

Testimony of Caroline Nagy,  
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Before the House Oversight Committee  
Economic Growth, Energy Policy, and Regulatory Affairs Subcommittee  
Housing Affordability: Saving the American Dream  
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Chairman Burlison, Ranking Member Frost, and members of the Committee, thank you for the opportunity to present testimony on behalf of my organization, Americans for Financial Reform. We are a nonpartisan and nonprofit coalition founded by more than 200 civil rights, consumer, labor, business, investor, faith-based, and civic and community groups. Formed in the wake of the 2008 crisis, we are working to lay the foundation for a strong, stable, and ethical financial system – one that serves the economy and the nation as a whole.

## 1. Our Current Housing Affordability Crisis

We are here today because our nation is confronting an unprecedented housing unaffordability, eviction, and homelessness crisis. Our rental affordability crisis is now present in all 50 states, and nearly half of U.S. renters are paying higher rents than they can afford each month.<sup>1</sup> Housing costs are a major driver of our national cost-of-living crisis, as basics like groceries and medical care become increasingly unaffordable.<sup>2</sup>

Although homeownership is still a goal for many young people, it has become out-of-reach for most: in 2025, the share of first-time homebuyers reached a record low of 21 percent, and the age of the median first-time homebuyer reached an all time high of 40 according to the National Association of Realtors.<sup>3</sup> This is an extremely difficult market for first-time homebuyers, who must save up for a down payment during a cost-of-living crisis and compete in a market where home prices remain stubbornly high.<sup>4</sup> While somewhat lower interest rates are now providing some price relief for borrowers, there is a substantial gap between prices and what homebuyers can afford: the national median single-family home price grew to five times the median household income in 2024.<sup>5</sup>

## 2. Long-Term Drivers of the Affordable Housing Crisis

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<sup>1</sup> Esther Colón-Bermúdez, Esther et al. National Low Income Housing Coalition. “[Out of Reach: The High Cost of Housing 2025](#)” 2025.

<sup>2</sup> Hanks, Angela and Ann Margetta Morgan. The Century Foundation. “[Survey: The Affordability Crisis Is Here, and It's Hitting the Working Class the Hardest](#).” December 11, 2025.

<sup>3</sup> National Association of Realtors. [Press release]. “[First-time home buyer share falls to historic low of 21%, median age rises to 40](#).” November 4, 2025.

<sup>4</sup> Whitney, Peyton. Joint Center for Housing Studies of Harvard University (JCHS). “[Home prices surge to five times median income, nearing historic highs](#).” October 6, 2025.

<sup>5</sup> *Ibid.*

### **Housing Shortage:**

The single-family home construction industry never fully recovered from the 2008 foreclosure crisis, which shuttered many smaller homebuilders and allowed large homebuilders to consolidate their market share. As a result, we are building 20 percent fewer homes than we did in the 1990s, despite population growth and rising prices.<sup>6</sup>

We also have a severe, national shortage of housing that people with the lowest incomes can afford: nationally, we need 7.1 million additional homes that are affordable to people who live below the poverty line or earn below 30 percent of their area median income.<sup>7</sup> Unfortunately, we are losing what remains of our affordable housing stock at a rate faster than we can replace it due to rising rents and stagnant incomes. Many homes that were once affordable to lower-income people have seen their rental or purchase prices increase: in just three years (2019 to 2021), 36 states lost more than 10 percent of low-rent units and 14 states lost 15 percent.<sup>8</sup>

### **Investor Ownership of Housing Stock:**

Corporate investors including private equity firms have been buying up single family homes, multifamily apartment buildings and complexes, and manufactured housing communities. This surge of corporate ownership has contributed to the reduction in the availability of homes, the rise in housing prices, and rising rental costs, as well as increased junk fees, poor maintenance, and higher eviction rates.<sup>9</sup>

Investors bought a record three out of ten single-family homes in the first half of 2025. Investors are often able to pay cash for homes, which puts them at an advantage over families who will need to obtain a mortgage to purchase their home. Investors also tend to buy more homes in markets with lower housing values,<sup>10</sup> which means they are buying a disproportionate share of what would traditionally be considered starter homes.

