



**Building Capacity:
Reducing Government Roadblocks to Housing Supply**

Testimony of

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Introduction

Chair Hill, Ranking Member Waters, and other distinguished members of the House Committee on Financial Services, thank you for the opportunity to testify during the committee's hearing entitled, *Building Capacity: Reducing Government Roadblocks to Housing Supply*. I am Nikitra Bailey, Executive Vice President of the National Fair Housing Alliance® (NFHA™). NFHA leads the fair housing movement and works to eliminate housing discrimination and ensure equitable housing opportunities for all people and communities through its education and outreach, member services, public policy, advocacy, housing and community development, tech equity, enforcement, and consulting and compliance programs. NFHA represents over 200 local non-profit fair housing enforcement agencies throughout the U.S.

Our nation is in the throes of a fair and affordable housing crisis impacting millions and the actions of the Trump Administration have caused chaos, fear, insecurity, dysfunction, and rising prices around the country. Instead of providing everyday people of our nation with practical solutions to the housing crisis, the administration is removing rungs on the ladders of opportunity for essential workers, including police officers, nurses, teachers, and firefighters, who dedicate their lives every day to serving their communities and helping to keep the economy afloat. The Trump Administration's haphazard executive actions are causing serious economic and personal injuries that will undermine our already fragile housing market and our nation.

Housing is fundamental to the American Dream and recent elections have shown us that people want elected leaders to quickly implement solutions to ensure they can fairly access opportunity and share in the nation's prosperity. Housing was a top concern for voters during the November election. People are seeking solutions that will drive down the rising costs of housing and provide fair market rents, expand fair access to mortgage credit in underserved communities, reduce homeowners' insurance costs, and produce the development of millions of desperately needed affordable housing units. Voters supported initiatives in recent state and local elections that would provide them the fair and affordable housing opportunities they deserve and that are essential to achieving the American Dream.

Despite the administration's efforts to spread misinformation and intentionally ignore the progress of civil rights in this country, here are the facts:

- Diversity, equity, inclusion, and accessibility initiatives are designed to create fair opportunities where none previously existed.
- Our country's fair housing and fair lending laws, as well as our framework for civil and equal rights, are grounded in providing rights to people that have always made up this nation and contributed significantly to building and defending the nation.
- Inclusion guarantees everyone has the right to the promises and protections of our laws and that no one is omitted because of their protected class status.
- Accessibility ensures people can actually take advantage of the vital opportunities needed to thrive.

Diversity, equity, inclusion, and accessibility are synonymous with hard work, fairness, merit, and standards of excellence. They are a cornerstone of our nation's Constitution and civil rights laws

and help to ensure compliance with our nation's robust anti-discrimination laws. In fact, many of these concepts are codified in our civil rights laws and regulations as well as the Constitution.

With respect to housing, Congress established fair housing as a national policy of the U.S. with the passage of the Fair Housing Act of 1968. The landmark legislation provides two promises:

- The right for all people to access housing free of discrimination; and
- The creation of inclusive and vibrant communities with life-affirming amenities everyone needs to thrive.

The Fair Housing Act has long enjoyed strong bipartisan support, and Congress must act quickly to fulfill its promises and those of other vital civil rights laws. And Congress needs to make equitable housing investments that promote financial inclusion and stimulate economic growth for everyone as housing continues to drive inflation. A housing market in which all people cannot participate fairly, without regard to race, color, national origin, religion, gender, familial status, or disability, is a broken market both economically and morally.

The Housing Crisis Response Act sponsored by Ranking Member Waters provides a sensible path forward. It includes \$150 billion in relief for the nation's fair and affordable housing crisis to ensure people living in urban, rural, and suburban communities' housing needs are met. And the Ranking Member's Strengthening Housing Supply Act of 2025 can go a long way in incentivizing the development of affordable housing units. Increased support and intervention from our federal government is needed, not a withdrawal from basic civil rights.

We welcome the Committee's commitment to promoting fair and affordable housing for all.

My testimony draws heavily from previous testimonies¹ and highlights the following issues driving the fair and affordable housing crisis as well as describing necessary and practical solutions:

1. The Trump Administration's actions are worsening the fair and affordable housing crisis and driving up the cost of housing for everyone.
2. Segregation and discrimination continue to be part of the U.S. housing market.
3. Appraisal discrimination continues to undercut wealth-building opportunities for households of color.
4. Many communities remain underserved because of the lack of small dollar loans.

¹ See, e.g., *Testimony of Nikitra Bailey, National Fair Housing Alliance*, Hearing before the House Financial Services Subcommittee on Housing and Insurance entitled, [Building Our Future: Increasing Housing Supply in America](#) (March 4, 2025); *Testimony of Nikitra Bailey, National Fair Housing Alliance*, Hearing before the House Financial Services Subcommittee on Housing and Insurance entitled, [The Characteristics and Challenges of Today's Homebuyers](#) (March 20, 2024); *Testimony of Nikitra Bailey, National Fair Housing Alliance*, Hearing before the House Committee on Financial Services, entitled, *Boom or Bust: The Need for Bold Investments in Fair and Affordable Housing to Combat Inflation* (Dec. 1, 2022); *Testimony of Nikitra Bailey, National Fair Housing Alliance*, Hearing before the House Select Committee on Economic Disparities and Fairness in Growth, entitled, *Promoting Economic Disparity and Fair Growth through Access to Affordable and Stable Housing* (March 1, 2022).

5. Local zoning ordinances with preferences for single family homes are a significant barrier to fair and affordable housing.
6. Institutional investors are exacerbating the fair and affordable housing crisis.
7. LIHTC and other tax credits are needed to provide consumers with housing options.
8. Some housing policies risk gentrification and displacement.
9. Climate-related disasters are causing rising homeowners insurance costs.
10. The GSEs need to fulfill their mission mandates.
11. The Federal Home Loan Banks continue to reap private benefits rather than promote fair and affordable housing.
12. CDFI Fund investments support wealthy developers instead of potential homebuyers.
13. Artificial intelligence related to housing and lending offers both promise and peril.

Background: People in America Are Facing a Dire Fair and Affordable Housing Crisis

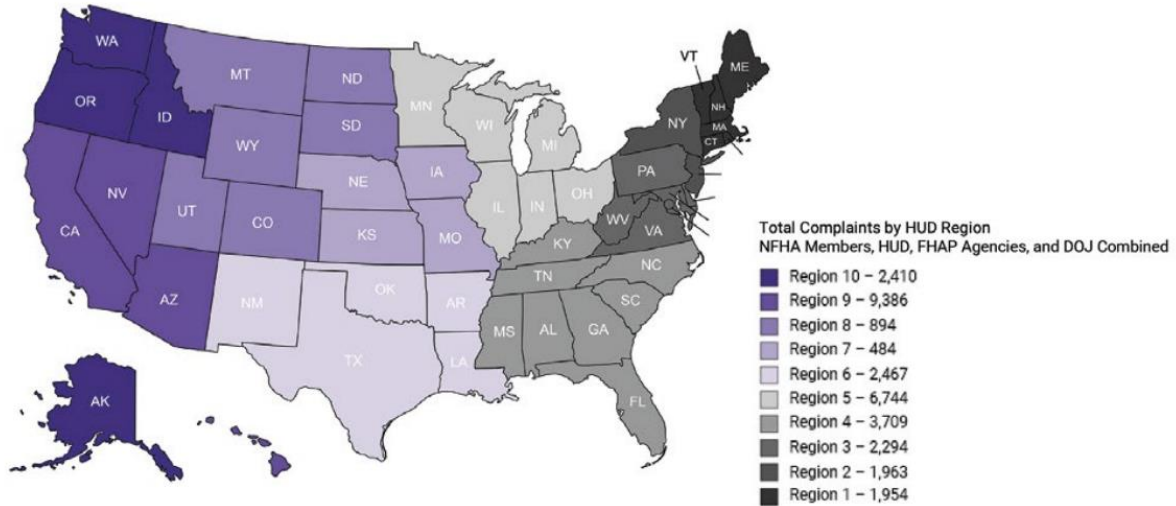
The people of America are facing a dire fair and affordable housing crisis that impacts every aspect of their lives. In this country, place is inextricably linked to opportunity: where we live determines our access to fresh air, clean water, well-resourced schools, quality healthcare facilities, reliable transportation, good jobs, consistent internet service, and much more. In the U.S., too many people are stuck in places that impede rather than promote their ability to thrive. Following is a description of how the housing crisis is both a “fair” and “affordable” housing crisis.

THE FAIR HOUSING CRISIS

Housing Discrimination Complaints Are at Record Highs

Total Fair Housing Complaints by HUD Region

Fair Housing Trends Data, 2024



Throughout America, people are facing a dire fair housing crisis, which severely restricts their ability to access housing opportunities. At this moment, we are seeing some of the largest numbers of fair housing discrimination complaints in two decades.² Recent trends include:

- Disability related discrimination accounted for the largest share of complaints at 54.6 percent, followed by race, national origin, sex, familial status, and religion.
- Complaints based on national origin rose 8.45 percent from the previous year, marking the highest number since 2018.
- Retaliation complaints more than doubled from the previous year to the highest recorded level.

