

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

April 2, 2025

The Honorable Scott Turner
Secretary
U.S. Department of Housing and Urban Development
451 7th St SW
Washington, DC 20410

Dear Secretary Turner:

We write in response to disconcerting reports that the Trump Administration is exploring ways to broadly apply unproven uses of blockchain technology and cryptocurrency (crypto) in the operations of the U.S. Department of Housing and Urban Development (HUD).¹ Given HUD's mission to address our nation's affordable housing and homelessness crisis, I am deeply concerned that this approach would, as one expert put it, use HUD-assisted households "as guinea pigs."² It is deplorable that HUD would consider risking the homes of millions of hard-working families to advance efforts that make billionaires, like co-President Elon Musk, more profit.

As you may know, the 2008 foreclosure crisis was fueled by risky, unregulated, and predatory financial products that enriched banks while ultimately devastating American wealth and our nation's economy, leading to the Great Recession.³ Following the financial crisis, Congress established the Consumer Financial Protection Bureau (CFPB) to root out unfair, deceptive, and abusive acts and practices. Yet, the Trump Administration has illegally sought to dismantle the CFPB as HUD dismantles other federal oversight mechanisms, such as fair housing protections, under your leadership. We cannot afford to repeat the same mistakes of the past. Introducing blockchain technology or crypto into HUD or any other federal agency without proper Congressional action, a sound regulatory framework, oversight, or public input is simply reckless.

Crypto markets are highly volatile, prone to fraud, and vulnerable to sudden collapses. The dangers of crypto are well-documented. In 2024 alone, investors lost over \$10 billion to scams and security breaches.⁴ The collapse of major exchanges, including FTX in 2022, exposed widespread fraud, risky practices, and instability in the crypto industry.⁵ Yet these collapses were relatively contained from the economy as a whole, in part due to limited interconnections between the crypto industry and traditional finance.⁶ Under an administration that is rife with conflicts of interest,⁷ these risks are exponential. For instance, President Trump's memecoin scheme has already scammed investors out of \$2 billion in a pump-and-dump scheme, while he, his family, and other insiders have pocketed \$350 million.⁸ The labyrinth of companies connected to Trump – Fight Fight Fight LLC,

¹ ProPublica, [U.S. Housing Agency Considers Launching Crypto Experiment](#) (Mar. 7, 2025).

² *Id.*

³ Center for American Progress, [The 2008 Housing Crisis](#) (Apr. 13, 2017).

⁴ Investopedia, [Crypto Scams Cost Investors Over \\$10 Billion in 2024: Here's How to Protect Your Investments](#) (Mar. 11, 2025).

⁵ CNN Business, [The Crypto Meltdown, Explained](#) (Nov. 18, 2022); See also Financial Services, ICYMI: [Chairwoman Waters Holds Hearing Exposing Information on the Collapse of FTX and Founder Sam Bankman-Fried](#) (Dec. 16, 2022).

⁶ The Federal Reserve Bank of New York, [Economic Policy Review: The Financial Stability Implications of Digital Assets](#) (Nov. 2024).

⁷ Fortune, [Half a dozen members of Trump's cabinet hold Bitcoin assets, disclosures reveal, with a combined total worth millions](#) (Mar. 13, 2025); See also CoinTelegraph, [Trump's World Liberty bought \\$20M worth of crypto ahead of March 7 summit](#) (Mar. 6, 2025); See also The Intercept, [Here's How Much the Guests at Trump's Crypto Summit Donated to His Inauguration](#) (Mar. 7, 2025).

⁸ The New York Times, [Early Crypto Traders Had Speedy Profit on Trump Coin as Others Suffered Losses](#) (Feb. 9, 2025); See also The New York Times, [The Winners and Losers of Trump's Memecoin](#) (Feb. 9, 2025); See also Financial Times, [Donald Trump's crypto project netted \\$350mn from presidential memecoin](#) (Mar. 7, 2025).

CIC Digital LLC, and Celebration Cards LLC – own 80% of the supply of \$TRUMP tokens and have indicated they will receive continuous revenue streams from its trading.⁹

It is unconscionable that at a time when your administration is reportedly exploring the use of stablecoins at HUD, Trump and his family are launching a dollar stablecoin through their company, World Liberty Financial.¹⁰ Not only does Trump’s stablecoin challenge the constitutional standards addressing conflicts of interest,¹¹ it creates an avenue for circumventing national security and anti-corruption laws by allowing our allies and our adversaries to anonymously transfer money to Trump and his inner circle.¹² Under Republican stablecoin legislation, as written, and this Administration’s policies, the Trump White House would review and approve every rule the Federal regulators issue to implement this stablecoin framework, allowing the President to set the rules for a business that he and his family profits from while in office.