Investors range in size and portfolio, but large investors are increasingly active in the single-family home market: prior to 2011, no single investor owned more than 1,000 single-family properties anywhere in the United States. By 2021, just 32 institutional “mega-investors” collectively owned 446,000 single-family homes.<sup>11</sup> Mega investors have not proved to be the best landlords for tenants. Invitation Homes, the largest single-family home landlord in the country, settled a Federal Trade

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<sup>6</sup> Kilgour, Laurel and Ashley Nowicki. American Economic Liberties Project. “[Capital Crunch: How the Fall of Finance and the Rise of Shareholder Primacy Warped Single-Family Homebuilding in America—and What to Do About It.](#)” November 16, 2025.

<sup>7</sup> National Low Income Housing Coalition. “[The Gap: A Shortage of Affordable Homes.](#)” 2025.

<sup>8</sup> JCHS. “[The State of the Nation’s Housing 2023.](#)” 2023.

<sup>9</sup> Americans for Financial Reform, [Research Memorandum: Estimate of Minimum Number of Housing Units Owned by Private Equity Firms](#), June 28, 2022.

<sup>10</sup> Lee, Keyoung and David Wylie (Lee & Wylie). Federal Reserve Bank of Philadelphia. “[Institutional Investors, Rents, and Neighborhood Change in the Single Family Residential Market.](#)” Working Paper No. WP 24-13. July 2024.

<sup>11</sup> Goodman, Laurie et al. Urban Institute. “[A Profile of Institutional Investor-Owned Single-Family Rental Properties.](#)” April 25, 2023.

Commission (FTC) case in 2024 that confirmed longstanding tenant complaints about patterns of illegal practices, including charging deceptive junk fees, failing to provide proper maintenance, stealing deposits, and intentionally misleading tenants about the federal eviction moratorium during the pandemic, among other offenses.<sup>12</sup>

Large investors have a similarly poor record of exploitative rent increases and deteriorating living conditions in manufactured home communities. These communities are home to over 22 million people in the U.S. and serve as a vital, underappreciated, source of affordable housing that is increasingly at risk: according to Census data, median lot rents have jumped 45% in the last decade.<sup>13</sup> Unfortunately, corporate and private equity landlords have aggressively bought up these communities in recent years. As of 2022, one in eight manufactured home residents had a private equity landlord.<sup>14</sup>

### **Corporate Greed: Higher Rents, Price Fixing, and Junk Fees:**

As corporate landlords increasingly dominate rental markets throughout the U.S., we are seeing increased signs of rent hikes, unfair pricing, and fraudulent behavior as they use their market power to maximize profits.

- **Higher Rents:** A study of New York City corporate landlords found that they file more evictions than non-corporate landlords and list their units at higher rents.<sup>15</sup> A similar analysis by the Federal Reserve Bank of Philadelphia found that investors raised rents at 60 percent higher rates than average landlords when they purchased housing, and that higher investor share in a neighborhood is also correlated with faster rent increases for non-investor landlords.<sup>16</sup>
- **Price Fixing:** The Real Page price-fixing scandal exposed landlords coordinating through tech platforms to reduce competition and increase rents and junk fees across markets: RealPage advertised its services to landlords as a tool that could help them “outperform the market by 3 to 7 percent,” by which they meant that participating landlords could charge higher rents and fees than the market would otherwise bear.<sup>17</sup>
- **Junk Fees:** The practice of charging renters unexpected, indefensible, and frequently outrageous junk fees has exploded in recent years.<sup>18</sup> In December, the FTC and the State of

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<sup>12</sup> [Federal Trade Commission \(FTC\) v. Invitation Homes](#). 2024.

<sup>13</sup> National Public Radio Morning Edition, [Some mobile home owners say they're being priced out by rising lot rent](#). July 14, 2025.

<sup>14</sup> Americans for Financial Reform, [Research Memorandum: Estimate of Minimum Number of Housing Units Owned by Private Equity Firms](#), June 28, 2022.