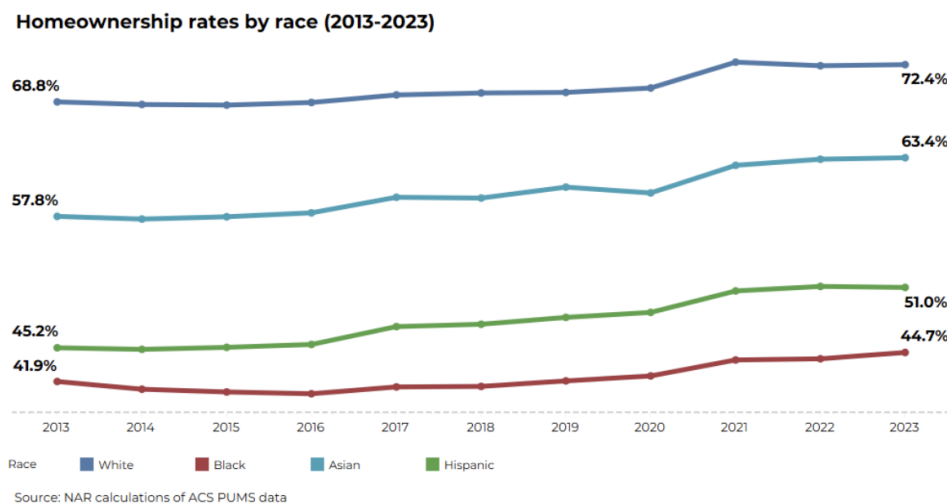
Although private nonprofit fair housing organizations continued to process nearly 75 percent of these complaints, the Trump Administration is attempting to de-fund HUD's Fair Housing Initiatives Program (FHIP), which funds these local non-profit fair housing agencies. The FHIP was created in 1987 under the Reagan Administration to establish and support a network of highly experienced private fair housing enforcement organizations throughout the nation to foster compliance with the Fair Housing Act and state and local fair housing laws through enforcement and education. These community-based organizations have effectively assisted vulnerable communities with being made whole after incidents of housing discrimination. And they serve veterans with disabilities seeking to get off the streets; families with children seeking a safe home; survivors of domestic violence fleeing physical and sexual abuse; Black, Latino,

² NFHA, [2025 Fair Housing Trends Report](#) (2025).

Asian American and Pacific Islander, and Native people seeking mortgage loans free of discrimination; and more. These organizations also reformed sexual harassment, racial steering, and redlining practices in housing. If anything, these private, community-based nonprofits need substantially more resources to address these critical problems and ensure fair housing opportunity for all. See [Appendix A](#) for testimonials from local fair housing groups regarding how the government shutdown and other funding disruptions have impeded their ability to serve their communities.

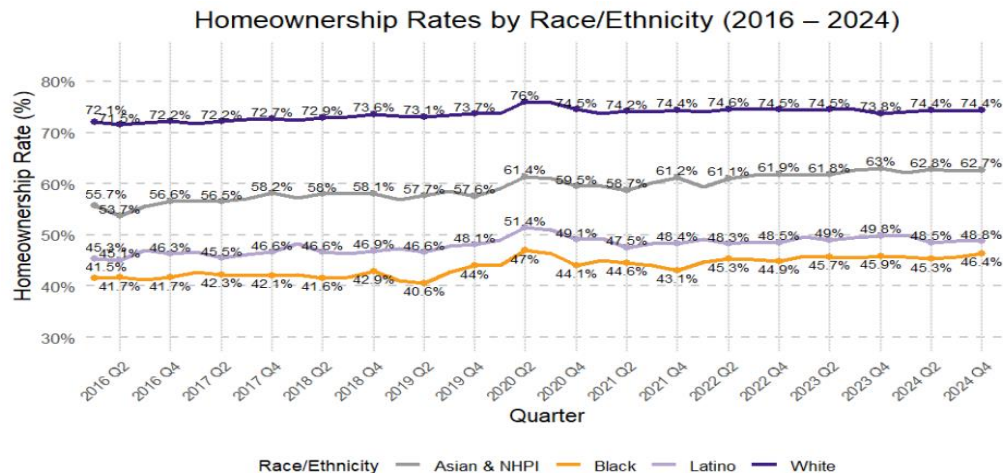
The near-record complaints and attacks on community-based fair housing groups come amid a steep decline in the ability to enforce civil rights protections. The administration has pushed drastic cuts to funding and staffing for the federal fair housing enforcement agencies, including the U.S. Department of Housing and Urban Development (HUD), the Consumer Financial Protection Bureau (CFPB), and the U.S. Department of Justice (DOJ). Most recently, the nation has faced the longest federal government shutdown in U.S. history, which the administration used to further eviscerate key agencies that support fair housing and civil rights. In sum, the administration has abandoned the people of America during the most dire fair housing crisis in decades.

The Black-White and Latino-White Homeownership Gap Remains Wide and Persistent



The homeownership gap remains wide and persistent. Currently, the homeownership rate is about 72.4 percent for White households, 51.0 percent for Latino households, and 44.7 percent for Black households. In 1960 (before passage of the Fair Housing Act in 1968), there was a 27-percentage point gap between Black homeownership (38 percent) and White homeownership (65 percent).³ So, the current Black-White homeownership gap of 28- percentage points is ***higher*** than it was before passage of the Fair Housing Act in 1968.

³ National Association of REALTORS® Research Group, [2025 Snapshot of Race and Homebuying in America](#) (2024); Urban Institute, [Reducing the Racial Homeownership Gap](#).



Source: U.S. Census Bureau via FRED®

Race/Ethnicity	2019 Q2	2024 Q4	Percentage Point Difference	Percentage Increase	H/O Racial Gap 2019	H/O Racial Gap 2024
White	73.1	74.4	1.3	1.78%	NA	NA
Asian & NHPI	57.7	62.7	5.0	8.67%	26.69%	18.66%
Latino	46.6	48.8	2.2	4.72%	56.87%	52.46%
Black	40.6	46.4	5.8	14.29%	80.05%	60.34%

The Trump Administration’s actions are undermining recent growth in homeownership rates for underserved communities, including people residing in rural neighborhoods. According to *The State of Equitable Homeownership 2025 Report*⁴, from 2019 through 2024, homeownership rates were on an upward trend overall:

- The Black homeownership rate grew by 14.29 percent.
- The Asian American and Pacific Islander homeownership rate increased by 8.67 percent.
- The Latino homeownership rate rose by 4.72 percent.
- The White homeownership rate was up by 1.78 percent.

Since the Trump Administration reversed progress on the use of Special Purpose Credit Programs (SPCPs) that provided \$82 million in reduced costs to 57,282 borrowers of all races from 2022 to 2024⁵; discontinued the Veterans Affairs Servicing Purchase (VASP) program, a key program assisting veterans and their families with obtaining affordable payments if their VA loans are delinquent⁶; reversed the CFPB’s ban on using the inclusion of medical bills on credit reports and requiring credit reporting companies to remove medical bills and information from credit reports⁷; attempted to eliminate the longstanding use of a critical fair lending rule that has been upheld for more than 40 years as essential to enforcing equal lending opportunities and lenders rely on to remove unnecessary barriers⁸; and other actions, many of the gains are starting to decline.

⁴ Shanti Abedin, Laurie Benner, Jameel Khan, et. al., *The State of Equitable Homeownership 2025 Report* (June 25, 2025).

⁵ See, FHFA, *Order Issuing Directive to Terminate Special Purpose Credit Programs*, Decision No. 2025-145 (March 25, 2025); <https://www.govinfo.gov/content/pkg/FR-2025-07-28/pdf/2025-14183.pdf>.

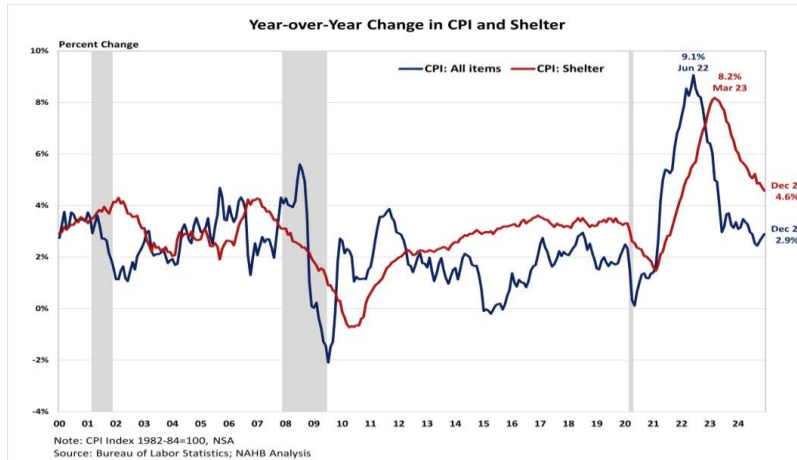
⁶ *Veterans Affairs Servicing Purchase (VASP) Program Wind Down*, Circular 26-25-2 (4/23/2025).

⁷ Ken Alltucker, *Medical Debt Remains on Credit Reports after Biden-Era Rule Tossed by Judge*, USA Today (July 15, 2025); *Federal Law Preempts State Law on Credit Reporting*, ABA Banking Law Journal (Oct. 28, 2025).

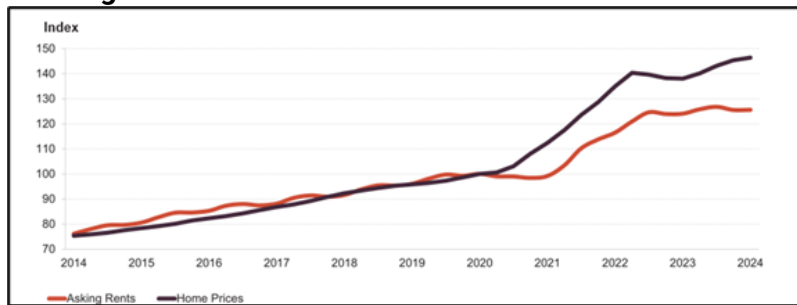
⁸ Trump Administration, *Restoring Equality of Opportunity and Meritocracy* (April 23, 2025).

