

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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June 16, 2026

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

The Committee on Oversight and Government Reform is conducting oversight of the District of Columbia government's housing policies. Specifically, the Committee is concerned by the District's ongoing practice of seizing the home equity of homeowners in foreclosures involving outstanding tax obligations. The District's practices appear out of step with Supreme Court legal precedent and disproportionately impact elderly and minority homeowners. The Committee seeks a briefing and information regarding the Council's intentions to remedy this injustice.

In 2023, the Supreme Court unanimously ruled in *Tyler v. Hennepin County* (*Tyler*) that retention of the excess value of an individual's home above their tax debt violates the Takings Clause of the Constitution.¹ While many states have amended their laws to abide by the Court's ruling in *Tyler*, the District continues the practice of taking generational wealth accrued through home ownership from hard-working families and handing it to third-party investors.² Washington, D.C., our nation's capital, is depriving Americans of their property through punitive tax law that results in home equity theft.

The Committee is concerned that the District is one of the last few jurisdictions not to comply with *Tyler*.³ Unpaid property taxes in the District incur a 10 percent annual interest.⁴ D.C. Code currently allows the District to assign or sell and transfer property tax liens to third party investors⁵ who can collect 18 percent annual interest on the debt.⁶ If the property owner does not pay delinquent property taxes, including penalties and fees, after six months the holder of the tax lien certificate may file a complaint for foreclosure and obtain the absolute title.⁷ The

¹ See *Tyler v. Hennepin County, Minnesota, et al.*, 22 U.S. 116 (2022).

² *District of Columbia, HOME EQUITY THEFT* (last visited Jun. 10, 2026), available at <https://homeequitytheft.org/district-of-columbia> (hereinafter "Home Equity Theft").

³ See *Most states have now banned home equity theft—but some still allow a "shadow" version*, PACIFIC LEGAL FOUND. (last visited Jun. 1, 2026), available at <https://pacificlegal.org/property-rights/home-equity-theft/>.

⁴ D.C. Code § 47-4201. (2001).

⁵ D.C. Code § 47-1303.04. (1996); and D.C. code D.C. Code § 47-1346. (2001).

⁶ D.C. Code § 47-1334. (2001).

⁷ D.C. Code § 47-1370. (2001).; and D.C. Code § 47-1382. (2001).

investor and the District government then keep the equity or profits from the sale of the property in excess of the owed property tax and interest, and none of the equity is returned to the original owner.⁸

Because of the District's policies, homeowners who undergo this process lose, on average, 80 percent of their equity for debts sometimes only worth 20 percent of the value of the home.⁹ The majority of homeowners affected by this policy are elderly and minorities.¹⁰ For example, former Marine Corps Sergeant Bennie Coleman, a 76 year old District resident who owned his home for 20 years and struggled with dementia, had his home equity taken when D.C. sold his tax lien to an investor.¹¹ This sale to the investor quickly caused his owed property tax burden to skyrocket from \$137 to almost \$5,000.¹² After the Mr. Coleman filed suit, the District changed its laws to only protect owner occupied homes, still leaving others subject to this practice.¹³

In another instance, the Powell family owned a home in the District for almost a century that was valued at \$713,000.¹⁴ After a series of family illnesses and deaths, the Powells fell behind on their property taxes and the city swooped in and sold the debt to an investor.¹⁵ Due to the increased interest from this sale and the District declaring the property "blighted," the taxes and fees owed on the Powell family's home shot up from \$41,000 to over \$182,000.¹⁶ Both Bennie Coleman and the Powell family represent those who have paid a steep price for the District's punitive tax increases and interest rates, and are waiting for District leaders to adopt the common-sense precedent required by *Tyler*.

The Committee raised concerns about the District's practices to Attorney General Schwalb and Mayor Bowser in November 2025.¹⁷ Attorney General Schwalb's brief response to the Committee was dismissive,¹⁸ and Mayor Bowser has *still* not yet responded despite repeated follow-up from the Committee.¹⁹ This lack of a response from two of three branches of the

⁸ D.C. Code § 47-1382. (2001).

⁹ Home Equity Theft, *supra* n. 2.

¹⁰ Benjamin Freed, *Hundreds of DC Residents Lose Homes Over Small Tax Bills*, WASHINGTONIAN (Sept. 9, 2013).

¹¹ Michael Sallah, *et al.*, *Left with Nothing.*, THE WASHINGTON POST (Sept. 8, 2013).

¹² *Id.*

¹³ D.C. Act 20-378. (2014).

¹⁴ Christina Martin, *They couldn't pay their taxes, so D.C. took it all. Unconstitutionally.*, THE WASHINGTON POST (Aug. 8, 2025).

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ See Letter James Comer, Chairman, H. Comm. on Oversight & Gov't Reform to Muriel Bowser, Mayor, District of Columbia (Nov. 4, 2026) (on file with the Committee); and Letter from James Comer, Chairman, H. Comm. on Oversight & Gov't Reform to Brian L. Schwalb, Attorney General, Dist. of Columbia (Nov. 4, 2026) (these questions were posed to Governor Bowser and AG Schwalb by Rep. Andy Biggs of Arizona).

¹⁸ See Letter from Brian Schwalb, Attorney General, Dist. of Columbia to James Comer, Chairman, H. Comm. on Oversight & Gov't Reform (Nov. 24, 2025).

¹⁹ See E-Mails from Majority Staff, H. Comm. on Oversight & Gov't Reform, to Tomas Talamante, Director of Intergov't Affairs, Office of the Senior Advisor, Dist. of Columbia & Beverly Perry, Senior Advisor, Mayor Buriel Bowser (Dec. 1, 2025, 2:17 PM; Jan. 1, 2026, 3:35 PM; and Mar. 12, 2026, 9:54 AM).

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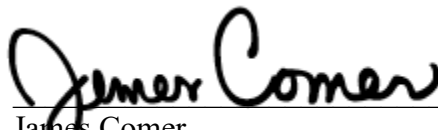
District's government is emblematic of its insistence on continuing the practice of illegal takings, wiping out the life savings of vulnerable residents.

Failure to change current statutes to align with the Court's ruling places the District in unconstitutional territory. The Committee requests that the Council provide a briefing on the District's illegal practice of home equity theft by June 30, 2026. The Council briefers should be prepared to discuss topics including, at a minimum, the following:

1. Information about the number of tax liens the District has sold since 2010 that have resulted in a foreclosure judgment,
2. The financial proceeds (i.e. the surplus from the tax lien sale) from the sale of the property that the District has collected above the value of the owed property tax and interest;
3. The amount of the tax debt for each property and the assessed value of each property at the time of the foreclosure;
4. The addresses of each property foreclosed as a result of a tax lien; and
5. Information on which of these properties were determined to be vacant or blighted prior to the foreclosure process, how the District determined that these properties be deemed vacant or blighted, including but not limited to information about the entities and/or individuals and their professional affiliation that provided information to the District to help it assign this designation.

The Committee on Oversight and Government Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. Further, the Committee also has jurisdiction under Rule X over the "[m]unicipal affairs of the District of Columbia in general." To schedule the briefing or to ask any related follow-up questions, please contact the Committee on Oversight and Government Reform Majority staff at (202) 225-5074. Thank you for your attention to this important matter.

Sincerely,


James Comer
Chairman

cc: The Honorable Robert Garcia, Ranking Member
Committee on Oversight and Government Reform