<sup>15</sup> Harwood, Katherine WH, Ingrid Gould Ellen, and Katherine O'Regan. New York University Furman Center. “[The Rise of Corporate Landlords: An Examination of Behavioral Differences in the Multifamily Market](#),” 2025.

<sup>16</sup> [Lee & Wylie](#).

<sup>17</sup> Vogell, Heather, Haru Coryne, and Ryan Little. “[Rent going up? One company's algorithm could be why](#).” *ProPublica*. October 15, 2022.

<sup>18</sup> Neumann, Zach and Katherine Fallon. Urban Institute. “[Rental junk fees are harming renters](#).” April 30, 2025.

Colorado announced a settlement with private-equity landlord Greystar for misleading tenants by advertising lower rents to bring tenants in and then hitting them with undisclosed mandatory monthly junk fees that made the true cost of renting significantly higher, in violation of the FTC Act.<sup>19</sup>

### **Insurance and utilities:**

Property insurance costs have skyrocketed for both single- and multi-family housing, increasing costs for both homeowners and landlords (and thus indirectly for renters too), and exacerbating the housing unaffordability crisis.<sup>20</sup> The cost of homeowners' insurance policies have increased an average of 70 percent since 2021,<sup>21</sup> while property insurers' underwriting loss ratios remain low<sup>22</sup> and overall profits set record highs.<sup>23</sup> Due in part to rising disaster damages,<sup>24</sup> property insurers have dramatically increased premiums for consumers in recent years or fully abandoned communities altogether.<sup>25</sup> State regulators are largely allowing insurers to socialize the costs of climate change onto the public after decades of privatizing profits from those same consumers<sup>26</sup> and the Federal government has not taken action.

High utility costs are another driver of housing unaffordability and have also increased significantly in recent years: up 35 percent on average, with average monthly bills increasing from \$196 in 2022 to \$265 in 2025.<sup>27</sup>

### **Unsustainable Land Use Practices:**

We desperately 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.<sup>28</sup>

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<sup>19</sup> FTC. [Press release]., “[Greystar agrees to pay \\$24 million and stop deceptive advertising practices as a result of FTC and Colorado lawsuit alleging the firm deceived consumers about rent prices](#),” December 2, 2025.

<sup>20</sup> Americans for Financial Reform Education Fund. “[Rising Property Insurance Premiums: The Uneven Risks to Households](#),” September 18, 2025.

<sup>21</sup> Cerullo, Megan. “[Homeowners insurance costs have shot up 70% since 2021. Here's why](#).” CBS News. September 17, 2025.

<sup>22</sup> The property insurance industry's net loss ratio was 71.2 percent in 2024, compared to an average around 80 percent from 1980-2000. See: National Association of Insurance Commissioners. [U.S. Property and Casualty and Title Insurance Industries – 2024 Full Year Results](#);

Wang, Shaun S. et al. “[U.S. property-casualty: Underwriting cycle modeling and risk benchmarks](#).” *Casualty Actuarial Society*. Vol. 5, Iss. 2. 2012.

<sup>23</sup> See e.g., Jean Eaglesham, “[Travelers Notches Record Profits: Insurer's Stock Rises](#).” *Wall Street Journal*. January 22, 2025; Saqib Rahim, “[Insurers earn record sums in disaster-free third quarter](#).” E&E News. November 21, 2025; American Association for Justice. “[The Insurance Industry is Quietly Making Record Profits](#).” April 1, 2025; Stancil, Kenny. Revolving Door Project. “[Don't let home insurers fool you. They're more profitable than ever](#).” July 14, 2025.

<sup>24</sup> Climate Central. “[U.S. Billion-Dollar Weather and Climate Disasters](#).” Accessed January 2026.

<sup>25</sup> U.S. Department of Treasury. “[Analyses of U.S. Homeowners Insurance Markets, 2018-2022: Climate-Related Risks and Other Factors](#),” January 2025.

<sup>26</sup> Stancil, Kenny. Revolving Door Project. “[Don't let home insurers fool you. They're more profitable than ever](#).” July 14, 2025.

