

# Congress of the United States

Washington, D.C. 20515

May 23, 2025

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 James E. Clyburn  
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) 2026 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> Indeed, 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 years old.<sup>5</sup>

These trends will worsen as a result of the many actions being taken by the Trump Administration. For example, Trump's leadership at the Federal Housing Finance Agency eliminated Fannie Mae and Freddie Mac's support for Special Purpose Credit Programs (SPCPs) that benefit first-time homebuyers and underserved borrowers. The HUD Secretary has rolled back anti-discrimination enforcement in housing. ..<sup>6</sup>

<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>

<sup>6</sup> Bloomberg Law, *FHFA Chief Ends Program Designed to Help First-Time Homebuyers* (Mar. 25, 2025); See also HUD, *Secretary Scott Turner Cuts Red Tape by Terminating AFFH Rule* (Mar. 14, 2025)

Additionally, the Trump Administration has made clear its intent to shrink the Federal Housing Administration's (FHA) footprint and release Fannie Mae and Freddie Mac (collectively, "the Enterprises) from conservatorship, which threatens the 30-year mortgage and will exacerbate the affordable financing constraints we have already seen thanks to Trump's tariff war that has pushed up mortgage rates.<sup>7</sup> In fact, the Federal Housing Finance Agency (FHFA) Director Bill Pulte took some of the first steps toward releasing the Enterprises by illegally crowning himself Chair of the Boards of each Enterprise.<sup>8</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>9</sup> While low rates provided homebuyers with greater buying power and more affordable home financing options, the chronic housing supply shortage and increased demand led to significant housing inflation. Indeed, house prices are up by nearly 60% from 2020.<sup>10</sup> Meanwhile, interest rates on a 30-year mortgage remain high at nearly 7% due to the Trump Administration's tariff wars that have rocked the U.S. financial markets and pushed up the cost of building materials used for home building.<sup>11</sup> Further undermining efforts to address the housing crisis, the FY 2026 budget proposal includes a devastating \$33 billion cut to federal housing programs, nearly 44% of HUD's budget, gutting federal housing programs and exacerbating the very crisis Trump promised to end.<sup>12</sup>

These concerning trends threaten to push the American dream of homeownership further out of reach than ever before,<sup>13</sup> weakening the financial well-being of U.S. households<sup>14</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>15</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 Melissa Anoh with Ranking Member Waters at [Melissa.Anoh@mail.house.gov](mailto:Melissa.Anoh@mail.house.gov).

Sincerely,

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<sup>7</sup> Senate Committee on Banking, Housing, and Urban Affairs, *Senate Democrats Press HUD Secretary Turner on Threat of Rising Housing Costs from Plan to Reprivatize Fannie Mae and Freddie Mac* (Feb. 26, 2025); See also CNN, *Mortgage rates climb to highest level in two months as Trump's tariffs continue to rock markets* (Apr. 17, 2025).

<sup>8</sup> House Financial Services Committee (FSC), *Ranking Member Maxine Waters Demands Answers from Director Pulte on Illegal Actions at Federal Housing Finance Agency* (Apr. 7, 2025).

<sup>9</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).

<sup>10</sup> Federal Housing Finance Agency, *House Price Index* (Q4 2024).

<sup>11</sup> Federal Housing Finance Agency, *House Price Index* (Q4 2024); See also CNN, *Mortgage rates climb to highest level in two months as Trump's tariffs continue to rock markets* (Apr. 17, 2025); See also Freddie Mac, *Primary Mortgage Market Survey®* (Accessed on Apr. 22, 2025); See also National Association of Home Builders Letter to President Trump re: *Tariffs on Building Materials from Canada and Mexico* (Jan. 31, 2025).

<sup>12</sup> Donna Kimura, *Budget Proposal Slashes HUD Programs*, HOUS. FIN. (May. 02, 2025),

<sup>13</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>14</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>15</sup> U.S. House 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); See also Citi, *The Economic Cost of Black Inequality in the U.S.* (Sep. 2020).

*Maxine Waters*

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Maxine Waters  
Ranking Member  
Committee on Financial Services

*Sylvia R. Garcia*

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Sylvia R. Garcia  
Member of Congress

*Al Green*

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Al Green  
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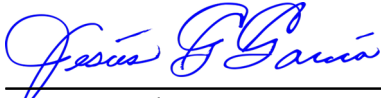
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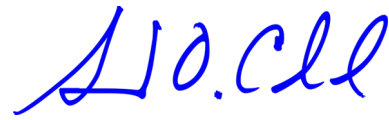
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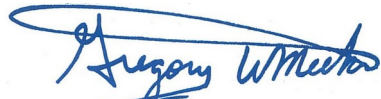
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