing is truly about housing affordability, we should really start with a lot of the rent collusion schemes that we see that the DOJ itself has said harms millions of renters. We should start by tightening standards on corporate landlords and their pricing software. We should start with investors that routinely outbid families for starter homes. And I invite my Republican colleagues to join me in cosponsoring legislation that will help achieve these things.

One of my bills is the End Junk Fees for Renters Act. Another one is cosponsoring a bill I will soon be introducing to push back on Wall Street, turning manufactured home communities into captive revenue streams. This bill incentivized states to adopt strong opportunity to purchase protections so manufactured homeowners, especially seniors and working families on a fixed income, can get a real chance to buy the land under their home before private equity and other large investors can swoop in, jack up the cost of the lot rent, and pile on new fees.

Massive deregulation is very dangerous. And need I not remind us of things that happened in Florida, such as the tragic Surfside

collapse and other issues like that that we see across the entire nation. We do not need a hearing where it is just going to be folks pushing to take away standards that are important for Americans while enriching big developers and removing the housing standards that keep bad actors in line. Getting rid of these protections is not a silver bullet or strong housing plan. The process can be made faster. We know this. But we can do that without compromising important standards that keep working families safe.

So, I am very excited about this hearing. I mentioned why this is very personal to me. I routinely knock doors in my district, and the housing crisis is the top one on top of everyone's minds, Democrats, Republicans, tenants and homeowners alike. And in my State of Florida, we are experiencing a housing insurance crisis, the rising cost of rent, it being too damn expensive. And we are in a situation—I was asked recently what I think is one of the number one issues impacting young people, and I said, it is the fact that I am worried as young people grow older, we will never own a damn thing in our lives, whether it is our home, to the music we listen to, to the movies we watch, the car that we drive. And we are going down that road. And so, housing is something we have to take care of. I am excited about this hearing.

Thank you, Mr. Chairman. I yield back.

Mr. BURLISON. Thank you, Ranking Member Frost.

I would like to welcome our witnesses today. First, we have Mr. Edward Pinto, a Senior Fellow and Co-Director of the Housing Center at the American Enterprise Institute. Before joining AEI, Mr. Pinto was an Executive Vice President and Chief Credit Officer for Fannie Mae until the late 1980s.

Next, we have Buddy Hughes. Mr. Hughes is the Chairman of the National Association of Home Builders. He is also in Lexington, North Carolina, has a home builder business, and has developed homes for more than 45 years.

Next, we have Patrice Onwuka, the Director of the Center for Economic Opportunity at Independent Women.

And then last, we have Caroline Nagy, the Associate Director of Housing Policy at Americans for Financial Reform.

Thank you all for taking time and joining us today for this very important and timely topic.

Pursuant to Committee Rule 9(g), witnesses, if you would please stand and raise your right hand.

Do you solemnly swear to affirm that the testimony that you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Let the record show that the witnesses have answered in the affirmative.

Thank you. You can sit down.

All right. You all probably know the drill. Each of you will have 5 minutes for a statement. During that time, you will see your light go to yellow, in which you have 1 minute left. When it goes to red, your time has expired.

And with that, I now recognize Mr. Pinto for his opening statement.

**STATEMENT OF MR. EDWARD J. PINTO
SENIOR FELLOW AND CODIRECTOR
AMERICAN ENTERPRISE INSTITUTE HOUSING CENTER**

Mr. PINTO. Thank you, Chairman Burlison, Ranking Member Frost, Members of the Subcommittee, for this opportunity.

The current state of the housing supply is best described as an irresistible force meeting an immovable object. The irresistible—the immovable object consists of overly restrictive land use regulations promulgated by most of the 33,000-plus state and local jurisdictions. That is how many have zoning and land use power. This leads to unaffordability and a dearth of starter homes on smaller lots.

The irresistible force the Chairman referred to is the Federal Government's efforts to make homes affordable by means of credit easing, subsidies, and acts by the Fed. According to *Realtor.com*, returning the housing market to 2019 levels is a daunting task. Mortgage rates would have to fall to 2.5 percent. They are at about 6.2 percent today. Incomes would have to rise by 56 percent or home prices fall by 35 percent. We do not want to have—those types of things are not likely to happen, and hopefully, we do not have house prices crash.

As recently as yesterday, President Trump cautioned about creating a lot of housing all of a sudden and driving home prices down. Yet, inaction has its own risks. Implementation of multiple demand boosters combined with a strong economy would ignite strong house price depreciation. We have seen how that operates. Deregulation is needed to activate frozen capital in the form of existing stock of housing and land. Land is a form of capital. This would improve by expanding supply, improve affordability, and increase home ownership.

I will be talking about many solutions, five of which would increase home ownership rates. First, we should unlock existing housing stock frozen by the effects of capital gains treatment; second, we should incent building of more starter homes currently made illegal by state and local land use regulations; and third, we should avoid solutions that only drive demand higher or have been proven to be ineffective.

Let me return to unlocking existing housing stock frozen by capital gains, lock-in, and related tax provisions. You could unlock an estimated 3.2 million rooms out of the 32 million spare rooms in owner-occupied single-family homes over ten years by providing an income tax exemption for rental income on newly rented rooms. These rooms already exist. These would start adding supply immediately. They are in every congressional district, largely near amenities, and would rent at attractive levels. The current vacant capital stock yields no rental income today. Therefore, it yields no revenue to the Federal Government, so there would be no revenue loss.

Second, you could eliminate or increase the capital gains exclusion caps currently at \$250,000 and \$500,000, and you could apply that to homeowners over age 65. Those limits were set in 1997. Consumer prices have doubled since that point, which would take you to a \$500 million number. And house prices have gone up 200 percent, with even higher numbers.

The capital gains exclusion also applies that the step-up that occurs when a person dies, the heirs get the step-up in basis. There are perhaps 100,000 or 200,000 homes that are sitting vacant that would be put back on the market if there was not the capital gains. They are waiting for the capital gains step-up. Providing this incentive to sell and more rapidly return perhaps two million of these existing larger family sized homes to the market over ten years has the potential to unfreeze 200,000 homes each year. This would boost homeownership.

Next, eliminate capital gains on starter single-family rentals sold to occupying tenants in good standing with at least 24 months' on-time rental history. This would boost homeownership. We estimate there are 13 million households living in single-family rentals, 77 percent of which are owned by small investors with one to nine units. Two-thirds of these are starter homes, average current value \$300,000, average rent of \$1,800 a month.

Eighty-five of these—85 percent of these borrowers are likely unable to qualify for a mortgage, but there are ways to make this work. First of all, you could do away with the capital gains if it is sold to a tenant. Second of all, if you sell to the tenant, of course, you do not have a seller's commission. And third, you do not have to paint and do the other things. That is a lot of money that potentially could be used.