THE AFFORDABLE HOUSING CRISIS

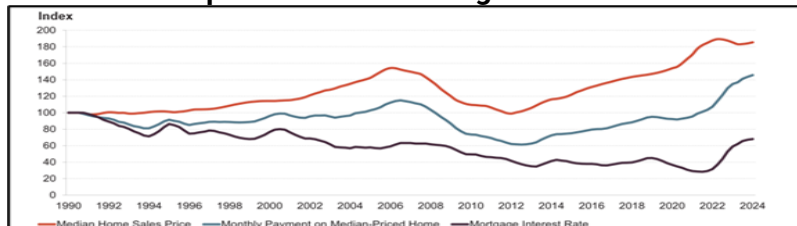
Housing Costs Are at Record Highs



Housing Costs Remain Elevated



Homeownership Costs at Record Highs



The people of America are facing a dire affordable housing crisis, which severely restricts their ability to access housing opportunities. Housing costs are a key driver of inflation, and people in America are feeling the squeeze. In the U.S., the "shelter" category in the Consumer Price Index (CPI) includes housing costs like rent and homeownership. Currently, shelter costs are the

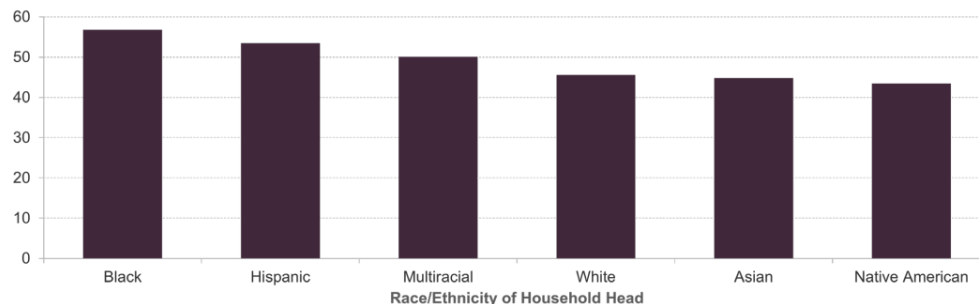
largest contributor to headline inflation.⁹ As of December 2024, the index for shelter was the largest contributor to the monthly increase in all items index, accounting for nearly 37 percent of the total increase. In addition, home prices continue to rise, with the median sale price in January 2025 increasing almost five percent year-over-year, which is the 19th consecutive month of annual growth.¹⁰

Moreover, the housing affordability crisis is being felt across America, in all communities. When compared to housing prices prior to the pandemic, the income needed to afford a median-priced home at today's prices is up 105.8 percent in rural counties, 90.9 percent in suburban counties, and 87.5% in urban counties.¹¹ Furthermore, the rising costs of homes, high interest rates, student loan debt, and overall increased living expenses, are making homeownership unattainable for young individuals and families. At this time, the median age of a first-time homebuyer is at an all-time high of 40 years old.¹²

More Than Half of Renters of Color Are “Cost-Burdened”

PERSISTENT DISCRIMINATION HAS LEFT MORE THAN HALF OF BLACK AND HISPANIC RENTER HOUSEHOLDS COST BURDENED

Share of Renter Households with Cost Burdens (Percent)



Notes: Black, multiracial, white, Asian, and Native American householders are non-Hispanic. Hispanic householders may be of any race. Cost-burdened households spend more than 30% of income on rent and utilities.

Source: JCHS tabulations of US Census Bureau, 2023 American Community Survey 1-Year Estimates.

The number of cost-burdened renter households has reached record highs, further deepening the housing affordability challenge. As of 2023, 22.6 million renter households were “cost-burdened,” meaning they spent more than 30 percent of their income on rent and utilities.¹³ Black and Latino renters were more likely than White renters to be cost-burdened. More than half of Black renters (57 percent) and Latino renters (53 percent) were cost-burdened, while

⁹ National Association of Home Builders, [Housing Inflation Moderates among Higher Energy Costs](#) (Jan. 15, 2025).

¹⁰ National Association of Realtors, [Existing-Home Sales Decreased 4.9% in January, But Increased Year-Over-Year for Fourth Consecutive Month](#) (Feb. 21, 2025).

¹¹ Daniella Genovese, *Housing Affordability Crisis Hammering Rural America*, Fox Business (Nov. 2025), <https://www.foxbusiness.com/real-estate/housing-affordability-crisis-hammering-rural-america>.

¹² National Association of Realtors®, [First-Time Homebuyer Share Falls to Historical Low of 21%, Median Age Rises to 40](#) (Nov. 4, 2025).

¹³ Joint Center for Housing Studies of Harvard University, [Deteriorating Rental Affordability: An Update on America's Rental Housing 2024](#) (Dec. 2024).

about 45 percent of White renters were cost-burdened. These disparities make it more difficult for Black and Latino renters to build wealth and save for down payments for homeownership.

Issues and Recommendations: Congress Should Promote Equitable Housing Solutions to Address the Nation's Fair and Affordable Housing Crisis

Issue #1: The Trump Administration's Actions Are Worsening the Fair and Affordable Housing Crisis

The Trump Administration has engaged in a series of actions that track the destructive Project 2025 and are only worsening the fair and affordable housing crisis. See [Appendix B](#) for a list of the administration actions that are worsening the fair and affordable housing crisis. The actions turn the basic definition of fairness and civil rights upside down to protect the powerful and undermine those merely seeking fair access to their opportunity to achieve the American Dream. These actions generally fall into five categories and include:

1. **Increasing housing costs for the average renter, buyer, or homeowner**, including by imposing tariffs on key construction materials; and attacking, detaining, and deporting Latino immigrants who supply the skilled labor for construction trades.¹⁴
2. **Rolling back established housing rights for people of all backgrounds**, including by attacking basic civil rights protections under the guise of terminating diversity, equity, inclusion, and accessibility (DEIA) policies and erasing the existence of transgender people;¹⁵ refusing to investigate cases alleging discrimination on the basis of sexual orientation and gender identity; restricting HUD's ability to implement the Violence Against Women Act;¹⁶ and choking off the funding for community-based fair housing groups.¹⁷

¹⁴ *Testimony of Buddy Hughes, National Association of Home Builders*, Hearing before the House Financial Services Subcommittee on Housing and Insurance entitled, *Building Our Future: Increasing Housing Supply in America* (March 4, 2025).

¹⁵ Trump Administration, *Ending Radical and Wasteful DEI Programs and Preferencing* (Jan. 20, 2025), <https://www.whitehouse.gov/presidential-actions/2025/01/ending-radical-and-wasteful-government-dei-programs-and-preferencing/>; NFHA, *Civil and Human Rights Organizations Sue Trump Administration Over Executive Orders Banning Diversity, Equity, Inclusion, Accessibility, and Erasing Transgender People* (Feb. 19, 2025), <https://nationalfairhousing.org/civil-and-human-rights-organizations-sue-trump-administration-over-executive-orders-banning-diversity-equity-inclusion-accessibility-and-erasing-transgender-people/>.

¹⁶ Debra Kamin, *Trump Appointees Roll Back Enforcement of Fair Housing Laws*, NY Times (Sept. 22, 2025), <https://www.nytimes.com/2025/09/22/realestate/trump-fair-housing-laws.html>.

¹⁷ Jennifer Ludden, *HUD Choked Funding to Enforce Fair Housing Laws. Legal Aid Groups May Not Survive*, NPR (March 15, 2025), <https://www.npr.org/2025/03/15/nx-s1-5325936/hud-funding-fair-housing-laws-legal-aid-groups-scott-turner>.

3. **Ignoring the threat to local communities from climate change, including by cutting the staff and funding for the National Weather Service and no longer tracking the cost of extreme weather.**¹⁸
4. **Eviscerating key agencies that provide people with access to fair and affordable housing, including HUD,¹⁹ the CFPB,²⁰ and the DOJ.**²¹
5. **Jeopardizing people's data privacy and protection from unfair algorithms, including by unleashing artificial intelligence and other automated systems on the housing market without the guardrails of a safe, secure, and trustworthy auditing framework.**²²

Recommendation: Congress should—

- Lead the way in protecting congressionally mandated civil rights gained through people's blood, sweat, tears, and lives sacrificed; demonstrating an unwavering commitment to racial equity; promoting anti-discrimination measures; and recognizing the many ways that diversity, equity, inclusion, accessibility, and fair housing and fair lending benefit American society.
- Provide oversight to ensure a fully-staffed and fully-funded HUD, CFPB, and DOJ as well as full funding of FHIP and FHAP grants to the community-based organizations on the frontlines working to assist people with being made whole from potential discrimination.
- Pass the Appraisal Modernization Act, American Housing and Economic Mobility Act, Housing Crisis Response Act, including provisions for first-generation down payment assistance, housing choice vouchers, rural rental housing, and housing for seniors and persons with disabilities, and Strengthening Housing Supply Act.

Issue 2: Segregation and Discrimination Continue to Be Part of the U.S. Housing Market

The roots of discrimination in housing are deep, pernicious, and persistent. Thousands of race-conscious housing, banking, and other policies created systems and structures that were highly inequitable. Unfair laws and policies also produced a dual market—a separate and unequal housing system that rewarded White households while simultaneously debilitating Black, Latino, Asian American and Pacific Islander, and Native American households.

¹⁸ Margaret Cooney and Cody Hankerson, Center for American Progress, *The Lasting Threat of Trump's Cuts to NOAA and NWS on American Communities* (July 10, 2025), <https://www.americanprogress.org/article/the-lasting-threat-of-trumps-cuts-to-noaa-and-nws-on-american-communities/>.

¹⁹ Debra Kamin, *Trump Appointees Roll Back Enforcement of Fair Housing Laws*, NY Times (Sept. 22, 2025), <https://www.nytimes.com/2025/09/22/realestate/trump-fair-housing-laws.html>.

²⁰ Michael Stratford, *CFPB's Breaking Point*, Politico (Nov. 4, 2025), <https://www.politico.com/newsletters/morning-money/2025/11/04/cfpbs-breaking-point-00634453>.

²¹ Ryan Lucas, *Trump's Push to Reshape the DOJ's Civil Rights Division Sparks Mass Exodus of Attorneys*, NPR (2025), <https://www.npr.org/2025/05/12/nx-s1-5387495/trumps-push-to-reshape-the-doj-s-civil-rights-division-sparks-mass-exodus-of-attorneys>.

²² NFHA, *NFHA President and CEO Lisa Rice Issues Statement on Trump Administration's AI Plan and Executive Orders* (July 5, 2025), <https://nationalfairhousing.org/national-fair-housing-alliance-nfha-president-and-ceo-lisa-rice-issues-statement-on-the-trump-administrations-ai-plan-and-executive-orders/>.

The Homestead Act of 1862,²³ which President Lincoln signed into law during the Civil War, provided more than 1.6 million land grants comprised of 270 million acres of Native American territory West of the Mississippi River (10 percent of all the land on the U.S. at the time and 14 percent of the land area of the lower 48 states) to White male settlers to encourage western expansion of the U.S. The land grants excluded Native Americans, Black Americans, and other people of color, and displaced many Native Americans from their ancestral lands. Twenty percent of the recipients, around 46 million adults, can trace their families' wealth to this single piece of legislation.²⁴

Even laws that appeared to be racially neutral were implemented with racialized policies. For example, in the 1930s, the New Deal's federal Home Owners' Loan Corporation (HOLC) developed one of the most harmful policy decisions in the housing and financial services markets by creating a system that included race as a fundamental factor in determining the desirability and value of neighborhoods.²⁵ The HOLC also created maps that were color-coded to indicate the desirability of neighborhoods. Communities of color were coded as "hazardous" as signified by red shading on the map and were assigned a lower value—even when the residents could afford mortgage loans. Areas that contained even small numbers of Black residents were coded as "hazardous" and shaded red. This approach led to the modern-day term "redlining," which refers to restricting access to credit in communities of color.