<sup>27</sup> Morgan, Julie Margetta, Mike Pierce, and Eduard Nilaj. The Century Foundation. “[Fueling debt: How rising utility costs are overwhelming American families](#).” November 17, 2025.

<sup>28</sup> Urban Institute, “[America Has a Housing Shortage. Zoning Changes Near Transit Could Help](#).” June 2023.

Zoning reform is certainly needed to create affordable housing in communities that have historically rejected it. But removing zoning barriers to new development alone will be totally insufficient to solve our housing shortage. Most lower-income Americans simply do not earn enough to pay rents that would be high enough to cover the cost of developing and maintaining new housing stock in today's market.<sup>29</sup> Increasing inequality and precarity are one root of the crisis. Higher wages, bolstering household incomes, supporting construction of more affordable housing, and preserving the limited stock of affordable housing that does exist with tenant rights and other protections are all necessary to address affordability. Without tenant rights and protections, rents will continue to increase to unaffordable levels, resulting in the continued loss of affordable housing.

### **3. Current policies that Exacerbate Housing Unaffordability**

#### **Making homebuilding and home repair more expensive:**

We are facing a national housing shortage with multiple causes, and administration actions have increased costs and slowed new construction. As of October 2025, both new permits and building starts are at or near five-year lows.<sup>30</sup> Tariffs are increasing the cost of lumber, building materials, and finishings like cabinets, contributing to overall increases in both the cost of new housing construction and home repairs.<sup>31</sup> Additionally, President Trump's immigration crackdown has impacted immigrant communities who work in the building trades, leading to a labor shortage.<sup>32</sup> As a result, workforce shortages became the leading cause of construction delays in 2025.<sup>33</sup>

#### **Letting predatory actors off the hook:**

In 2024, the Department of Justice (DOJ) filed an antitrust lawsuit against RealPage, accusing the private-equity-owned firm of facilitating price fixing among the country's largest corporate landlords.<sup>34</sup> In 2025, the DOJ offered a weak proposed settlement with no fines and no admission of guilt.

The current administration has also stopped homebuyer protections that make mortgage lending fairer and safer, including by essentially stopping most of the consumer protection and fair lending work of the Consumer Financial Protection Bureau (CFPB) as part of their effort to eliminate the agency, despite its success in obtaining over \$21 billion in relief for over 200 million people through enforcement and supervision since its creation after the 2008 Financial Crisis, including in multiple

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<sup>29</sup> Urban Institute. "[The cost of affordable housing: Does it pencil out?](#)" July 2016.

<sup>30</sup> U.S. Census Bureau. "[Monthly New Residential Construction, October 2025](#)." January 9, 2026.

<sup>31</sup> Patel, Elena, Robert McClelland, and John Wong. Brookings Institution. "[Recent tariffs threaten residential construction](#)." October 3, 2025.

<sup>32</sup> Neuman, Scott. All Things Considered. "[ICE is sending a chill through the construction industry](#)." NPR. November 6, 2025.

<sup>33</sup> Associated General Contractors of America. [Press release]. "[New survey finds construction workforce shortages are leading cause of project delays as immigration enforcement affects nearly 1/3 of firms](#)." August 28, 2025.

<sup>34</sup> U.S. Department of Justice. [Press release]. "[Justice Department sues RealPage for algorithmic pricing scheme that harms millions of American renters](#)." August 23, 2024.

housing cases that halted abusive mortgage collections, deceptive home loan marketing, and redlining.<sup>35</sup> The Russell Vought-controlled CFPB even took the unprecedented step of trying to reopen and reverse a settled enforcement action, attempting to undo the agency's redlining settlement with Townstone Financial Inc, a mortgage-lending company based in Chicago that made almost no loans in Black neighborhoods and put out a radio show that regularly made racist, disparaging remarks about Black Chicago neighborhoods.<sup>36</sup> (A judge subsequently rejected this effort, and the settlement stands.)

