

# Congress of the United States

Washington, DC 20510

April 26, 2024

The Honorable Tom Cole  
Chairman  
U.S. House of Representatives  
Committee on Appropriations

The Honorable Rosa L. DeLauro  
Ranking Member  
U.S. House of Representatives  
Committee on Appropriations

The Honorable Steve Womack  
Chairman  
U.S. House of Representatives  
Committee on Appropriations  
Subcommittee on Transportation, Housing,  
and Urban Development and Related  
Agencies

The Honorable Mike Quigley  
Ranking Member  
U.S. House of Representatives  
Committee on Appropriations  
Subcommittee on Transportation, Housing, and  
Urban Development and Related Agencies

Dear Chairman Cole, Ranking Member DeLauro, Chairman Womack, and Ranking Member Quigley:

As you consider the fiscal year (FY) 2025 Transportation, Housing and Urban Development, and Related Agencies (THUD) appropriations bill, I urge you to increase access to homeownership by appropriating \$100 million through the Department of Housing and Urban Development's (HUD) HOME Program to provide downpayment, interest rate buydown, and other upfront cost assistance to first-time, first-generation homebuyers who are seeking to purchase their first home in today's housing market.

For decades, homeownership has been the primary driver of household wealth in the United States with homeowners holding nearly 40 times the median net worth of renters.<sup>1</sup> Homeownership not only financially outperforms stocks and bonds in terms of an investment vehicle, but it has a practical utility of housing families, and its returns make it more beneficial than renting for most.<sup>2</sup> The economic security obtained through owning a home can serve as a cushion in times of crisis, like during a pandemic or a recession, as homeowners can rely on their home equity in hard times.<sup>3</sup> However, downpayment requirements and other upfront costs remain among the greatest barriers to entry for many first-time, first-generation homebuyers, especially younger people and people of color who have been historically excluded from homeownership opportunities.<sup>4</sup>

At the height of the coronavirus pandemic, interest rates hit historic lows and we saw mortgage originations reach record highs at \$4.8 trillion in 2021, surpassing the previous record of \$4.1 trillion in 2020 and more than doubling 2019 pre-pandemic levels (\$2.4 trillion).<sup>5</sup> While low rates provided greater buying power and more affordable home financing options, credit-worthy borrowers who lacked the intergenerational wealth to cover upfront costs were too often left behind. The National Association of Realtors (NAR) found that between 2022 and 2023, the share of first-time homebuyers was 32%, up from an all-time low of 26% in 2022, but the age of first-time homebuyers remained historically high at 35

<sup>1</sup> Federal Reserve, [Changes in U.S. Family Finances from 2019 to 2022: Evidence from the Survey of Consumer Finances](#) (Oct. 2023).

<sup>2</sup> Urban Institute, [Homeownership is still financially better than renting](#) (Feb. 21, 2018).

<sup>3</sup> The Hill, [Home equity in US hits record \\$27.8 trillion](#) (Jun. 15, 2022).


<sup>4</sup> Fannie Mae, [Barriers to Entry: Closing Costs for First-Time and Low-Income Homebuyers](#) (Dec. 2, 2021); *See also* Center for Responsible Lending, [Hardship for Renters: Too Many Years to Save for Mortgage Down Payment and Closing Costs](#) (Apr. 2021); *See also* CNBC, [Millennials and Gen Zers do want to buy homes—they just can't afford it, even as adults](#) (Jun. 12, 2022).

<sup>5</sup> Urban Institute, [Housing Finance At A Glance: A Monthly Chartbook](#) (Feb. 2020); *See also* Urban Institute, [Housing Finance At A Glance: A Monthly Chartbook](#) (Jan. 2022).

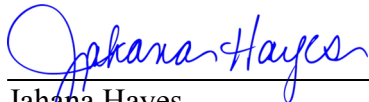
years old.<sup>6</sup> Today, interest rates are above 7% on a 30-year mortgage, more than double rates in 2021 due to Federal Reserve rate hikes,<sup>7</sup> and home prices have increased by 47% since May 2020.<sup>8</sup>

These concerning trends threaten to push the American dream of homeownership further out of reach than ever before,<sup>9</sup> weakening the financial well-being of U.S. households<sup>10</sup> and widening the racial wealth and homeownership gaps, which have contributed to a loss of more than \$16 trillion in U.S. GDP over the last 20 years.<sup>11</sup> Now is the time to provide \$100 million in assistance as a first-step to ensuring first-time, first-generation homebuyers can attain their dreams of homeownership. Thank you in advance for your consideration of this request. Please contact Alia Fierro with Ranking Member Waters at [Alia.Fierro@mail.house.gov](mailto:Alia.Fierro@mail.house.gov).

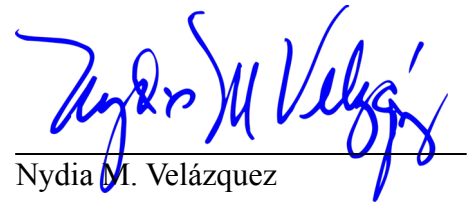
Sincerely,



Maxine Waters  
Ranking Member, Committee on  
Financial Services



Jahana Hayes  
Member of Congress



Nydia M. Velázquez  
Member of Congress



Stacey E. Plaskett  
Member of Congress



Gwen S. Moore  
Member of Congress

<sup>6</sup> National Association of Realtors, (2023).

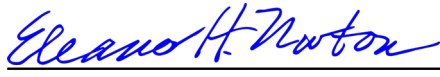
<sup>7</sup> NPR, [The Fed raises interest rates by the most in over 20 years to fight inflation](#) (May 4, 2022); See also NY Times, [What the Fed's rate increase means for mortgages](#). (Jun. 15, 2022).