Next, incent the building of more starter homes with a small lot bounty program. This would boost homeownership. States could be writing a bounty that says if you create more small lots than you have been in the past, however you do it, we will give you \$25,000 for each one of those. You would have additional targeted bounties for lots near factories that are being built, lots on land sold by the Federal Government, and lots in areas where there are teardowns.

I would also suggest that you could restrict HUD money that goes to places that have rent control. There is no point in providing Federal money to places that are actively working to restrict new development.

And lastly, you could tax profits or newly built for-sale developments as a long-term capital gain, not income. Right now, developers, if they develop a property and rent it as part of their business, they do not pay—and then they sell it eventually two, three, five years down the road, they get capital gains treatment. If they sell it after billing it to a homeowner, they have to pay ordinary income because they do not get capital gains treatment. That type of distortion in the income tax code should be eliminated.

Thank you very much.

Mr. BURLISON. Thank you.

I now recognize Mr. Hughes for his opening statement.

**STATEMENT OF MR. BUDDY HUGHES
CHAIRMAN OF THE BOARD
NATIONAL ASSOCIATION OF HOME BUILDERS**

Mr. HUGHES. Chairman Burlison, Ranking Member Frost, and Members of the Subcommittee, thank you for the opportunity to testify today on behalf of the National Association of Home Builders.

The United States is facing a housing affordability crisis. Seventy-seven percent of U.S. households cannot afford just the median price of a new single-family home. It is crucial to put regulatory costs in focus because homebuyers and renters are sensitive to price. For every \$1,000 increase to the cost of a single-family home, an additional 116,000 households are priced out of the market. Likewise, for every \$1,000 increase to the cost of a new rental, an additional 20,000 renters are priced out of that apartment market.

Regulations are a significant part of construction expenses. Twenty-four percent of the cost of a new single-family home can be attributed to regulations imposed at the local, state, and Federal levels. For multifamily projects, 41 percent of the cost are due to regulations. And while we understand and value regulations that promote health, safety, and welfare, there are many that unnecessarily make housing more expensive.

In 2024, HUD and USDA released a rule mandating federally assisted projects use the 2021 energy code, which offers marginal energy savings to homeowners. This energy code will add thousands in additional cost, and homeowners will not see a payback on these sometimes for decades.

Builders in Kansas City, Missouri, did a real-world analysis that showed a two-story house built to the 2021 energy code cost the consumer an additional \$31,000 compared to the 2012 code. Furthermore, this energy code has minimal energy savings, resulting in up to a 90-year payback. Thankfully, HUD Secretary Turner has delayed this rule.

Davis-Bacon requires payment of prevailing wages on federally assisted projects exceeding \$2,000. These are based on union wages—union wage rates that do not reflect local market conditions. In regions like South, Midwest, or rural areas, these wage determinations significantly exceed market wages.

On top of higher labor costs, builders face extensive paperwork, weekly payroll certification, and compliance risk. Even a minor or technical mistake can result in a major financial penalty. Multifamily builders spend valuable resources to retain full-time staff just to be able to comply with these burdensome administrative hurdles.

Obtaining a nationwide permit under the Clean Water Act is often challenging. What is supposed to be a streamlined, predictable process can take over a year. Permitting delays lead to additional interest on loans and fees being paid to consultants or attorneys to advance a permit application, resulting in a more expensive home. To address these permitting challenges, National Housing Bank (NHB) is grateful that the House passed the PERMIT Act and that the Administration is working on improving the permitting process.

For multifamily projects with Federal assistance, a key challenge for our members is the requirement to source domestically for construction materials. While our members try to use products made within the United States, it is not always practical because of price or availability. Single-family housing has an exemption to this requirement, but multifamily housing also needs an exemption to help avoid construction delays and additional cost.

Thank you again for this opportunity to testify. Regulatory pressures improve—impose real cost on housing affordability. We look forward to working with you to alleviate these headwinds and, above all, to let builders build. Thank you again.

Mr. BURLISON. Thank you.

I now recognize Ms. Onwuka for her opening statement.

**STATEMENT OF MS. PATRICE ONWUKA, DIRECTOR
CENTER FOR ECONOMIC OPPORTUNITY
INDEPENDENT WOMEN**

Ms. ONWUKA. There we go. Thank you, Chairman Burlison and Ranking Member Frost for having me to appear today.

At Independent Women, we have a special focus on women's career pathways, financial security, and prosperity. So, today's housing challenges place very great burdens on Americans, particularly young people and women. It is a key issue for them. Women often control family house finances and make household decisions throughout their lives, and they are not a monolith. Single women are the second largest share of homebuyers behind married couples. Women take out larger mortgages than men and make smaller down payments than men. Because women live longer than men, many older women tend to—stand to inherit all the assets and assume full control of the family household decisions, whether to downgrade, for example, or to age in place.

Meanwhile, younger generations like millennials like myself, we feel the American dream is out of—of homeownership is out of reach. This is the largest generation, and yet they comprise only 29 percent of homebuyers. So, we need policies that meet the needs of young people and women who desire to be homebuyers, those who desire to age in their homes with dignity, and those who just want quality, affordable places to rent for themselves and their families.

Now, housing unaffordability is simply driven by housing shortage, and the solution to this problem is to expand the U.S. housing stock of existing and new homes for purchase through deregulation and tax policy. Government policies have led to scarce and costly housing options. Restrictive zoning laws, as we have heard, opaque permitting processes, and the rise of environmental laws and other regulations are posing major impediments.

The Federal Government can eliminate these costly Federal regulations, including green energy mandates imposed over the past few years, and really incentivizing states and local governments to enact the needed reforms that are under their jurisdictions. So, we are pleased that Congress is considering rolling back Biden-era energy efficiency mandates on appliances that have added tens of thousands of dollars to the price of new homes. We are also encouraged by the permitting reform that is underway right now, bipartisan efforts.

And in addition, we are encouraged by the packages of reforms aimed at increasing housing supply, affordability, and access, such as the Road to Housing Act or the similar bill Revitalizing Americans' Housing Act. They contain policy recommendations that will spur the creation of various housing, multi-generational housing

types, such as Accessory Dwelling Units, and I will spend a moment on that.

ADUs are a hidden gem. They are secondary living spaces on the same property as primary residences. Think of your converted garages, English basements, in-law suites. They are a win-win-win for homeowners, renters, and communities. They generate secondary income for homeowners and can boost a home's value by up to 35 percent. They expand rental supply in desirable neighborhoods, driving down costs for people in cities like Washington, D.C. I lived in one myself. They encourage intergenerational living, which is important for health, socialization, and caregiving for seniors.