The federal government developed other explicitly discriminatory policies that perpetuated the unfounded association between race and risk into the nation's housing and financial markets. For example, the Federal Housing Administration (FHA) encouraged the use of racially restrictive covenants and required them in exchange for supporting the new housing developments built throughout the nation's suburban communities. Even after the Supreme Court declared in 1948 that racially restrictive covenants were not enforceable,²⁶ the FHA gave preferential treatment to developers that adopted them. From 1934 to 1962, the federal government backed over \$120 billion in mortgages, but the FHA's race-based policies meant that 98 percent of these loans went to White Americans with only two percent of loans going to Black, Latino, Asian American and Pacific Islander, and Native American individuals. Similarly, the U.S. Department of Veterans Affairs (VA) instituted the use of discrimination in the administration of the GI Bill loan programs enacted by Congress in 1944.²⁷ In the state of Mississippi alone, just two out of 3,229 VA-insured mortgages went to Black servicemembers seeking to finance a home, business, or farm in the first three years of the program.²⁸

²³ Act of May 20, 1862 (Homestead Act), Public Law 37-64 (12 STAT 392).

²⁴ Dedrick Asante-Muhammad, et al., [The Road to Zero Wealth: How the Racial Wealth Divide Is Hollowing Out America's Middle Class](#), at 15 (Sept. 2017).

²⁵ The Home Owners' Loan Act of 1933 established the HOLC as an emergency agency under the Federal Home Loan Bank Board. 12 U.S.C. § 1461 *et seq.* See also University of Richmond, Virginia Tech, University of Maryland, and Johns Hopkins University, [Mapping Inequality](#) (documenting the maps and area descriptions created by the HOLC between 1935 and 1940); Richard Rothstein, *The Color of Law: A Forgotten History of How Our Government Segregated America* (2017).

²⁶ See *Shelley v. Kraemer*, 334 U.S. 1 (1948).

²⁷ See, e.g., Alex Horton, [Racial Discrimination by Veterans Affairs Spans Decades, Lawsuit Says](#), Washington Post (Nov. 28, 2022).

²⁸ Dedrick Asante-Muhammad, et al., [The Road to Zero Wealth: How the Racial Wealth Divide Is Hollowing Out America's Middle Class](#), p. 15 (September 2017).

Even after passage of the Fair Housing Act in 1968 and Equal Credit Opportunity Act in 1974, policies of the federal government and private actors continued to perpetuate segregation and discrimination. Explicitly race-based policies were replaced by subtler “race-neutral” methods of excluding people of color. For example, in the 1960s and 1970s, the federal government began the urban renewal program and transportation projects in which cities often used eminent domain to condemn and raze housing, businesses, and churches and displace residents of Black communities.²⁹ In addition, exclusionary zoning policies have made it difficult for low- and even moderate-income households to live in many well-resourced communities.³⁰ Moreover, Home Mortgage Disclosure Act data reveals each year that Black and Latino borrowers are denied home mortgages at rates higher than the whole market.³¹ Finally, technology can often be used to perpetuate discrimination instead of preventing it, for example, by using tenant screening or lending algorithms with built-in biases. Researchers found that algorithmic systems overcharge Black and Latino mortgage borrowers by \$765 million yearly,³² and Automated Valuation Models³³ perpetuate discrimination against homeowners of color.

To combat segregation and discrimination embedded in the U.S. housing market, the “Affirmatively Furthering Fair Housing” provision of the Fair Housing Act, which became law as a memorial to Dr. Martin Luther King Jr. following his horrific assassination in 1968, requires HUD to administer its programs in a way that affirmatively furthers fair housing (AFFH). The law requires jurisdictions to take actions that undo historic patterns of segregation and other types of discrimination as well as promote fair housing choice and foster vibrant and inclusive communities. However, on February 26, 2025, HUD terminated a rule requiring local jurisdictions to provide an analysis of the barriers to fair housing.³⁴ Instead, HUD will be satisfied with a jurisdiction’s certification that it has affirmatively furthered fair housing, with no further analysis.

During the Trump Administration’s first term, it focused heavily on dismantling important civil rights protections. The administration’s current actions are a continuation of that effort. Despite claims from President Trump that he wants to enforce the nation’s civil rights laws, he and his administration are busy eviscerating civil rights rules and protections. The administration’s Interim Final Rule³⁵ repeals the Biden administration’s 2021 Interim Final Rule, which reversed the Trump Administration’s devastating rollback of the Fair Housing Act’s AFFH provision. The Biden Rule was in no way onerous and established a definition for AFFH that aligned with the intent of the law. It required jurisdictions to certify that they were taking meaningful steps to

²⁹ See Troy McMullen, [More Cities Seek to Redress Widespread 20th-century Destruction of Black Neighborhoods](#), Washington Post (Feb. 10, 2022).

³⁰ See Margery Austin Turner and Solomon Greene, [Causes and Consequences of Separate and Unequal Neighborhoods](#), Urban Institute.

³¹ Jacob Channel, Dan Shepard, Xiomara Martinez-White, [Black Homebuyers in 50 Largest US Metros 1.6 Times More Likely to Be Denied for Mortgage Than Overall Population](#), LendingTree (July 24, 2023).

³² Robert Bartlett, Adair Morse, Richard Stanton, and Nancy Wallace, [Consumer-Lending Discrimination in the FinTech Era](#), University of California, Berkeley, (Nov. 2019).

³³ Linna Zhu, Michael Neal, and Caitlin Young, [Revisiting Automated Valuation Model Disparities in Majority-Black Neighborhoods](#), Urban Institute (May 19, 2022).

³⁴ Jeff Andres, [Trump Administration Ends Affirmatively Furthering Fair Housing Rule](#), Housing Wire (Feb. 26, 2025); NFHA, [Leading Civil Rights, Consumer, and Housing Advocates Strongly Urge HUD to Withdraw Its Watered Down Affirmatively Furthering Fair Housing Rule](#) (May 13, 2025), <https://nationalfairhousing.org/leading-civil-rights-consumer-and-housing-advocates-strongly-urge-hud-to-withdraw-its-watered-down-affirmatively-furthering-fair-housing-rule/>.

³⁵ HUD, [Affirmatively Furthering Fair Housing Revisions](#), 90 Fed. Reg. 11020 (March 3, 2025).

Affirmatively Further Fair Housing. The Trump Administration's Interim Final Rule removes requirements for jurisdictions to take meaningful steps to comply with the law and returns us to the days when jurisdictions could sponsor poster contests at a local school to fulfill their fair housing obligations.

Jurisdictions who are serious about helping their residents do not want to host poster contests to address their communities' fair and affordable housing crises; what they want is technical support, expert guidance, resources, and assistance from HUD to fix critical issues, like a lack of fairly-priced homes, poor access to fresh water, crumbling infrastructure, rising home insurance premiums, unfair appraisal practices, exclusionary zoning policies, and neighborhoods that cannot withstand natural disasters. With too many people living paycheck to paycheck, AFFH is critically important, opening the door for more people to live in healthy, viable, well-resourced neighborhoods with living wage jobs, clean air for our children to breathe, safe water in our homes, schools that provide our children with great educational opportunities, and adequate affordable and accessible housing.

States and localities are not allowing federal inaction to imperil their ability to create fair and affordable housing in their jurisdictions. States such as CA, FL, MA, MT, and TX are following NJ in requiring jurisdictions to create a version of its *Mt. Laurel Doctrine*, which requires municipalities to establish a "Fair Share Plan" for affordable housing units.³⁶ And cities like Boston are embedding AFFH in its planning process to ensure residents have access to well-resourced communities with the ability to thrive.³⁷

Recommendation: Congress should vigorously protect the Affirmatively Furthering Fair Housing (AFFH) provisions of the Fair Housing Act, including by:

- Conducting oversight of HUD's efforts to ensure that local jurisdictions engage in meaningful action to affirmatively further fair housing and promote inclusive communities;
- Opposing any anti-AFFH budget riders; and
- Ensuring all new and existing federal agencies' housing and community development programs, including the programs of the U.S. Departments of Treasury, Transportation, and Environmental Protection Agency, comply with the obligation to AFFH.

Issue #3: Appraisal Discrimination Continues to Undercut Wealth-Building Opportunities for Households of Color

Appraisal discrimination continues to pose barriers to households of color seeking to build wealth through homeownership. Research shows that homes in White neighborhoods are appraised at values nearly 250 percent higher than similar homes in similar Black neighborhoods and at values nearly 278 percent higher than similar homes in similar Latino neighborhoods, depriving households of color of opportunities to build wealth.³⁸ Disparities tend

³⁶ See, Jag Davies, [Mount Laurel at 50: New Jersey's Blueprint for Dismantling Residential Segregation](#), The State Court Report (September 2, 2025); [Roshan Abraham, Fifty Years After Mount Laurel, Is Affordable Housing Finally Gaining Ground in New Jersey?](#), Shelterforce (August 22, 2025).

³⁷ Mayor's Office of Housing, [Affirmatively Furthering Fair Housing \(AFFH\) Zoning](#) (November 12, 2025).

³⁸ Junia Howell and Elizabeth Korver-Glenn, [Appraised: The Persistent Evaluation of White Neighborhood as More Valuable Than Communities of Color](#), Eruka (2022).

to be greatest in the South. One study found that six Southern states (GA, LA, SC, NC, MS, and AL) accounted for nearly 50 percent of the overvalued homes of White owners in majority-Black neighborhoods.³⁹ Overall, White communities have access to over \$15 trillion more in capital because of racialized appraisal practices, and appraisal bias caused homes in Black neighborhoods in 113 metro areas throughout the U.S. to be devalued by \$162 billion.⁴⁰

The Trump Administration has rolled back several protections that would have ensured fair, consistent appraisal for people of all communities. In March 2025, HUD's FHA rescinded its policies that clarified the application of the Fair Housing Act to appraisal discrimination and established standards for FHA lenders to follow in connection with a consumer's request for Reconsideration of Value (ROV).⁴¹ In July 2025, the administration disbanded the Interagency Task Force on Property Appraisal and Valuation Equity.⁴² In September 2025, HUD withdrew guidance providing support for the Fair Housing Act's coverage of appraisal discrimination.⁴³ These actions will undermine consumers' ability to access the full benefits of homeownership.