<sup>8</sup> Federal Housing Finance Agency, [House Price Index](#) (Q4 2022).

<sup>9</sup> Pew Research, [More U.S. households are renting than at any point in 50 years](#) (Jul. 19, 2017); See also Redfin, [All-Cash Homebuyers Are Four Times More Likely to Win a Bidding War](#) (Mar. 14, 2022); See also Wall Street Journal, [Three Million U.S. Households Making Over \\$150,000 Are Still Renters](#) (Mar. 13, 2023).

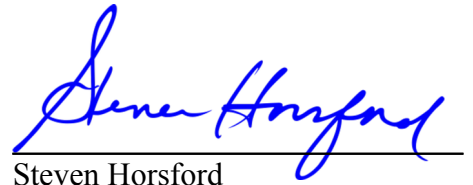
<sup>10</sup> Federal Reserve, [2019 Survey of Consumer Finances](#) (Sep. 2020); Note: Homeowners held over 40 times the median net worth of renters in 2019.

<sup>11</sup> Financial Services Committee, [Justice for All: Achieving Racial Equity Through Fair Access to Housing and Financial Services](#) (Mar. 5, 2021); See also Urban Institute, [By 2040, the US Will Experience Modest Homeownership Declines. But for Black Households, the Impact Will Be Dramatic](#). (Jan. 21, 2021); Citi, [The Economic Cost of Black Inequality in the U.S.](#) (Sep. 2020).



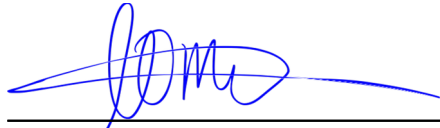
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Eleanor Holmes Norton  
Member of Congress



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Steven Horsford  
Member of Congress




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Ilhan Omar  
Member of Congress



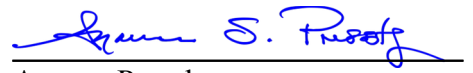
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Katie Porter  
Member of Congress



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Sylvia R. Garcia  
Member of Congress



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Ayanna Pressley  
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Emanuel Cleaver, II  
Member of Congress



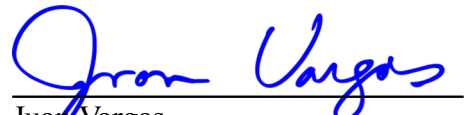
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John Garamendi  
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Al Green  
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Juan Vargas  
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Mike Levin  
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James P. McGovern  
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Jesús G. "Chuy" García  
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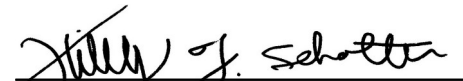
Frederica S. Wilson  
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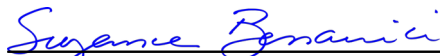
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Rashida Tlaib  
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Hillary J. Scholten  
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Suzanne Bonamici  
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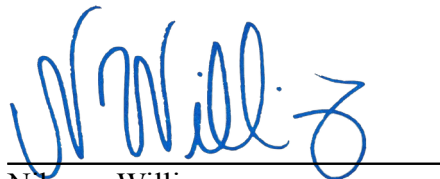
Henry C. "Hank" Johnson, Jr.  
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Wiley Nickel  
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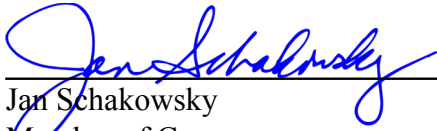
Ted W. Lieu  
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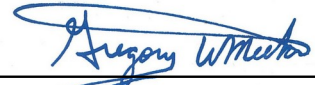
Nikema Williams  
Member of Congress



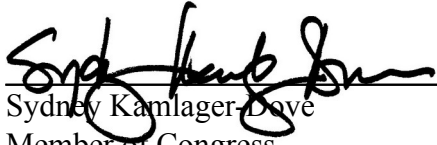
André Carson  
Member of Congress



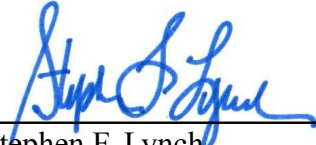
Jan Schakowsky  
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Gregory W. Meeks  
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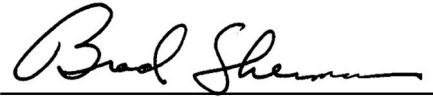
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Madeline Dean  
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Delia C. Ramirez  
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Sean Casten  
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Eric Swalwell  
Member of Congress



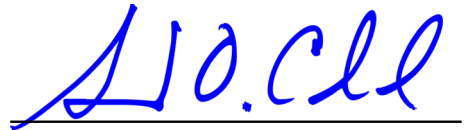
Mark Takano  
Member of Congress



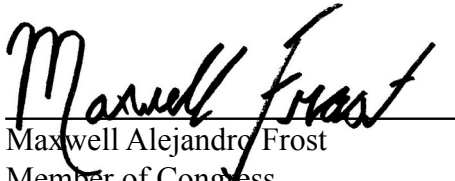
Jamaal Bowman, Ed.D.  
Member of Congress



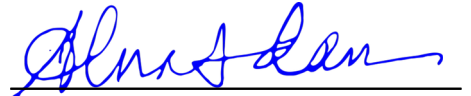
Alexandria Ocasio-Cortez  
Member of Congress



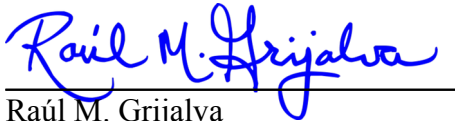
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Maxwell Alejandro Frost  
Member of Congress



Alma S. Adams, Ph.D.  
Member of Congress



Raúl M. Grijalva  
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Barbara Lee  
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