United States House of Representatives Committee on Financial Services 2129 Rayburn House Office Building Washington, D.C. 20515

February 25, 2025

The Honorable French Hill Chairman U.S. House Financial Services Committee 2129 Rayburn House Office Building Washington, DC 20515

Dear Chairman Hill:

Given the widely reported mass firings of employees at the Department of Housing and Urban Affairs (HUD) who manage or oversee critical federal programs related to ending homelessness, providing rental assistance, and supporting homeownership, I write to request that you immediately schedule a hearing with HUD Secretary Scott Turner so that the Committee can fully understand the impact of these actions on our nation's worsening affordable housing and homelessness crisis.

As you are well aware, HUD carries out its federal mission to "create strong, sustainable, inclusive communities and quality affordable homes for all," through the administration of a range of federal programs related to affordable housing, homelessness, and community development. HUD programs, which are currently funded with less than 1% of the federal budget, have been shown to help lower the child poverty rate, reduce homelessness, especially among veterans, and lower rent burdens by offsetting the growing costs of development and rent prices. HUD also supports affordable access to homeownership opportunities and a significant part of the nation's mortgage market through the Federal Housing Administration (FHA), which provides federally-insured mortgages, through the Government National Mortgage Association (Ginnie Mae), which provides an explicit federal guarantee for mortgage-backed securities comprised of federally-insured or guaranteed mortgages, as well as through funding for downpayment assistance. Additionally, HUD has statutory enforcement responsibilities under the Fair Housing Act, which prohibits both overt and covert discrimination in the housing market and requires federal agencies as well as recipients of federal housing funding to comply with the Fair Housing Act.

Despite HUD's critical mission and since his Senate confirmation on February 5, 2025, Secretary Turner has partnered with unelected billionaire Elon Musk and the DOGE to terminate thousands of HUD employees who carry out the work of the agency—with further plans to substantially cut staffing levels in DC and local field offices. We have also received reports from grantees that the Secretary has continued to improperly withhold program funding appropriated by Congress, despite a court-ordered restraining order on the Office of Management and Budget's funding freeze directive. Not only that, but the Secretary has also halted enforcement of the Equal Access Rule which ensures all people experiencing homelessness have access to homeless shelters and services in line with federal fair housing protections.

¹ *Note:* HUD-administered programs include the Public Housing Program, Section 8 Project-Based Rental Assistance (PBRA), Housing Choice Vouchers (HCV), Community Development Block Grants (CDBG), HOME Investment Partnerships (HOME), and the Native American Housing Block Grants (NAHBG) program, among others.

² HUD Archives, <u>Under Biden-Harris Administration</u>, <u>Veteran Homelessness Drops to Lowest on Record</u> (Feb. 3, 2025); <u>See also National Low Income Housing Coalition</u>, <u>Study Examines Impacts of Housing Assistance on Poverty and Material Hardships</u> (Dec. 19, 2022); <u>See also Center on Budget and Policy Priorities</u>, <u>Government's Pandemic Response Turned a Would-Be Poverty Surge Into a Record Poverty Decline</u> (Aug. 29, 2023).

³ Note: Under the Affirmatively Furthering Fair Housing (AFFH) mandate of the Fair Housing Act, federal agencies and grantees are required to take proactive steps to eliminate unequal living patterns across the country and help remedy decades of both government-sponsored and private residential segregation, community disinvestment, and inequality.

⁴ AP News, <u>Trump administration looks to slash HUD workers tackling the housing crisis</u> (Feb. 21, 2025).

⁵ National Council of Nonprofits, <u>Judge Issues Temporary Restraining Order on OMB Freeze</u> (Feb. 5, 2025).

⁶ HUD, Secretary Scott Turner Halts Enforcement Actions of HUD's Gender Identity Rule (Feb. 10, 2025).

There is also growing public concern about the decisions being taken by the Secretary and Musk. Mortgage industry participants reportedly are alarmed that cuts at Ginnie Mae and the FHA may harm the mortgage market and prevent mortgage closings. Housing advocates are alarmed that many nonprofits that manage the provision of rental assistance may be denied funds appropriated by Congress, leaving both renters and landlords in the lurch. The Committee should be afforded the opportunity to investigate what is happening before irreparable harm is done to our economy.

I thank you for your attention to this urgent matter and respectfully request that you schedule a Committee hearing, as outlined, without delay.

Sincerely,

Muline Waters

Maxine Waters Ranking Member

Committee on Financial Services

⁷ Bloomberg, *Ginnie Mae, Stalwart of Mortgage Market, Squeezed by DOGE* (Feb. 21, 2025); *See also* CNN, *America's largest mortgage insurer* denies report that its staff will be halved. Here's what it does (Feb. 19, 2025).

⁸ Supra note 4; See also National Low Income Housing Coalition, NLIHC Statement on Trump Administration's Directive to Terminate Half of All HUD Staff (Feb. 14, 2025).