State and local governments have—some of them have implemented regulatory reforms to great success. Congress has a role here and can pass permitting reform that clears the way for ADUs and incentivizes construction projects, maybe through Federal grants for housing programs at local levels that incentivize permitting reforms at local level and programs. Take, for example, in Boston, Massachusetts, which offers a no-interest, long-term loan to older and low-income owner-occupants to build out smaller independent units in their homes. I know this well. I have a very close family member who is a retiree who renovated her basement and created a three-bedroom apartment generating \$2,900 a month in the very same home she owns.

On taxes, I want to thank Congress for passing the working families tax cuts, also known as the One Big Beautiful Bill, saving American families from massive tax increases and increasing take-home pay. But more can be done. And so, we have heard already from Mr. Pinto talking about homes being the largest asset and a great source of wealth. Well, home values mean that you can face a very large tax bill. And so, Congress has an opportunity here to exclude more income from taxation and potentially doubling the exclusion amounts from \$250,000 to \$500,000 and, of course, indexing that for inflation. We have seen home prices rise over 200 percent since the last time those exclusion levels were set. This is going to break the lock-in effect for many seniors and home sellers, and this would expand the housing supply immediately in helping first-time homebuyers with their—homebuyers get into their homes.

Congress should also consider helping homebuyers with down payments, and there are some bills around that. I am excited, though, that Congress is taking this on right now. Deregulation will spur home construction, and adoption of smart tax policies will also make it easier for women, for millennials, and for all people who are looking to buy a home to save for that down payment. Thank you.

Mr. BURLISON. Thank you.

And I recognize Ms. Nagy for her opening statement.

**STATEMENT OF MS. CAROLINE NAGY (MINORITY WITNESS)
ASSOCIATE DIRECTOR OF HOUSING POLICY
AMERICANS FOR FINANCIAL REFORM**

Ms. NAGY. Chairman Burlison, Ranking Member Frost, and Members of the Committee, thank you for the opportunity to present testimony on behalf of Americans for Financial Reform. We

are a nonprofit, nonpartisan organization working to transform the financial system so it serves as an equitable and sustainable economy to help all families and communities flourish.

Our nation is confronting an unprecedented housing affordability crisis. Nearly half of renters are paying higher rents than they can afford, and home ownership has become out of reach for most people. So, let us look at the long-term causes of this crisis.

First, we need more housing. The single-family home construction industry never fully recovered from the 2008 foreclosure crisis. And today, we are building 20 percent fewer homes than we did in the 1990s, despite population growth. We also have a severe national shortage of housing that people with the lowest incomes can afford. And we are losing what remains of our affordable housing stock faster than we can replace it due to rising rents and stagnant incomes.

Investors are outcompeting homebuyers. Corporate investors have been buying up homes, apartment buildings, and manufactured housing communities. This surge of corporate ownership has reduced the availability of homes, increased housing prices and rents, imposed new junk fees, and raised eviction rates.

Meanwhile, insurance and utility costs are growing. Homeowners' rates have increased an average of 70 percent since 2021, while property insurers' underwriting loss ratios remain low and profits are at record highs. High utility costs are another driver of housing unaffordability.

And we also have unsustainable land use practices. We need new construction of multifamily and affordable housing, yet it is illegal to build anything other than single-family housing on 75 percent of residential land in the United States.

In addition to these trends, several policy decisions made over the last year have harmed renters and would-be homebuyers. First, tariffs and the immigration crackdown are making home building and home repair more expensive. New permits and building starts are at or near five-year lows, and workforce shortages became the leading cause of construction delays in 2025.

The Federal Government has also been letting predatory actors like RealPage off the hook. Despite being accused of facilitating price fixing among the country's largest corporate landlords, last year, the Department of Justice proposed a weak settlement without fines or an admission of guilt.

The current Administration has also stopped homebuyer protections that make mortgage lending fairer and safer, including by trying to shut down the Consumer Protection—Financial Protection Bureau and undermining fair housing enforcement at HUD. This tells Wall Street and other financial firms that they can violate antitrust, consumer protection, and fair lending laws with impunity, making homebuying more risky, less fair, and more expensive.

The Federal Housing Finance Agency (FHFA) dramatically weakened Fannie and Freddie's affordable housing goals. The new, significantly lower goals will likely cutoff over 175,000 families from affordable mortgages. In early 2025, the FHFA also ended its support of special purpose credit programs, and the Federal Housing Administration (FHA), different agencies, took away the First Look program for most post-foreclosure sales, where previously owner-oc-

cupiers, people who are buying the homes to live in, and nonprofits had an exclusive 30-day period to purchase a home before opening the sale to investors. That is mostly no longer the case now.

Moving to recommendations, first, the damaging policies described above at FHFA, CFPB, HUD, and other agencies need to be reversed. To crack down on corporate landlords, Congress should pass the Homes Over Private Equity or HOPE for Home Ownership Act, which would improve—impose tax penalties on large investors who buy single-family homes and require them to sell them off over a ten-year period. Similarly, the End Junk Fees for Renters Act would protect renters by requiring landlords to disclose the total amount due each month before the lease is signed. Preferential treatment for hedge funds and private equity firms in the tax code should also be eliminated by closing the carried interest loophole.

Congress should also support first-time homebuyers, such as through the Down Payment Toward Equity Act, which would expand down payment assistance for first-time or first-generation homebuyers. For rental housing, Congress can and should do more to support struggling tenants, including passing the Ending Homelessness Act of 2025, which would ensure that every household who qualifies for the Housing Choice Voucher program receives it.

Finally, regarding home insurance, the Federal Government should be using all tools available to monitor the deterioration of insurance markets, protect consumers, promote climate resilience, and develop a long-term strategy for ensuring our housing stock in areas where private markets do not seem willing or capable to cover it.

Thank you for the opportunity to provide testimony for these—on these urgent issues. I look forward to answering any questions Members may have about my testimony today. Thanks again.

Mr. BURLISON. Thank you, Ms. Nagy.

I now recognize myself for 5 minutes of questions. I will begin with Mr. Hughes.

In the so-called Inflation Reduction Act, it allocated \$1 billion to incentivize state and local governments to move to the 2021 International Conservation Code by tying the adoption of that to Federal grant money. You mentioned the impact specifically in Kansas City, in my home state. When they adopted this code in 2023, new home buildings ground to a halt, and the number of builders active in the city declined by 78 percent. In one instance, a family that already had an energy-efficient home had to spend over \$10,000 just to come in compliance with the new code, which only saved them \$2 a year in their energy bill. Can you elaborate on what is exactly the difference between what was required in the 2021 building codes and conservation codes versus the 2001? Is that right?