These actions send a message that Wall Street and other financial firms can violate anti trust, consumer protection and fair lending laws with impunity, making homebuying more difficult, risky, and expensive.

#### **Making homeownership more expensive:**

Federal Housing Finance Agency (FHFA) Chair Pulte has had a highly chaotic first year in office, and is making policy decisions that reduce housing affordability.

- **Pushing GSE Privatization:** Chair Pulte is pushing GSE privatization, a move that would bring major uncertainty and disruption extremely likely to increase the costs of mortgages for homebuyers across the country.
- **Severely Weakening Fannie and Freddie's Affordable Housing Goals:** Despite the well-documented difficulties first-time homebuyers are facing in today's housing market, the FHFA opted to make things worse by dramatically reducing Fannie and Freddie's affordable home mortgage purchase goals over the next three years, which will allow Fannie and Freddie to pull back from supporting lower-income and moderate-income homebuyers. As a result, working families struggling to afford to buy a home will have significantly less support from the FHFA. The new, significantly lower housing goals will contract credit for low-income homebuyers and likely cut off over 175,000 families from affordable mortgages.<sup>37</sup>
- **Ending Special Purpose Credit Programs:** Created under the Equal Credit Opportunity Act, Special Purpose Credit Programs allow lenders to support first-time homebuyers with limited resources who have historically been excluded from homeownership. These programs have helped connect tens of thousands of families to sustainable, affordable homeownership. In early 2025, Pulte moved quickly to ban Fannie and Freddie from

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<sup>35</sup> National Consumer Law Center. "[The CFPB: Promoting a Stable Housing Market](#)." January 2025.

<sup>36</sup> National Fair Housing Alliance. [Press release]. "[Judge rejects Trump administration's efforts to abandon redlining settlement with Townstone Financial Inc.](#)" June 12, 2025.

<sup>37</sup> [Coalition letter to Federal Housing Finance Agency on 2026-2028 Enterprise Housing Goals](#). November 3, 2025.

purchasing Special Purpose Credit Program loans and rescinded policy directives, removing a major source of financial support for these much-needed loans.<sup>38</sup>

**Giving investors a hand up over homebuyers:**

In order to keep homes in the hands of owner-occupiers rather than investors, the FHA developed “first look” requirements for post-foreclosure sales where owner-occupants, non-profits, and government entities would have an exclusive 30-day period to purchase a home before opening the sale to investors. This program has connected thousands of U.S. families to home purchase opportunities they may otherwise have been excluded from.<sup>39</sup> However, current FHA leadership ended the program entirely for homes in its conveyance without title and note sales program, while halving the waiting period for real-estate-owned homes from 30 to 15,<sup>40</sup> effectively greasing the runway for more investor home purchases.

**Weakening climate resiliency and disaster response:**

The federal government has further exacerbated the crisis by undermining FEMA’s ability to build resilience in communities and respond to disasters, increasing home rebuilding costs through tariffs and immigration policy, and cutting climate mitigation and key climate data programs that keep communities informed of climate risks and better prepared to respond to them.<sup>41</sup> These risks and costs will only continue to grow as long as current policies prevail.

**Giving housing discrimination the green light:**

Despite our national legacy of racist housing policies and practices and their persistent impact in the form of our large racial wealth gap<sup>42</sup> and continued racial discrimination in housing,<sup>43</sup> the Trump administration has sought to abdicate any responsibility to enforce existing anti-discrimination law.<sup>44</sup> The administration has undermined HUD’s staffing and capacity to investigate and sanction fair housing violations, and current leadership of the CFPB is attempting to reinterpret the Equal Credit Opportunity Act to discourage and prevent the enforcement of fair lending civil rights laws,

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<sup>38</sup> Marsh, Aaron. “[GSEs Ordered To Terminate Special Purpose Credit Programs.](#)” *National Mortgage Professional*. March 26, 2025

<sup>39</sup> Urban Institute, [New First-Look Policies Have Helped Owner-Occupants Purchase Lower-Cost Homes](#), September 12, 2023.