Recommendation: Congress should continue to promote appraisal reform, including by:

- Passing the Appraisal Modernization Act, which would codify a consumer's right to appeal an appraisal through a standardized reconsideration of value process;⁴⁴
- Requiring HUD to investigate complaints of appraisal discrimination;
- Encouraging the Federal Housing Finance Agency (FHFA) to release property-level appraisal data;
- Encouraging Fannie Mae and Freddie Mac to reduce discretion in appraisals and increase quality control and monitoring to ensure fair and consistent outcomes;
- Encouraging lenders and appraisal management companies to implement sound methods to identify and prevent appraisal discrimination, and to implement fair automated valuation models;
- Encouraging The Appraisal Foundation to require fair housing training developed by fair housing experts and to remove discriminatory barriers to the appraisal profession (including the supervisory appraiser requirement); and

³⁹ Fannie Mae, *Appraising the Appraisal* (Feb. 16, 2022), <https://www.fanniemae.com/research-and-insights/publications/appraising-the-appraisal>.

⁴⁰ Jonathan Rothwell and Andre M. Perry, *How Racial Bias in Appraisals Affects the Devaluation of Homes in Majority-Black Neighborhoods*, Brookings Metro (Dec. 5, 2022).

⁴¹ HUD, *Rescinding Multiple Appraisal Policy Related Mortgagee Letters*, Mortgagee Letter 2025-08 (March 19, 2025), <https://www.hud.gov/sites/default/files/OCHCO/documents/2025-08hsgml.pdf>.

⁴² Lori Summerfield and Chris Willis, *HUD and OMB Effectively Disband the PAVE Task Force*, Consumer Financial Services Law Monitor (July 16, 2025), <https://www.consumerfinancialserviceslawmonitor.com/2025/07/hud-and-omb-effectively-disband-the-pave-task-force/>.

⁴³ Lori Summerfield and Chris Willis, *HUD's New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), <https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/>.

⁴⁴ Senator Warnock Press Release, *Warnock Renews Efforts to Address Bias in Housing Appraisals, Help Families Build Generational Wealth Through Homeownership* (July 17, 2025), <https://www.warnock.senate.gov/newsroom/press-releases/warnock-renews-effort-to-address-bias-in-housing-appraisals-help-families-build-generational-wealth-through-homeownership/>.

- Encouraging the real estate industry to develop alternatives to the sales comparison approach.

Issue #4: Many Communities Remain Underserved Because of the Lack of Small Dollar Loans

Rising home prices and lack of availability of small dollar mortgage loans have impacted entire cities and regions of the nation that have not fully recovered from the financial and housing crisis of 2008. The pandemic worsened this reality as the focus of mortgage originations shifted to the wealthiest borrowers, leaving many creditworthy families in the Midwest and South with limited mortgage access. Similarly, cities like Detroit are credit-starved, leaving families with only exploitative credit availability.⁴⁵ Estimates show that small dollar mortgage lending fell by nearly 70 percent between 2004-2021.⁴⁶ Federally insured banks often cite a lack of profitability in their decision not to issue small balance mortgages while their investment arms benefit substantially from their vanishing presence in the single-family market.⁴⁷

Recommendation: Congress should act to ensure consumers can fairly access small dollar mortgages by:

- Encouraging the HUD Secretary to issue a report on incentivizing the use of small dollar mortgages (\$100,000 or less) in the Federal Housing Administration loan program.
- Ensuring our nation's fair lending and consumer protection laws are fully enforced, including in land contracts and rent-to-own agreements;
- Encouraging FHFA to continue eliminating fees (including Loan Level Price Adjustments or LLPAs) that place homeownership out of reach for underserved borrowers while continuing to balance safety and soundness;
- Encouraging FHFA, Federal Home Loan Banks, and the CDFI Fund to promote the use of Special Purpose Credit Programs;
- Encouraging regulators to promote technological solutions to improve the experience of borrowers to reduce barriers; and
- Supporting the use of positive rental payment and cash flow data in underwriting.

Issue #5: Local Zoning Ordinances with Preferences for Single Family Homes are a Significant Barrier to Fair and Affordable Housing

Project 2025 urges Congress to prioritize legislative support for single-family home zoning.⁴⁸ However, single-family zoning has been used to effectively lock out renters, low-income individuals, and people of color from certain neighborhoods.⁴⁹ While zoning and land use reforms are often discussed as a tool to improve rental housing affordability, certain reforms, such as upzoning and minimum lot sizes, can also be used to support the creation of more affordable, entry-level homeownership opportunities. For example, zoning reforms can help

⁴⁵ Ben Eisen, [Dearth of Credit Starves Detroit Housing Market](#), Wall Street Journal (Oct. 29, 2020).

⁴⁶ Alex Horowitz and Tara Roche, [Small Mortgages Are Too Hard to Get](#), The Pew Charitable Trusts (July 3, 2023).

⁴⁷ Inside Mortgage Finance, [A Stunning Year for Warehouse Lenders](#) (March 4, 2021).

⁴⁸ Heritage Foundation, [Project 2025 Policy Agenda](#) at 511 (2023).

⁴⁹ Joint Center for Housing Studies of Harvard University, [The State of the Nation's Housing](#) (2023).

promote missing middle housing, such as condos in triplexes, quadplexes, and a range of other options beyond typical single-family detached homes and high-rises that help reduce the cost of construction and home prices.⁵⁰

Some states are using legislation to reduce local zoning barriers.⁵¹ In 2023, Montana and Washington passed sweeping reforms allowing other types of housing on parcels previously zoned exclusively for single-family homes, joining California, Oregon, and Maine in zoning reform. And in Massachusetts, communities served by public transit must now designate at least one zoning district that permits multifamily housing. Colorado also offers communities grants for affordable housing development as an incentive to reform zoning and expedite approval processes. Although these reforms do not guarantee increased construction, they remove substantial barriers to developing more housing types that may also be more affordable to produce.

Unfortunately, a number of states such as AZ, FL, KS, TX, and WS preempt local jurisdictions from enacting inclusionary zoning practices, which limit the ability of local policymakers to effectively spur the development of more affordable housing in their communities.⁵²

Recommendation: Congress should ensure federal funding for housing and community development is utilized by jurisdictions that implement inclusionary zoning practices and affirmatively further fair housing.

Issue #6: Institutional Investors Are Exacerbating the Fair and Affordable Housing Crisis

Investor purchases put homeownership further out of reach for first-time homebuyers and prevent families from generating wealth that could be invested in education or small businesses or passed on to the next generation. Investors have cash on hand to outbid owner-occupants, and developers are selling newly built homes to investors because consumers face stiff barriers in accessing mortgage loans. In 2021, one in 7 homes sold in 40 major metro areas were bought by investors, driving up purchase prices by record highs.⁵³ This trend also has a disparate impact on communities of color hardest hit by the Great Recession in the Midwest and South and who suffered unnecessary foreclosures after being steered into risky mortgages even when they qualified for loans on safer and more affordable terms. In 2021, 30 percent of home sales in majority Black neighborhoods were to investors, compared with only 12 percent in other zip codes. Moreover, research has shown that many renters living in investor-owned properties report subpar housing conditions, unexpected fees, and unresponsive management staff.

Recommendation: Congress should take action to remedy the challenges posed by institutional investors by:

⁵⁰ National Association of Realtors, [Promoting Affordable Housing Via Zoning Reform](#) (Nov. 8, 2023).

⁵¹ Joint Center for Housing Studies of Harvard University, [The State of the Nation's Housing](#) (2023).

⁵² See, Local Solutions Support Center, [State Preemption of Local Equitable Housing Policies](#); Grounded Solutions Network, [Is Inclusionary Housing Legal?](#)

⁵³ Kevin Shaul and Jonathan O'Connell, [Investors Bought a Record Share of Homes in 2021. See Where](#), Washington Post (Feb. 16, 2022).

- Passing the Housing Crisis Response Act, Neighborhood Homes Investment Act with fair housing principles, and Downpayment Toward Equity Act;
- Directing the GAO to conduct an analysis of this issue and provide recommendations;
- Urging the GSEs and FHA to make every effort to sell REO assets to owner-occupants;
- Supporting lenders and other entities in developing Special Purpose Credit Programs; and
- Providing additional Community Development Block Grant (CDBG) funding strictly to allow municipalities to purchase poorly maintained homes owned by investors, renovate them, and sell them to owner-occupants who are first-generation homebuyers.

Issue #7: LIHTC and Other Tax Credits Are Needed to Provide Consumers with Housing Options

The Low-Income Housing Tax Credit (LIHTC) plays a significant role in determining where families with low incomes are able to reside. Often LIHTC properties are located in communities that are severely under-resourced and racially segregated. Rarely are LIHTC properties developed in communities that have the amenities that all residents need to thrive. LIHTC properties must be equitably developed in all communities to ensure residents have fair housing options. Further action must be taken to ensure the benefits of the LIHTC reach residents and not just wealthy developers.

Recommendation: Congress should ensure the U.S. Treasury Department's housing and tax credit programs dismantle residential segregation, offer real choice in housing, and create thriving communities by:

- Increasing the number of LIHTC developments that are located in well-resourced communities;
- Encouraging the Treasury Department to embed fair housing principles in Treasury's housing related and tax credit programs; and
- Encouraging federal agencies to require meaningful fair housing impact analyses in every effort to fill the nation's affordable housing shortage. Reporting requirements are a critical step, but are not sufficient to change the location, types, and cost of housing units available to households in the U.S.

Issue #8: Some Housing Policies Risk Gentrification and Displacement

The Neighborhood Home Investment Act can provide much-needed investment in underserved areas, but risks displacing people of color residing in neighborhoods of color. The bill would:

- Establish a new federal tax credit to incentivize the construction and rehabilitation of affordable homes in distressed neighborhoods; and
- Allocate \$16 billion for building and rehabilitating an estimated 400,000 homes.