Mr. HUGHES. 2012.

Mr. BURLISON. 2012?

Mr. HUGHES. Their comparison was 2012.

Mr. HUGHES. Okay. There are different states all over the country that choose different models. In North Carolina, we still use a combination of the 2012 and 2008. It is just whatever seems to fit at your state or locality. The main difference in those codes—and

you might have seen my chart in the comparison—or in the written testimony, most of it is insulation, wall insulation, slab insulation, extra R value, extra sealing around the bands, and in most cases, it was just adding unnecessary layers of insulation or of protection because the truth of the matter is for the last 25 years, the homes that we have built have performed very well on energy.

Most builders choose a program of one kind or another to make sure that their homes are built to a certain standard. It is hard to guarantee what energy bills are going to be, but it is good to give homebuyers an assurance that the builder has done all he can to keep energy costs down. So, to continue to put layers and layers of more insulation or more sealing products just adds to the cost, as you can see, with very minimal return.

Mr. BURLISON. Right. In a way, you are increasing that initial, you know, jumping-off point for someone because, for example, the first home that my wife and I bought, it was not the most energy efficient home. It was not our, you know, dream home, but it was a starter home, at least something that we could step into and afford at that time.

As I found dollars available, I was able to use those dollars to make that home more energy efficient, but all of that was done in a calculation, does this have a return on investment for me? Am I actually going to save dollars? But to force it on people is, I think, what we are talking about today. Some of these regulations are raising the bar so high so that the initial entry point is really difficult for anyone to make, especially starting off.

Mr. HUGHES. Sure. Absolutely. It has to be choice. Nobody appreciates innovative products any better than I do. I use it and encourage it, but I know it has to be choice.

Mr. BURLISON. Ms. Onwuka, last September, the U.S. Census Bureau reported that nearly half of the U.S. renters were cost burdened, meaning that they spend more than 30 percent of their income on housing costs. As Americans often rent for years before buying their first home, how has this become such a heavy burden on Americans?

And I say that—you know, we have seen the increase in housing costs, but we are not talking about the increase in healthcare costs, which is also crowding out dollars from people's pocketbooks. Healthcare inflation and healthcare premiums are more than double what they were even adjusted for inflation today, so people have fewer dollars to spend.

Ms. ONWUKA. Well, absolutely. I mean, when you look at—a record 22.4 million renter households paid more than 30 percent of their income on rent, that is a lot. Half of those spent more than 50 percent of their income on rent. So, when you have half of your income going to rent, then you have to pay for utilities and you have to pay for transportation and feed yourself, that leaves less for you to be able to put money away for savings and for that down payment.

And as I talked about when it comes to women, women struggle. Women take out bigger loans because they have less to put down for a down payment standpoint. And so, as you free up more income for an individual through rising wages and tax cuts, leave more of their hard-earned dollars—and thank you for ending taxes

on tips and taxes on overtime. That allows people to put money aside for things like a down payment.

Mr. BURLISON. Thank you. My time has expired. I now yield to Ranking Member Frost for his 5 minutes.

Mr. FROST. Thank you so much, Mr. Chairman.

You know, there is so much to unpack here in 5 minutes on how to solve the housing crisis, but there is two things I want to focus on. You know, number one, I think the conversation around our process and how we can make the process faster, how it can work better so we can build more homes is really important. But there is always an obsession, especially with a lot of my colleagues on the other side of the aisle, to focus in on important standards that we believe are important for working families to have and Americans to have.

And we are talking about energy efficiency. As energy costs go up across this country, more and more working families want to make sure when they are putting such a big investment into a home where they are going to build equity, that things are done to make sure that it is more energy efficient. And you really think insulation is the reason why we are in a housing crisis right now? I mean, we know that this helps lower energy costs, and it is also about quality of living. I am a drummer. I do not know if you want to live next to me and have, you know, not some great insulation in your home.

But I bring this up because there is the process, and then there is important environmental and important standards that we have to keep. And I am very sensitive to this in the State of Florida. And this is a pretty bipartisan thing all across Florida as well. We want to protect our wildlife. We want to protect our biodiversity. We have things called hurricanes that happen every year. In fact, every year for the past several years, we have had a hundred-year hurricane, a hurricane that is only supposed to happen one every hundred years. It is standards that help ensure that homes are built in the right places, that there is flooding mitigation in place, that building standards, building rules, all this stuff is very important to us because when people put that investment into a home, we want to make sure they are safe in it, especially when the worst things happen in a state like the State of Florida.

But when we look at the process, there are things we should look at. We have talked about it. So, restrictive zoning rules, getting rid of parking minimums, exclusionary zoning, height limits, duplicative review process. All this is really important. Let us look at it. But the obsession with, like, honing in on some very important things that maybe might save a little bit at the bottom line, but when the hurricane comes, damn, you wish that standard was put into place I think is not the best foot to start this conversation when we are talking about bringing down housing costs.

Too many houses are simply unaffordable for working people. And even people with enough money for a down payment are often outbid by investors with cash offers. Large corporations and institutional investors, including private equity firms, have purchased hundreds of thousands of homes and turned them into lucrative businesses, squeezing the dimes out of residences. This trend accelerated during the 2008 financial crisis. Millions of homeowners de-

faulted on their mortgages. Investor bulk purchased foreclosed homes and converted them into rental housing. Large investors also rose after the start of COVID-19 when homeowners died or foreclosed on their home or sold during the dip in insurance rates.

So, whether it is 2008 or COVID-19 or the next event, we can count on people in Wall Street to exploit Americans' housing affordability crisis. Without government solutions, this is going to continue. This is especially relevant now as foreclosures are up by 20 percent.

So, Ms., is it Nagy? Ms. Nagy, what challenges do prospective homebuyers face when they have to compete with large corporations?

Ms. NAGY. Well, first of all, they have a lot less money. Wages are—have not been keeping up with the rise in the cost of housing, and that is a serious problem, the solution to which is not all of our housing stock.

Additionally, if you require financing, especially if you are a first-time homebuyer, you are going to be dealing with an FHA mortgage, inspection requirements, maybe your down payment assistance program. That is a lot more to deal with from the seller's perspective than somebody who is here today offering you all cash because they are able to obtain financing much quicker using different channels than regular consumers are able to.

And I think the other thing to keep in mind with investor single-family home purchases is that they are buying at the bottom of the market. Specifically, they target markets with lower housing values and higher shares of Black and non-college residents, according to the Philadelphia Federal Reserve. And these are also starter homes. So, you actually have too much competition at the bottom of the market for folks who are just desperately—you know, people my age who are just trying to get into homeownership.