The federal government cannot allow under-regulated financial products to infiltrate critical housing programs, especially when they have already proven to be dangerous, speculative, and harmful to working families. It is unclear how these technologies, which have not been widely adopted even by the real estate industry, would help HUD meet its mission. Applying this technology to critical operations raises serious concerns about accountability, transparency, and harm to those relying on these housing programs.¹³ Rather than gambling America’s housing, the agency should focus on getting Congressionally appropriated funds back out to communities, addressing the affordable housing supply shortage, ending homelessness for over 771,000 people, and increasing homeownership for the millions of Americans who remain locked out by rising house prices and high interest rates.

Given the risks posed by improper uses of blockchain and digital assets, we ask that you halt any blockchain- and crypto-related efforts at HUD. I request the following information by April 8, 2025:

1. Has HUD conducted a needs assessment, risk assessment, or cost-benefit analysis on any proposed uses of blockchain or crypto integration within the agency? If so, please identify:
 - a. The individuals involved in designing and conducting each phase of any such analysis or assessment;
 - b. The steps or activities involved in each assessment or analysis;
 - c. Whether they involved sampling or tests and if so, what were the sample sizes;
 - d. What were all of the steps involved in reviewing and drawing conclusions from each analysis and assessment;
 - e. What types of quality control were put into place;
 - f. What were the findings and results of each analysis and assessment?
 - g. Whether any non-governmental personnel involved in any assessment and if so, identify those involved, any organization or company with which they had an affiliation, and the specific roles they played in any analysis or assessment, and please provide copies of any such assessments or analyses.
2. Please provide details on any specific blockchain or crypto initiatives that HUD is currently exploring, and what agencies or private entities are involved in these discussions.
3. Provide a list of all meetings related to any blockchain- or crypto-related efforts being considered at HUD, and include the date of each meeting, the attendees, and their affiliations.

⁹ Gettrumpmemes, [The Only Official Trump Meme](#) (Accessed Mar. 27, 2025).

¹⁰ *Supra* note 1; See also Wall Street Journal, [Trump Family Venture Plunges Deeper Into Crypto With New ‘Stablecoin’](#) (Mar. 25, 2025).

¹¹ CoinTelegraph, [Trump’s USD1 stablecoin deepens concerns over conflicts of interest](#) (Mar. 26, 2025); Note: “WLFJ also made multimillion-dollar purchases of crypto tokens immediately prior to important crypto-related events the president has attended or announcements influencing the industry. WLFJ purchased \$20 million of various tokens ahead of the March 7 White House Crypto Summit.”

¹² House Financial Services Committee, [Ranking Member Maxine Waters on \\$TRUMP: This Represents the Worst of Crypto](#) (Jan. 20, 2024).

¹³ Department of Housing and Urban Development, [The 2024 Annual Homelessness Assessment Report \(AHAR\) to Congress](#) (Dec. 2024); See also CNN Business, [More than half of American renters who want to buy a home fear they’ll never afford one](#) (Jul. 29, 2024).

4. Please describe the topics and nature (e.g., memo, or email) of all internal communications that have been circulated within the agency regarding potential uses of blockchain or crypto at HUD and provide a copy of all such communications.
5. What specific role does Irving Dennis, HUD's Principal Deputy Chief Financial Officer, play in the agency's exploration of blockchain- and crypto-related technologies? Who, if anyone, at HUD has met with Ernst & Young (EY) on or after January 20, 2025? Please provide a list of all such meetings, the date of each meeting, the topics discussed, the attendees, and their affiliations.
6. Please confirm whether HUD is considering the use of stablecoins for private citizens to access government benefits or other HUD services. If so, describe these plans and what stablecoins the administration is considering for integration at HUD.
7. What standards have you established to address the risks arising from government officials owning stablecoins that are in consideration for integration into federal government operations?

We thank you for your attention to this urgent matter and look forward to receiving prompt responses.

Sincerely,



Maxine Waters
Ranking Member, Committee on
Financial Services



Emanuel Cleaver, II
Member of Congress



Stephen F. Lynch
Member of Congress

CC: The Honorable French Hill, Chair, House Committee on Financial Services