But historically, investment in underserved communities has led to displacement of current residents, disproportionately affecting people of color.

Recommendation: Congress should revise and pass the Neighborhood Homes Investment Act to avert displacement of people of color and better comply with the Fair Housing Act.

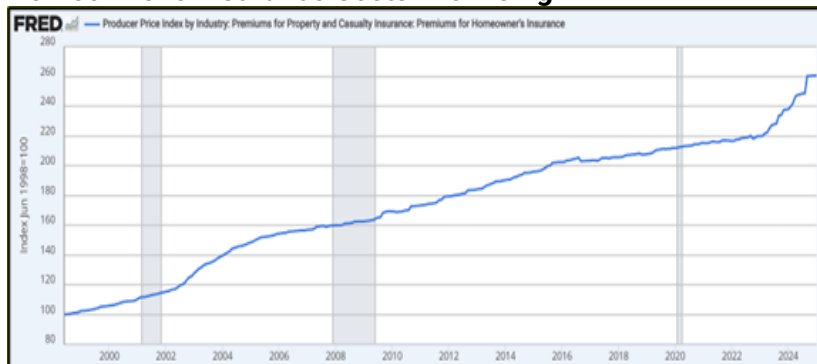
To this end, Congress should add a "Statement of Policy" that reads:

Congress –

- (1) Supports continuing homeownership for current residents of distressed neighborhoods as part of the revitalization of those neighborhoods;
- (2) Seeks to minimize displacement of current residents of distressed neighborhoods; and
- (3) Expects that the Departments of Treasury and Housing and Urban Development will work together cooperatively, including through development of a Memorandum of Understanding if appropriate, to assure that implementation of this legislation is consistent with the provisions of the Fair Housing Act.

Issue #9: Climate-Related Disasters Are Causing Rising Homeowners Insurance Costs

Homeowner's Insurance Costs Are Rising



Source: U.S. Bureau of Labor Statistics via FRED, Shaded areas indicate U.S. recessions

Homeowners' insurance costs are rapidly rising with increased climate-related disasters, and the administration has worsened this crisis. For example, the administration cut the staff and funding for the National Weather Service and stopped tracking the cost of extreme weather,⁵⁴ leaving businesses and communities without the data to take proactive measures. Also, HUD terminated the \$1 billion Green and Resilient Retrofit Program, which would have made HUD-assisted multifamily properties safer from natural disasters.⁵⁵ In addition, HUD removed requirements that grantees perform fair housing assessments and certify compliance with the Fair Housing Act and other federal civil rights law when administering \$12 billion in long-term

⁵⁴ Margaret Cooney and Cody Hankerson, Center for American Progress, *The Lasting Threat of Trump's Cuts to NOAA and NWS on American Communities* (July 10, 2025), <https://www.americanprogress.org/article/the-lasting-threat-of-trumps-cuts-to-noaa-and-nws-on-american-communities/>.

⁵⁵ Ashleigh Fields, *Trump Administration Halting \$1B Affordable Housing Preservation Program*, The Hill (March 12, 2025), <https://thehill.com/homenews/administration/5190958-hud-billion-green-resilient/>.

disaster recovery funding.⁵⁶ Finally, the federal financial regulators have reversed policies that would have integrated a climate-related risk management framework into its existing enterprise risk management framework for financial institutions, putting our financial system at risk.⁵⁷

As the administration abandons policies to protect the people of America from climate disasters, the financial burden of homeowners' insurance expenses continues to escalate dramatically. Premiums have risen dramatically, with some areas seeing double-digit growth.⁵⁸ Homeowners' insurance is now at a record high, with premiums accounting for about nine percent of typical homeowner payments. Moreover, the people disproportionately impacted by climate-related disasters reside in formerly redlined communities. For example, the Black residents of Altadena, California built thriving lives there as redlining laws prevented them from purchasing homes elsewhere.⁵⁹ Prior to the wildfires, 81 percent of Altadena's Black residents owned their homes; the community was hard-hit with property losses, and several of its residents lost their lives. Like Black victims of the Great Recession, many of Altadena's residents are seniors who lost generations of their families' wealth in the California wildfires. They must be able to successfully rebuild.

Recommendation: Congress should:

- Avoid playing politics in natural disasters funding decisions; and
- Promote the adoption of equitable homeowners' insurance underwriting and pricing to adapt to climate change and to preserve access to fairly priced insurance in all communities.

Issue #10: The GSEs Need to Fulfill Their Mission Mandates

Discrimination in the mortgage market is by no means a relic of the past and continues to manifest in multiple ways. For Fannie Mae and Freddie Mac (the Government-Sponsored Enterprises or GSEs), their fair housing and lending mandate begins with their [charters](#), put in place by Congress. The charters stipulate the GSEs must:

- a. Provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities); and
- b. To promote access to mortgage credit throughout the Nation (including central cities, rural areas, and underserved areas).

⁵⁶ HUD, *Waivers and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees* (March 19, 2025), <https://www.hud.gov/sites/default/files/CPD/documents/CPDUniversalnotice.pdf>.

⁵⁷ Federal Reserve, *Agencies Announce Withdrawal of Principles for Climate-Related Financial Risk Management* (Oct. 16, 2025), <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20251016a.htm>.

⁵⁸ Daniella Genovese, *Homeowners Insurance Costs Could Spike Over Next Two Years*, Fox Business (Nov. 24, 2025), <https://www.foxbusiness.com/real-estate/homeowners-insurance-costs-could-spike-over-next-2-years>.

⁵⁹ Gloria Oladipo, *For Black Families in Altadena, History and Community Burned alongside Homes*, The Guardian (Jan. 18, 2025).

The GSEs' [charters](#) make clear they have a Congressionally mandated obligation to advance fair housing and lending practices by providing credit liquidity and assistance for all market segments, including underserved areas.

In the bipartisan [Housing and Economic Recovery Act of 2008](#), Congress mandated important measures for the whole of the housing market, including the mandate to serve the broad market, even at a lower rate of return; the affordable housing goals; the duty to serve under-reached markets; and the affordable housing funds.

In addition, the GSEs are subject to the fair housing and lending laws, including the [Fair Housing Act](#), the [Equal Credit Opportunity Act](#), the [Federal Housing Enterprises Financial Safety and Soundness Act](#), and the [Wall Street Reform and Consumer Protection Act](#). This means that FHFA has a responsibility to review the GSEs' policies, programs, activities, and lending outcomes for compliance with fair housing and fair lending laws, and take appropriate supervisory or enforcement actions, when necessary. In addition, FHFA is subject to the "[Affirmatively Furthering Fair Housing](#)" provision of the Fair Housing Act, which requires FHFA to administer its programs in a manner that furthers fair housing and promotes inclusive and vibrant communities.

Despite these legal obligations, FHFA and the GSEs have rolled back important policies and protections that support fair and affordable housing for the people of America. In March 2025, FHFA issued an order requiring Fannie Mae and Freddie Mac to terminate Special Purpose Credit Programs supported by the Enterprises.⁶⁰ In July 2025, FHFA issued a Proposed Rule to repeal the regulation regarding the fair lending and equitable housing finance plans for Fannie Mae, Freddie Mac, and the Federal Home Loan Banks.⁶¹ In October 2025, FHFA issued a proposed rule changing the Affordable Housing Goals for single family housing in a manner that will take away affordable mortgages for up to 177,000 lower- to moderate-income families over the next three years, worsening the housing affordability crisis and fueling deeper racial and socioeconomic inequalities in who can access credit and become a first-time homeowner.⁶² Finally, FHFA has forced out staff in the following offices: Division of Public Interest Examinations (fair lending, UDAP, and consumer protection), Office of Minority and Women Inclusion, and Division of Research and Statistics, which means there is no one to monitor Fannie Mae's and Freddie Mac's compliance with fair lending laws to serve the whole of the housing market.⁶³

⁶⁰ FHFA, *Order Issuing Directive to Terminate Special Purpose Credit Programs*, Decision No. 2025-145 (March 25, 2025), https://x.com/pulte/status/1904621959213965690?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etweet.

⁶¹ FHFA, *Repeal of Fair Lending, Fair Housing, and Equitable Housing Finance Plans Regulation Proposed Rule*, 90 Fed. Reg. 35475 (July 28, 2025), <https://www.govinfo.gov/content/pkg/FR-2025-07-28/pdf/2025-14183.pdf>.

⁶² FHFA, *Proposed Rule: 2026-2028 Affordable Housing Goals* (Oct. 2, 2025), <https://www.federalregister.gov/documents/2025/10/02/2025-19428/2026-2028-enterprise-housing-goals>.

⁶³ Eric Katz, *Housing Agencies Begin Closing Offices, Escorting Employees Out*, Government Executive (March 19, 2025), <https://www.govexec.com/workforce/2025/03/housing-agencies-begin-closing-offices-escorting-employees-out/403903/>.

Recommendation: Congress should conduct oversight of FHFA and the GSEs to ensure that they help build racial equity in homeownership, including by:

- Fully implementing the robust Equitable Housing Finance Plans that focus on addressing the racial homeownership gap;
- Encouraging the elimination of the Loan Level Pricing Adjustments⁶⁴ (LLPAs) as well as addressing barriers such as biased credit scores, lack of collateral and appraisal issues, and discrimination which can all restrict access to credit for underserved groups;
- Inserting fair housing protections into the eligibility guidelines of all their affordable housing programs, including the Low-Income Housing Tax Credit, State Housing Finance Agency, and other programs;
- Including in their financing contracts an affirmative obligation for developers to build housing in accordance with the accessibility requirements mandated by fair housing laws as well as an affirmative obligation to further fair housing;
- Facilitating the widescale use of Special Purpose Credit Programs; and
- Ensuring the Trump Administration does not try to override Fannie Mae and Freddie Mac's congressionally created charters with privatization or other initiatives.