Mr. FROST. Yes. Yes. I also want to ask about manufactured housing. What are the unique challenges that manufactured homeowners face when Wall Street is buying up all the land their homes sit on?

Ms. NAGY. Right, so manufactured housing residents own their homes but not the land it is on. And in some ways, they have the worst of both worlds when it comes to protections. One investor said it was—buying up manufactured homes was like, you know, investing in a Denny's, except for with manufactured homes, the people are chained to the table. And that kind of illustrates the extreme difficulties manufactured homeowners have when they are faced with rising lot rents or a lack of maintenance. They are kind of stuck there, and it puts them in a terrible situation.

Mr. FROST. Yes, thank you. I am actually working on legislation to help level the playing field for the seven percent of Americans who are in manufactured home communities. In places like Florida, there is actually laws that if you have a much older unit that you live in, you cannot move it legally, and so you are really just at the mercy of whoever owns the land. It is important.

So, thank you, I yield back. I am thankful for your time, Mr. Chairman.

Mr. BURLISON. Thank you.

I now recognize the gentleman from Louisiana, Mr. Higgins.

Mr. HIGGINS. Thank you, Mr. Chairman.

For a matter of background, in 2007, my wife and I were renting, had been renting for years. In 2010, we bought a used single-wide trailer for \$15,000. We paid that off like paying for a car in four years. Then we bought a tract of land that we were so excited to be able to buy for not a lot of money, a 65-year-old 1,000-square-foot wood frame home on 1.2 acres of land. That is where we lived for many years. That is where we lived when I ran for Congress.

In 2019, we bought the modest home where we live right now, and our son lives in a little country home, a little 1,000-square-foot home. We always looked at what we could afford. To us and to most American families, the question of affordable homes is quite personal. It has nothing to do with the Federal Government. What we want is the Federal Government the hell out of our way so we can live our lives and fill our homes, whatever it may be, whether it is a humble, used, single-wide trailer or a 1,000-square-foot wood frame, 65-year-old home on an acre of land in the country. Our home was filled with love and laughter, and that is what made it our home.

The affordability of the home was not a question of what could the Federal Government do for us. It was our journey. We embraced it. And this is the way most Americans feel. They look at not what can the Federal Government do but what should the Federal Government do, including embracing the separation of powers between Article I legislative authority of Congress and Article II authority, executive authority of the White House.

So, yes, we support endeavors by this Administration to decrease regulatory burden, to get the Federal Government the hell out of the way of the home building market and the home selling market, home buying market. And we support a legislative endeavor that would remove barriers to home ownership for American citizens. And the American citizens are quite capable of determining what is affordable and what is not affordable.

Thank you very much. That is a personal decision for every American family, and we do our best. So, this idea that it is up to Congress to decide where and how, for how much an American citizen can buy and live in a home, that is backward and contrary to our deepest core principles. What we want is the freedom to live our lives. We want the government out of the way.

Now, home prices go up and down. They trend up and down. Interest rates trend up and down, but the insurance always trends up. Mr. Hughes, property insurance, the availability of legitimate property insurance providers, the lack thereof, especially in regions of our country that are prone to natural disaster like Florida for the gentleman and Louisiana for me. When we shop for property insurance, it is like one insurer instead of—I believe if it was market-driven—and this may be where the Federal Government can have an effective intersection with the free market. How affordable would homes be if property insurance was more readily available in your industry, Mr. Hughes?

Mr. HUGHES. Property insurance and cost of has gotten way out of hand, and we have builders that are building—our members building in areas for a specific market or a price point—

Mr. HIGGINS. There you go. So, like in our case, our mortgage is less than our insurance on our home.

Mr. HUGHES. Exactly. They do not think about that.

Mr. HIGGINS. It is insane. So, we have a bill—and I would ask—Mr. Frost and I have never really worked on a bill, but Florida, Louisiana, we have a lot in common here. We have a bill, 1070, that essentially uses the Federal tax code, good sir, to create a market that will be attractive for insurance providers to sell policies and do business post-impact of natural disaster in regions of our country that suffer from those natural disasters. I ask you to just take a look at it, and perhaps we can work together to actually do something for the American people to reduce the cost of property insurance on homes, and therefore, greatly enhance the affordability of homes across the country.

Mr. Chairman, I thank you for this hearing. I thank our witnesses today, and I yield.

Mr. BURLISON. Thank you. I now recognize the honorable lady from Arizona, Representative Ansari for her 5 minutes.

Ms. ANSARI. Thank you, Mr. Chairman. Thank you for hosting this hearing on one of the biggest economic challenges facing Americans.

Like the rest of the country, I represent a district where so many of the Arizonans who keep our community running, teachers, fire-fighters, service workers, and nurses are being priced out of their communities, the same communities that they helped build. Rents have exploded in the last couple of years in Phoenix. What used to be, you know, considered one of the most affordable cities in the country has become pretty unaffordable, and homeownership has become an impossible dream for most would-be first-time homebuyers.

I know many of you mentioned the housing supply crisis as the, you know, biggest reason why we are in this situation. I could not agree more. In Phoenix, we are about 200,000 units short of where we need to be. When I was on the Phoenix City Council, we did everything possible to make bureaucratic zoning laws easier. I saw that firsthand. I led the charge to legalize ADUs in Phoenix to reduce arbitrary parking minimums. And just last week, we hosted a shadow hearing on housing affordability in my role as the Chair of the congressional Progressive Caucus' Lowering Cost Task Force and heard from policy experts on a whole menu of ways to tackle the affordable housing crisis.

We know that we have many options to lower housing costs, but some of the actions by the Trump Administration have only raised construction costs, exacerbated labor shortages, and gutted HUD and programs that keep working Americans afloat. In a report from the nonpartisan Economic Policy Institute, they concluded that if the Trump Administration meets its goal of deporting four million people by the end of 2028, 1.4 million immigrants who work in the construction industry would be lost. There would also be a net loss of 861,000 jobs among U.S.-born workers because the sudden removal of part of the workforce could force contractors to rapidly scale back or shut down entirely.

Mr. Hughes, I will start with you. Yes or no, would you agree that there is already a labor shortage in the construction industry?

Mr. HUGHES. Yes.

Ms. ANSARI. And would losing somewhere between one to two million workers make the problem worse?

Mr. HUGHES. Sure.

Ms. ANSARI. And how does the already existing labor shortage impact our ability to meet the housing demand?

Mr. HUGHES. Well, it affects it tremendously. I mean, if you simply do not have the trades to do the job, it makes everything more expensive, almost nonexistent. I mean, we have some subdivisions sitting with slabs exposed, you know, without enough labor. So, we are hopeful and confident that we can figure out how to deal with this immigration issue because we simply have to have them. We—our estimate is that 30 percent of our workforce are foreign-born.