<sup>40</sup> U.S. Department of Housing and Urban Development, [Mortgagee Letter 2025-13: Updates to Claims Without Conveyance of Title \(CWCOT\) Post-Foreclosure Sales Period and HUD Real Estate Owned Properties \(REO\) Exclusive Listing Period](#), April 28, 2025. U.S. Department of Housing and Urban Development, [Temporary Partial Waiver Of 24 CFR §§ 291.609\(a\) and 291.615\(a\)](#), June 2025.

<sup>41</sup> DeLong, Michael and Ethan Weiland. Consumer Federation of America. “[Three Trump administration policies that will drive up your insurance costs.](#)” May 15, 2025.

<sup>42</sup> U.S. Treasury Department. Office of Economic Policy. “[Racial differences in economic security: Housing.](#)” November 4, 2022.

<sup>43</sup> Akinwumi, Michael et al. National Fair Housing Alliance. “[2025 Fair Housing Trends Report.](#)” November 2025.

<sup>44</sup> Axel-Lute, Miriam and Lara Heard. “[What Trump’s DEI orders could mean for housing.](#)” *Shelterforce*. February 21, 2025.

meaning that we can expect racial discrimination in housing to increasingly go unopposed and unpunished.<sup>45</sup>

#### **4. Recommendations**

There is no one-size-fits-all solution to our housing affordability crisis. Rather, we need cooperation at all levels of government to ensure increased production of housing, particularly affordable housing, and to better support first-time homebuyers and cost-burdened renters. That includes halting and reversing the damaging policies described above at FHFA, CFPB, HUD, and other agencies that are making it harder for families to find and access housing that is affordable.

##### **Crack down on Corporate Landlords**

The increased prevalence of private equity and hedge fund landlords harms would-be homebuyers, renters, and their communities. We support the Homes Over Private Equity (HOPE) for Homeownership Act, which would impose tax penalties on large investors who buy single family homes, strip them of tax breaks for depreciation and mortgage interest, and require them to sell off all the single-family homes they own over a 10-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 a 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.

##### **Support Homebuyers**

More support is needed to help first-time homebuyers navigate the historically difficult market. Downpayment assistance programs provide essential support, but resources are often insufficient to meet demand. For these reasons, we support the Downpayment Towards Equity Act, which would provide \$100 billion in direct assistance to first-time, first-generation homebuyers. Additionally, it is crucial to restore the Special Purpose Credit Programs and bring the Affordable Housing Goals at least to prior levels, if not higher. Further, Restoring adequate staffing and enforcement capacity at the FHFA, CFPB, and HUD is necessary for consumer protection and the smooth functioning of the mortgage finance system.

##### **Support Tenants**

New housing construction is deeply-needed, and we support the American Housing and Economic Mobility Act, which would leverage federal funding to construct 3 million new housing units. However, promises of new construction tomorrow will not help the millions of families in this country who are struggling to pay their rent today. Congress can and should do more to support struggling renters, including by passing the Ending Homelessness Act of 2025, which would transform and expand the Housing Choice Voucher program (also known as Section 8) into a federal entitlement. This means every household who qualifies for assistance would receive it.

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<sup>45</sup> National Fair Housing Alliance. [Press release]. “[Civil rights coalition denounces HUD’s abdication of its fair housing obligations](#).” September 23, 2025.

**Promote Access to Affordable Home Insurance**

A growing portion of the public can no longer afford or find adequate home insurance, and the situation is getting worse each year as disaster costs continue to rise. Few states are standing up to the task of preserving access for vulnerable consumers, promoting resilience measures that can actually lower system-wide risk, and holding the insurance industry accountable for its offloading of risk on the public and its contributions to climate change and failure to meaningfully promote climate resilience. The federal government—in particular the Treasury Department’s Federal Insurance Office and Financial Stability Oversight Council, the Consumer Financial Protection Bureau, and Congress—should be using all tools available to monitor the deterioration of insurance markets, protect consumers from financial abuses, promote climate resilience, and develop a long term strategy for insuring the nation’s housing stock while private insurers increasingly fail to deliver this product that we require consumers to buy alongside a mortgage.

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