Issue #11: The Federal Home Loan Banks Continue to Reap Private Benefits Rather Than Promote Fair and Affordable Housing

Generally, the Federal Home Loan Bank (FHLBank) System and the member institutions benefit from tremendous public subsidies and private benefits while providing comparatively little in public benefits. The FHLBank System benefits from substantial public subsidies and privileges, including exemption from federal, state, and local taxes (except real estate taxes); the ability to borrow cheaply because of an implicit federal guarantee; and the ability to generate significant revenue by lending out the funds they acquired at below-market rates to their member institutions at a higher rate than they borrowed. Despite their public purpose, however, the FHLBanks return relatively little to support affordable housing. For example, in 2021, the FHLBanks paid out more than \$1 billion in dividends to their members, which was more than three times the amount they contributed to the Affordable Housing Program that year (\$314.7 million).⁶⁵

Recommendation: Congress should take action to reform the FHLBank System, including:

- Requiring the FHLBanks to direct substantially more of their net income to affordable housing, with a substantial portion of that amount dedicated to affirmatively furthering fair housing;

⁶⁴ The GSEs updated their Loan Level Pricing Adjustments grid which helped address concerns that the LLPAs presented a discriminatory impact against borrowers of color. However, the GSEs should eliminate LLPAs, which were added during the financial and housing crisis of 2008 to help the GSEs repay their taxpayer bailout and are disproportionately impacting Black and Latino consumers forcing them to pay for a future potential bailout when they were not the culprits of the Great Recession. Also, research shows that GSE lenders are not using LLPAs to insure against risk; rather, they are using the risk-based pricing to drive profits. See, Michelle Aronowitz Edward L. Golding Jung Hyun Choi, [*The Unequal Costs of Black Homeownership*](#), MIT Golub Center for Finance and Policy (Oct. 1, 2020).

⁶⁵ See [*Testimony of Director Sandra L. Thompson*](#), FHFA, before the House Committee on Financial Services (July 20, 2022); FHLBanks Office of Finance, Lending, and Collateral [*Q&A*](#) (March 25, 2022).

- Expanding the purpose of the Affordable Housing Program to include funding for climate resiliency;
- Requiring the FHLBanks to submit comprehensive Equitable Housing Finance Plans;
- Requiring the FHLBanks to ensure that member advances are not used to promote source of income discrimination in multi-family rental housing; and
- Requiring the FHLBanks to add more public-interest independent directors, including those with experience in fair housing and fair lending.

Issue #12: CDFI Fund Investments Support Wealthy Developers Instead of Potential Homebuyers

Despite a unique history rooted in the work of racial justice and community development advocates, research shows that the majority of Community Development Financial Institutions' (CDFIs) investments have gone to real estate developments in low-income communities, which are not necessarily communities of color. According to the Hope Policy Institute analysis of CDFI Fund recipients, White-led CDFIs held approximately \$13 billion, or 72 percent, of the total assets reported in FY2014 despite having a lower asset size than minority controlled CDFIs.⁶⁶ The average asset size for White-led CDFIs increased from \$58.1 million to \$169.7 million from FY2014-FY2017, while the average asset size of minority-led CDFIs was relatively stagnant, remaining at near \$71 million. Moreover, as of 2017, only two to six percent of CDFI funds have been used to support the activities of minority depository institutions despite Section 308(b) of FIRREA directing the Federal Deposit Insurance Corporation to act in preserving minority ownership of minority financial institutions.

Recommendation: Congress should conduct oversight of Treasury and CDFIs, including by ensuring that Treasury:

- Develops a fair housing and fair lending oversight program that is more consistent with the oversight structure of the other federal financial regulators;
- Provides CDFIs with guidance on the use of less discriminatory alternatives to traditional credit scoring;
- Requires fair housing and fair lending training for CDFI boards, executive staff, and staff;
- Audits CDFI Community Reinvestment Act (CRA) activities for compliance with the CDFI Fund principles and fair housing and fair lending obligations;
- Allows First-Generation Downpayment Assistance and Special Purpose Credit Programs (SPCPs) to count as eligible financial products and services, including SPCPs that are designed to remove the over-reliance on discriminatory credit scoring systems or designed to consider positive rental housing payments;
- Encourages CDFI investments in investors of color;
- Requires CDFI Venture Funds seeking certification to provide data transparency and data collection to ensure compliance with our nation's fair housing and fair lending laws;
- Requires each CDFI certified by the CDFI Fund to collect and publish board and executive staff demographic information; and
- For CDFIs with assets greater than \$1 billion:

⁶⁶ Hope Policy Institute, [Closing the CDFI Asset Gap](#), (April 21, 2020).

- Require them to enter into Community Benefits Agreements in their Target Markets to make sure their missions remain a focus of their work and loans are not just flowing to high-wealth developers;
- Permit CDFI product innovation that better transmits the benefits of their subsidies directly to consumers;
- Require CFDIs to provide automatic interest rate reductions every 24-36 months for mortgage borrowers who perform well; and
- Require more direct mortgage lending, including to Black and female consumers through first-generation down payment assistance and other programs, Special Purpose Credit Programs, and small dollar pilot initiatives.

Issue #13: Artificial Intelligence Related to Housing and Lending Offers Both Promise and Peril

Artificial Intelligence (AI) holds great promise for improving systems, democratizing opportunities, lowering costs, and increasing productivity. Yet, it also holds great dangers for perpetuating bias as AI models are developed using historical data, which can exacerbate historical discrimination. AI and automated systems are already used extensively in the housing and finance sectors, including in credit scoring, tenant screening, automated underwriting, risk-based pricing, dynamic rental pricing systems, marketing, and automated valuation models.⁶⁷ On January 20, 2025, the Trump Administration rescinded an Executive Order for the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence,⁶⁸ but many states are passing legislation to protect their state's consumers and advance responsible AI.⁶⁹

Recommendation: Congress should advance legislative actions for safe, secure, and trustworthy use of AI to address the fair and affordable housing crisis, and so the U.S. can remain a leader in Responsible AI.

Conclusion

Voters are demanding that their elected leaders provide solutions to the nation's fair and affordable housing crisis, not gamble with the health of the housing system. The administration's actions are putting people in harm's way, driving up the cost of housing, and leaving millions exposed to discrimination, harassment, and retaliation with no structure for protection. The actions are not making housing cheaper. And they threaten longstanding and transformative policies such as the Equal Credit Opportunity Act, landmark legislation passed to ensure that women could fairly obtain credit in their own name without their husband or male relative co-signing a loan. 'Out of Many, One' is our national motto – any effort to divide, stoke fear, and treat people unfairly is not in line with our nation's founding principles. America is best when united and relentlessly pursuing a country where everyone, regardless of their background, has a fair chance at reaching their American dreams. And housing is fundamental to people having the ability to do so. Congress must pass comprehensive housing legislation with critical

⁶⁷ See [Testimony of Lisa Rice](#), President and CEO of the National Fair Housing Alliance before the U.S. House Financial Services Committee in a hearing entitled, *AI Innovation Explored: Insights into AI Applications in Financial Services and Housing* (July 23, 2024).

⁶⁸ Trump Administration, [Initial Rescissions of Harmful Executive Orders and Actions](#) (Jan. 20, 2025).

⁶⁹ See, e.g., Colorado SB24-205, [Consumer Protections for Artificial Intelligence](#) (May 17, 2024).

equitable investments in supply-side and demand-side solutions to support fair and affordable housing in urban, rural, and suburban communities. Fulfilling fair housing laws improves people's lives and the communities in which they live. They also strengthen our economy and make the nation more prosperous.⁷⁰ Every attempt to solve the lack of affordability alone has failed and resulted in kicking the can down the road. Now is the time to do what we all know works—enforcing our nation's robust fair housing and lending infrastructure to put the promises of the Fair Housing Act within everyone's reach and spur the development of increased affordable housing opportunities.

⁷⁰ See, Citigroup, *In Pursuit of Equity: Why America's Future Depends on Closing the Racial Wealth Gap* (2021); Jeff Cox, *Morgan Stanley Says Housing Discrimination Has Taken a Huge Toll on the Economy*, CNBC (Nov. 13, 2020); and Dana Peterson and Catherine Mann, *Closing the Racial Inequality Gaps: The Economic Cost of Black Inequality in the U.S*, Citi Global Perspectives and Solutions 3 (Sept. 1, 2020).

Appendix A – Local Fair Housing Group Testimonials re: Impact of Funding Cuts

Lila E. Hackett, Executive Director
Fair Housing Center of Northern Alabama
Birmingham, Alabama

“The Fair Housing Center of Northern Alabama serves twenty-nine of the sixty-seven counties in the northern portion of the state, a majority of which are rural. We also cover the largest cities in population; Birmingham, Huntsville, Tuscaloosa, Anniston-Gadsden, and Decatur. Approximately 70 percent of our complaints come from people with disabilities, both elderly and families with children with disabilities. We also serve a large concentration of veterans in the Huntsville, Decatur, and Birmingham communities, many of which suffer from varying disabilities, such as PTSD and mobility issues. Any reduction in services during the government shutdown, such as a lack of access to housing or other needed amenities such as transportation and food, will greatly impact our most vulnerable citizens, resulting in homelessness for some. Due to the government shutdown, we were unable to receive our Fair Housing Initiatives Program (FHIP) voucher for the final payment on our Year-1 grant from HUD and will be unable to receive our FHIP voucher for our start up payment for Year-2. This will result in either closing or reducing services at a time when our clients need us the most. If unable to secure local funding, residents of our entire service area (29) counties will face issues without our services.”

Jay Young, Executive Director
Southwest Fair Housing Council
Tucson, Arizona

“The Southwest Fair Housing Council (SWFHC) was established in 1986. We are a non-profit, tax-exempt fair housing organization based in Tucson, Arizona that provides services throughout Arizona. Our HUD PEI and EOI grants expired at the end of June 2025. We received awards for a new PEI and EOI on September 30th but have not been able to start work because of the shutdown. We have not had funding to provide fair housing enforcement services outside of the City of Tucson, Pima County, and the City of Yuma. Our HUD PEI grant funded our statewide fair housing enforcement efforts for over 20 years. We do not currently have funding to provide enforcement services to the Phoenix metro area or the rest of the state's smaller cities, towns, and rural areas. Due to the uncertainty of HUD FHIP funding, we laid off four out of our eight staff members at the end of June. Three out of the four staff members had been with SWFHC for three to four years and had received extensive fair housing training.”