Ms. ANSARI. Thank you. And I appreciate your answer. And I know your organization's research showed that there was a \$10.8 billion economic impact caused by longer construction times due to the labor shortage. And immigrants, the very people that this Administration is attacking and causing to be fearful of going to the work site make up about 25 percent of the construction workforce and 1/3 of the craftsmen.

I want to move to the topic of tariffs as well. The Center for Economic Progress estimates that tariff-induced building costs will lead to 450,000 fewer homes being built over the next five years. The National Association of Home Builders have been outspoken against President Trump's tariff policies. Mr. Hughes, also for you, what measures are home builders having to take to respond to rising material costs associated with tariffs?

Mr. HUGHES. I have not—I have not experienced it directly. And for the most part, there is just about always another option. I have had it affect me directly in one way with a scaffolding product that I have bought in Canada over the years and that is a tariff now, and so it has just forced me to find another source in the States.

How I build with a lot of concrete, so the concrete industry or Portland cement has affected a lot of the—Portland cement, the gray powder that concrete is made of is imported, so that is somewhat of effect, and gypsum. But for the most part, I have not seen it, I have not had to deal with it, so that is about as far as I can speak to it.

Ms. ANSARI. Thank you so much.

And finally, President Trump and DOGE have also gutted HUD and gone after programs like housing choice vouchers. Trump has also proposed to cutoff rental assistance after two years, even if participants still cannot afford rent on their own.

Ms. Nagy, the final question is for you. How does insufficient funding for these programs impact the families who rely on rental assistance to keep a roof over their heads? And what effect would a time limit on voucher availability have on these low-income families?

Ms. NAGY. So, you know, regarding section 8 vouchers and funding for them, right now, if you live in New York City, you cannot even get on the waitlist. The waitlist itself for section 8 is closed. Time limits are based under the assumption that the folks who are working—and most folks who can work are working. It is just they are working minimum wage jobs that do not pay them enough, do

not have regular hours. Many of these folks also have kids, other, you know, responsibilities that they need a bit more regular scheduling.

So, unfortunately, it actually—in places that have tried these time limits, they have actually found them to be counterproductive. And I really do not recommend anyplace experiment with them—experiment with this unless they are prepared to take on the much more resource-intensive burden of housing now homeless folks who used to have some stable, affordable housing.

Ms. ANSARI. Thank you for the extra time, Mr. Chairman. I yield back.

Mr. BURLISON. Yes, Ranking Member Frost.

Mr. FROST. Thank you, Mr. Chairman.

I ask unanimous consent to enter into the record a document from the American Council for an Energy Efficient Economy that makes it clear that energy efficiency codes are not driving up costs anywhere near what industry is claiming.

Mr. BURLISON. Without objection.

Mr. FROST. And then I also have another one from the *Urban Institute* entitled “Mass Deportations Would Worsen Our Housing Crisis.”

Mr. BURLISON. Without objection.

Mr. FROST. Thank you.

Mr. BURLISON. I also ask unanimous consent to enter into the record the following materials: The prepared testimony of Steven Camarota, the Director of Research at the Center for Immigration Studies, presented to the Oversight and Accountability Committee titled “The Border Crisis: The Cost of Chaos.” Also, an article authored by E.J. Antoni, Ph.D., entitled “Why an Open Border Means More Expensive Housing.” And a report from the Federation of American Immigration Reform published in 2025 entitled “Housing Affordability is an Immigration Issue.” Without objection, so ordered.

Yes, Representative Ansari.

Ms. ANSARI. Thank you. I also ask unanimous consent for an article from the *New York Times*, “Builders Find Hardship in Trump’s Tariffs and Deportations.” And from *NBC News*, “From Lumber to Lighting: How Trump’s Tariffs Drive Up Home Construction Costs.” Thank you.

Mr. BURLISON. Thank you. Without objection.

With that, I recognize Mr. Perry. Thank you for waiting for that, Mr. Perry.

Mr. PERRY. Yes, Mr. Chairman. I appreciate it. Thank you to our panelists. Thanks for being here.

Ms. Onwuka, did I say that correctly?

Ms. ONWUKA. Yes, you did.

Mr. PERRY. Thank you, ma’am. My mom was a single lady, two young boys, bought a house outside of Harrisburg, Pennsylvania, no electricity, no running water. We had a thing called an out-house. Do you know what that is? Had one of them pumps, you know, you go like this, take your bath out in a galvanized steel tub. Baths happen fast because the water coming out of the ground is cold. But, she was able to do it, right? My mom is a tough lady. She is like a hero to me. She is a tough lady, and she found a way

to do it. And, you know, I think her kids have probably done okay for themselves. I know she is proud of them.

And over the course of my lifetime watching—and she still lives in that house, by the way. But I have watched things change dramatically. And I myself was a mechanical contractor for a while, and I was a state legislator for a while, and I will tell you a couple stories, and then you tell me what you think. Over the course of my time, I spent some time on my local planning commission. I was the Chairman of the board, and I watched the International Construction Code go from something about this big, I do not know, 800, 1,000 pages now, 800, 1,000 pages. And do you know how things are added to the International Construction Code?

Ms. ONWUKA. I can imagine, lots of lobbying.

Mr. PERRY. It is a lot of—there is lobbying and special interest. And if you are the right group or organization, you can come in for the vote and vote for things to be put into the code, which then your local jurisdiction subscribes to and mandates.

Now, I had the privilege of serving in the state legislature. I know a lot of friends that are firefighters, and we had an opportunity to mandate sprinklers in all residential homes. All new residential homes get sprinklers. I just happened to be building my home at the time. And when I say building my home, the home that I currently live in, I do not mean hiring some contractor down the street to do the framing and then another contractor to pull the wire and then another contractor to run the pects or the copper. I mean, I was building my home, and so I was watching every penny. I was watching every penny. We had a little child, and we were expecting another one. You know, money is tight, right?

And the experts told me that my new fire suppression system was going to cost me 250 bucks. That is what the people in Harrisburg testified to. But that was not what I was going to be charged if I had to put it in now. I fought that and we fought that and we won because, look, if you want a fire system in your home, God bless you, then put one in. If you can afford it, put one in. But my mom did not start out with a fire suppression system in her home. We had a potbelly stove that my brother and I cut wood in and stuck it in that potbelly stove to keep warm.

Ladies and gentlemen, over the course of my lifetime, the cost of housing has exploded because government makes us do all this stuff. And it is all well-meaning. My mom did not want to live in that house with no electricity, no water, no bathroom, but that is the opportunity we had, and we did better. And that house now has all that stuff in it.

The cost of all this has gone up because the government thinks at the local, state, and Federal level that we know what people need. And unfortunately, the answer from my colleagues on the other side of the aisle is always some kind of give people money to afford all that stuff, take money from you and give it to them so they can afford all that stuff, or to ban stuff. And I just do not see it changing.

Now I just want to ask a couple of you guys, have you ever heard of fractional ownership? It is where you rent the house if you are a renter, but you cannot save enough money, right, because you are renting. We have all been there. Mr. Higgins has been there, right?

But if you contribute a little bit to the ownership of that home, you build equity by renting, and it is great for the owner of the home, the landlord because you are going to take care of that of which you are investing in.

And I would just encourage, instead of banning things and telling people you cannot do this because the Federal Government says so or the other idea is take from this person and give to that person, let us try and think of—look, everything is political here. Everything is political here. But we are trying to solve this because our people need places to live, and they need to be able to afford them. And everybody wants to live in Larry Fink's house, but most people cannot afford to live in Larry Fink's house. By the way, the largest private equity investor in residential housing, a supporter of the party on the other side of the aisle. He does not seem to have a problem with this.

Instead of banning investors from being involved in the thing that has created the most wealth and dragged more people out of poverty in the world, which is real estate ownership, let us find a way to make—look, if you want to be an investor, do not get the tax credits. We are not talking about banning anything. Do not get the tax credits that Mr. Frost or Mr. Higgins or myself or any of you would get on the first time you are trying to buy a house.

My goodness, there are answers out here. We do not need the heavy hand of government forcing any more of this stuff down our throat.

Mr. Chairman, I appreciate your diligence, and I yield back.

Mr. BURLISON. Thank you.

I now recognize Mr. Min for 5 minutes.

Mr. MIN. Thank you, Chair Burlison.

Mr. BURLISON. How about 6 minutes?

Mr. MIN. Whatever. I would probably be done in five. Thank you, Chair, and thank you, Ranking Member Frost, for holding this very important hearing.

I represent Orange County, California, where we have seen home prices just skyrocket over the last decade. And of course, in the last year, they have soared even more, despite the fact that we have a stagnant economy, due to a lot of the policies of this year.

But I will just say off the bat, this is a really, really important issue. When we talk about affordability, for many Americans, housing costs are at the front and center of that, whether it is rent, whether it is mortgage payments. And, of course, the statistics have been cited quite a lot. The average age of a first-time home-buyer now has shot up to something like 38 or 41, depending on who you talk to. That means that families are not getting formed. People are still saving for their nest eggs. And as we know, home ownership is the top avenue to building wealth in this country.

Now, you talk to economists—and I know Alan Greenspan had a famous moment where he said that, you know, we should have, you know, variable-rate mortgages. You know, people should not necessarily buy homes. They should invest in 401(k)s instead. But all of the empirical data is very clear. While people should do certain things, they do not necessarily do that. Investing and owning a home is the top pathway to building wealth in this country, to paying for things like college and retirement. And so, home owner-

ship is really, really important, and it is happening later and later in life. There is a lot of factors. They are a complicated issue. Five minutes is not enough time to get into this.

But certainly, this is an income issue as well. As we have pushed more money to the very wealthiest, and we have hollowed out the middle class, that pathway to home ownership has become harder and harder.

There is also obviously big permitting issues. Whether it is National Environmental Policy Act (NEPA) or the California Environmental Quality Act (CEQA) in my state in California, we know permitting has become a real drag on building homes in this country. We need to address that in a responsible way. I think we need to address environmental issues, but we need to do that in a way that also allows the cheap building of homes in this country in places like Orange County and elsewhere.

But I also want to add that the policies of this past year and a half have been so counterproductive to the goals of lowering prices, particularly around home ownership and rentals. President Trump and I both attended the Wharton School of Business. Clearly, only one of us went to class because the policies that he has enacted over the last year are so counterproductive to lowering costs. Tariffs, for example. Tariffs—and I will ask you, Ms. Nagy, imposing tariffs, particularly with uncertainty around them, whether they will go up to 25 percent, ten percent, 15 percent, what is the impact of that going to be on building costs in this country?

Ms. NAGY. It makes them go higher.

Mr. MIN. Higher. And in fact, it slows building down to a crawl. And when I talked to some general contractors right after Trump announced his tariffs last year, they all told me the same thing. Maybe you disagree with this, Mr. Hughes, maybe you agree, but what I was told is that because you are building—particularly for bigger developments, you are building out six months, a year, a year and a half out, you have a bunch of subcontractors who are relying on cost-plus formulas where they get reimbursed for their costs plus a little bit extra, that no one was buying at that point in time because they did not know what the tariffs would be. They did not know what the costs of their projects would be, you know, how much steel would cost, how much concrete and lumber and things like that. Have you seen any kind of impact from these tariffs on the pace of development, Mr. Hughes?

Mr. HUGHES. Very little, personally. And what I was mentioning to the Subcommittee earlier, where it affected me was a product—a scaffolding product that is made in Canada. And what the tariffs have done, it forced me to buy something made in the United States.

Mr. MIN. Got it. Well, I will just note that, as far as Canadian lumber, which is about 85 percent of all U.S. softwood lumber imports, your website has a 14.5 percent tariff listed on that. And of course, that has gone up and down, and that uncertainty has also created problems with building in this country.

I also want to talk about the just complete craziness of what Trump is doing with Federal Reserve independence. And every responsible economist knows that Federal Reserve independence is a key pillar of U.S. monetary policy, of financial stability, of our abil-

ity to control interest rates, but also to be the reserve currency, which has huge impacts for our economy, for our financial system. And so when you are threatening the Federal Reserve's independence, when you are weaponizing the Department of Justice to go after a Federal Reserve Governor based on complete nonsensical claims that they did something wrong when they clearly did not, as the courts are now finding—Lisa Cook here is obviously what I am referring to—you end up rattling the markets.

And he is doing this all. He is threatening the Federal Reserve's independence so that he can have like a one-percent decline in interest rates, a one-percent cut in interest rates. I will just note that his reckless and poorly thought-out threats to invade Greenland—Ms. Nagy, you are nodding here—what impact did that have on our mortgage rates here in the United States?

Ms. NAGY. Well, the cost of borrowing money, the U.S. bonds went up, or the returns specifically. So, actually, we erased all of the progress we had made on lowering interest rates as a result of the \$200—\$200 million—billion mortgage-backed securities purchase. So, these international trends actually do really impact the bond market and slightly indirectly interest rates.

Mr. MIN. And I will just note that a number of different economics groups out there, economists, found that the threats to Greenland actually caused interest rates to go up 140 basis points, 1.4 percent on mortgages in America. And so again, this chaos is not good for our markets.

I will just close also by saying one other factor we need to think seriously about in places like California and elsewhere is the impact of climate change. The forest fires that we are seeing on a regular basis every year in California, southern California are making insurance a huge cost. It is driving up—it is making housing even more unaffordable. As we start to see sea level rise, coastal erosion, a lot of other impacts to our local environments created by climate change, that is also driving up the cost of home ownership.

But I am over my time. I will yield back to the Ranking Member here. Thank you all for appearing today.

Mr. BURLISON. All right. Thank you.

In closing, I want to thank all of our witnesses for taking time today and for your testimony. And I will now yield to Ranking Member Frost for his closing statement.

Mr. FROST. Thank you, Mr. Chairman.

I want to thank all the witnesses for being here and sharing your perspectives.

We are all in agreement about the reality and the magnitude of the housing crisis in this country and what we need to do. This has been a crisis in the making from the Great Recession, then exacerbated by the COVID pandemic. And it is going to take a lot of solutions to make sure that we handle this problem.

I did want a point of clarification, though, because I think it is very important. We are trying to figure out what the bipartisan support looks like in Congress to push forth the democratic proposal that is been endorsed by President Trump on banning institutional investors from buying single-family homes. My colleague, Representative Perry, I do not know if I can yield to you really quick. It sounded like you said you are against that proposal.

Mr. PERRY. I do not love the Federal Government banning me from being free. If we want to change tax policy to encourage individual home ownership and then not encourage institutional investing or at least make them pay extra for institutional investing, that is something I think—

Mr. FROST. Okay.

Mr. PERRY [continuing]. We ought to have a conversation about. But outright banning—

Mr. FROST. All right.

Mr. PERRY [continuing]. To me seems—

Mr. FROST. Yes. Okay. Yes. No, thank you so much, Representative. I appreciate it. I just wanted to clarify your opposition to President Trump's call for Congress to ban institutional investors from buying single-family homes.

If we are really serious about making rent and home ownership affordable for everyday Americans, Congress has to take concrete action and legislate. We have to tackle the private equity interests that snatch up homes before individuals and working families have a chance to make an offer. We have got to protect renters from landlords that want to exploit them and collude to keep rent prices high and charge exorbitant junk fees, which, by the way, most mom-and-pop landlords do not do.

We must exercise our constitutional authority to check President Trump's reckless tariffs that harm American home builders. We must work to protect workers who are critical to the construction industry and increase our supply of affordable housing. We must get rid of things like exclusionary zoning, parking minimums, and duplicative reviews.

And as we take these steps, we also have to ensure that Federal agencies are supporting and protecting vulnerable Americans, protecting critical housing assistance programs at the Department of Housing and Urban Development like section 8 Housing Choice Voucher program. We have to prevent the President from eliminating the Consumer Financial Protections Bureau and allow it to resume its work to enforce fair lending. And we have to push back on the Administration's attempt to politicize the Federal Housing Finance Agency to go after President Trump's political enemies and return to its work on sustainable, affordable home ownership.

This is something, like I said at the beginning I have been personally impacted by, being able to afford housing at multiple points in my life, and that resulted in me being homeless during my congressional campaign.

Every time I talk to my constituents in Florida, housing is the top issue that they bring up. It should not be a partisan issue. I look forward to hopefully working with my Republican colleagues on this.

Look, a lot of us, everyone has great solutions in terms of making sure that we can fix this problem. When I sit down with people in my district from home builders to the realtors to advocacy organizations, tenant organizations, we all agree we need more housing. There is going to be some places where we disagree on the solution, but I truly believe that a little bit from everybody's solution here, I think, is what is going to be necessary to fix this housing problem. We need to build more housing. We need to build as much

housing as we can, quite frankly, affordable housing, period, and we have to ensure that we protect consumers, we protect the little guy, we protect working families. I think that is our job.

I think the Federal Government does have a role in fixing the housing crisis. In fact, look, in history, for too long, the Federal Government has washed its hands clean of incentivizing good behavior and punishing bad behavior. Most of the exclusionary zoning and things we are talking about are done at the local level, which I think is having a horrible impact on building more housing. So, I think we do have a role here. I do not think we can say we have nothing to do here. We have a job. We got to do it, and let us do it together.

Thank you, Mr. Chairman. I yield back.

Mr. BURLISON. Thank you. I now recognize myself for a closing statement.

Today's testimony, thank you again. I think coming away from this, there are a few things that become clear, and that is the housing affordability crisis that Americans are facing today is real, but it is not a product of normal market dynamics. It is the result of decades of poor policy decisions that have made it, you know, artificially more expensive and burdensome to build a home than it should be, and we need to reverse that trend.

Experts are predicting that we have ten million housing unit shortage within the next ten years, so we need to remove the barriers to the construction of new homes. This is common sense. This requires reforming regulatory and permitting regimes, which at all levels of government have made home construction and ownership more difficult.

The Democrat-led state and local governments in particular have placed artificial barriers on new housing construction. Democrat cities, for example, rather than making it easier to expand supply, are implementing radical rent control policies, which actually destroy the supply of housing and raise the cost of rent. And it should be no surprise that in just the cities of Houston and Dallas alone, they approved more housing permits than the entire State of California in 2024.

So, runaway inflation is caused because of President Biden and the congressional spending that occurred, that binge spending that made everyday living more expensive and raised mortgage rates to record levels. It locked millions of Americans into homes, constricting our supply. On top of that, Biden's open border policies allowed millions of illegal immigrants to compete against American citizens for the limited supply of homes in our Nation. As we Republicans have repeatedly highlighted, this sudden and preventable mass migration drew heavily on government benefits as well, including housing assistance that was meant for American citizens.

What is the result? Americans today wait on average until the age of 40 to buy a home for the first time. And Americans are waiting longer to form families and less financially secure and less confident in the American dream. This is why we, along with President Trump, are taking decisive action to make the American dream affordable again, with bold proposals that place home ownership for hardworking Americans at the heart of Federal policy.

For example, President Trump and this Congress of Republicans passed H.R. 1 to cut taxes at record levels, put money back in the pockets of everyday Americans, and make it easier for Americans to save for a home. And Republicans will continue to undo the disastrous policies of the Biden era that hampered our housing supply and drove up the costs of things.

We must do this. We cannot leave this on the table, and we have a short time to correct this course. And the American people deserve a home run on this topic and others and not a base hit.

Without objection, all Members have five legislative days within which to submit materials and additional written questions for the witnesses, which will be forwarded to the witnesses.

If there is no further business, without objection, the Committee stands adjourned.

[Whereupon, at 3:21 p.m., the Subcommittee was adjourned.]