Ian Wilder, Executive Director
Long Island Housing Services, Inc.
Bohemia, New York

“The Long Island Housing Services, Inc., a fair housing and housing counseling nonprofit, is located in Bohemia, New York, and serves Suffolk and Nassau counties. We serve any resident of Long Island facing housing insecurity, including low-income tenants, homeowners facing foreclosure, people facing homelessness, and people being denied housing due to housing discrimination. Our programs advocate for Long Islanders using all legal means available including government programs that ensure that the law is being followed. The government shutdown is impacting our clients by denying them the enforcement of laws passed by Congress. For example, a housing counseling client had an open

escalation to HUD National Servicing Center with an FHA mortgage. We're urgently trying to stop a foreclosure sale because we have documented that the servicer dual-tracked the foreclosure by moving forward with the foreclosure while claiming to process our client for a loan modification. The bank never completed a proper loss mitigation review and moved to take the home through foreclosure. In the past, HUD would stop the sale until the client has had the legally required review of their loan modification application. The government shutdown prevented that from happening and the client needlessly and improperly lost their home."

DeAnna Eason, Executive Director

Housing Opportunities Made Equal, Inc. (HOME)

Buffalo, New York – Serving 8 counties of Western New York

"HOME investigates allegations of housing discrimination and provides landlord/tenant counseling, fair housing education and outreach, mobility services for housing choice voucher holders, trainings for homeowners, renters, buyers, and real estate professionals, as well as technical assistance to government officials and community-based organizations with fair housing inquiries. We serve all communities. The government shutdown has intensified existing barriers for our communities, especially those already impacted by previous federal office closures and staff reductions. Many individuals who filed discrimination complaints with HUD months ago remain without updates, and the current shutdown has only deepened this backlog. Vulnerable groups, including people with disabilities, families with children, and low-income renters, are left feeling frustrated and fearful as their cases go unresolved. Our organization continues to provide intake, investigation, and fair housing education, but our ability to connect clients with federal enforcement is severely limited. HUD is almost unavailable as a referral option, leaving many clients in limbo and undermining confidence in the fair housing process. Families relying on Housing Choice Vouchers are increasingly worried about funding cuts and the risk of losing their homes. At this time, HUD is not a useful resource for enforcing the Fair Housing Act, which further restricts our ability to protect those we serve."

Marlene Zarfes, Executive Director

Westchester Residential Opportunities, Inc. (WRO)

White Plains, New York

"My name is Marlene Zarfes and I am the Executive Director of Westchester Residential Opportunities, Inc. (WRO), a non-profit located in White Plains, in Westchester County, NY and serving clients in Westchester County and the lower Hudson Valley. Our services include fair housing, mortgage default counseling, independent living case management and housing, eviction prevention, first-time homebuying and affordable marketing services. We have a diverse clientele of people with low and low-to-moderate income including all ages, all races, people with disabilities, families with children, and senior citizens. As a result of the shutdown, we currently have no federal funding to investigate, uncover and enforce fair housing laws. This is particularly harmful to people with disabilities and people using housing vouchers (generally people of color) who often face housing discrimination. We have already expended all of our annual funding for eviction prevention so there will be an increase in homelessness. Federal layoffs will only add to the homelessness crisis. Clients come to us seeking various forms of relief including rental assistance, shelters and food pantries. We've seen a noticeable increase in people looking for food pantries and shelters since the shutdown. Food pantries are struggling to keep up with the demand and, if the shutdown reduces SNAP, we will see clients unable to feed their families."

**Michelle Rydz, Executive Director
High Plains Fair Housing Center
Grand Forks, North Dakota**

"High Plains Fair Housing Center is the only full-service fair housing organization serving North Dakota and South Dakota. Since opening our doors in 2016, we have worked to eliminate housing discrimination and ensure equal housing opportunities for all people through education, advocacy, enforcement, and outreach. From our base in Grand Forks and satellite offices in Fargo and Bismarck, we respond to housing concerns and provide critical support to underserved rural communities as well as urban areas. Seeing a gap in fair housing services across South Dakota, we expanded into the state in late 2024 to make sure that residents there, too, have access to the protections promised under federal law. Each year, High Plains receives more than 1,000 calls from individuals and families facing housing challenges. The majority of our clients are people with disabilities, and because of the large number of military bases in our region, many of the people we serve are veterans. Families with children also make up a significant number of the discrimination cases we see, as housing providers too often impose unlawful restrictions or barriers.

"Our staff works to resolve these issues, mediating disputes between housing providers and residents and finding equitable solutions so people can stay stably housed without resorting to lengthy administrative or legal complaints. These mediation and advocacy services continue despite the current government shutdown. But when mediation breaks down, and a case must be filed formally, our clients' rights are now being left unprotected. One of our clients is a young woman who was struck by a drunk driver and now uses a wheelchair. She lives in a federally-subsidized building, where her requests for reasonable accommodations— such as accessibility modifications that would allow her to remain in her home— have been ignored. Under normal circumstances, her case would be actively investigated. Instead, because of the shutdown, she is left waiting, vulnerable, and unable to secure the reasonable accommodations to which she is entitled under the law.

"If the government shutdown persists, people experiencing housing discrimination will be left without a path to justice. Fair housing laws exist to ensure that no one is denied the right to live in safe, stable housing because of who they are—but laws are only as strong as their enforcement. Every day of delay compounds the harm. For people with disabilities, for veterans returning home, for families raising children, this shutdown is not simply a matter of political stalemate. It abandons people at their most vulnerable moments and allows discrimination to go unchecked. Justice delayed is justice denied, and the real cost of this shutdown is measured in the lives of those left unprotected."

**Patricia Kidd, Esq.
Executive Director, Fair Housing Resource Center, Inc. (FHRC)
Painesville, Ohio – Serving Lake, Geauga, Ashtabula, and Trumbull Counties**

"As the Executive Director of FHRC, a qualified Fair Housing organization and HUD-Certified Housing Counseling agency, I see first-hand how the government shutdown is threatening to deepen the housing crisis in our community. FHRC primarily serves low-income families, seniors, veterans, individuals with disabilities, and victims of domestic violence—people already at heightened risk of housing instability and discrimination. The shutdown is directly harming the communities we serve by cutting off access to critical protections and resources at a time when families are struggling to remain housed. Tenants experiencing illegal evictions or discrimination now face longer delays in receiving help, and families seeking stable housing free from bias are left without timely assistance. Fear and uncertainty are

widespread, as many residents are unsure how housing benefits and other supportive services will continue without interruption.

"For FHRC, the shutdown is disrupting our ability to operate effectively. While our Year-2 FHIP enforcement grant remains active, HUD's delay in announcing the start date of newly awarded grants has created serious uncertainty. Our HUD-certified Housing Counseling grant expired on September 30th with no word on renewal, forcing us to close our Landlord-Tenant Hotline after 20 years of continuous operation. This hotline has been a trusted lifeline for thousands of households navigating evictions, unsafe housing conditions, and landlord-tenant disputes. FHRC has also had to suspend foreclosure prevention counseling, leaving families at risk of losing their homes without vital assistance. Without swift resolution and restored funding, FHRC and other local fair housing organizations will be unable to provide the essential protections families need to secure housing free from discrimination and remain in safe, stable homes."

Vincent B. Curry,

Executive Director, Fair Housing Advocates Association

Akron, Ohio - Serving various communities throughout Northeast, Central, and Southern Ohio

"The Fair Housing Advocates Association (FHAA) is a private nonprofit located in Akron, Ohio and serving various communities throughout Northeast, Central, and Southern Ohio. While our services are available to all, the majority of people that we serve are persons with disabilities, single mothers with children, veterans, many of whom are homeless or under the threat of being homeless, and women who are victims of domestic violence.

"In the Akron, Summit County, Ohio community, the shutdown will have the following impact:

- "Stopping Citizens from Receiving Vital Housing Assistance due to Agency Budgetary Constraints. Many of our local agencies like FHAA that provide housing counseling, housing referrals, etc. to people who are homeless, being subjected to discrimination, etc. will no longer be able to do so because the funding that they receive from the federal government to operate will not be available during the shutdown. For example, many victims of discrimination find much needed relief and direction when provided assistance by private non-profit organizations. Without support from these agencies, they will lack the necessary guidance and resources to proceed effectively and fight the discrimination they are subjected to. Housing discrimination damages communities and goes against the values and policy of the United States.
- "Exacerbating the Homelessness Crisis. Homelessness is an ongoing problem in our community, and the shutdown is only going to further exacerbate it. Our local agencies provide funding to help provide housing and shelter to hundreds of homeless people. These people will no longer receive this assistance because funds will not be available during the shutdown. One of our local agencies, which provides housing to homeless young people has indicated that it will no longer be able to provide rental assistance."

Adria Buchanan, Executive Director

The Fair Housing Center of Washington

Tacoma, Washington – Serving 23 counties in Washington State

"The Fair Housing Center of Washington serves 23 counties, helping individuals with disabilities, seniors, families with children, survivors of domestic violence, and others facing housing discrimination. For years, HUD was our partner in this work – issuing guidance, investigating cases, and supporting efforts to expand housing opportunity. But today, HUD is nowhere to be found. They've literally left the building. In their absence, discrimination has become the most reliable worker in housing – a tireless, unpaid employee who never takes a day off, eats the lunch of the fired staff, and roams the halls while Congress sleeps. Those of us who believe in a world free from discrimination must outwork it, so that the woman waiting a year for justice and the 95-year-old senior enduring harassment can finally live in peace. Because where people remain perpetually committed to justice, discrimination cannot thrive."

Marley Hochendoner, Executive Director

Northwest Fair Housing Alliance

Spokane, Washington – Serving 17 counties in Eastern and Central Washington State

"Northwest Fair Housing Alliance (NWFHA) is a 501(c)(3) non-profit based in Spokane, WA, serving 17 counties in Eastern and Central Washington State. Our mission is to support and promote equitable housing opportunities, eliminate housing discrimination, and ensure affordable and accessible housing in Washington State by providing education, outreach, counseling, research, advocacy, and consulting services about housing transactions, programs, and community development. Annually, thousands of households rely on NWFHA for fair housing advocacy and counseling, including pre-eviction support and challenges related to housing instability, inaccessibility, and unsafe living conditions. Most of the households we serve live below the poverty line and include senior citizens, families with children, veterans, and people with physical or mental disabilities. 75 percent of our fair housing cases involve assisting people with disabilities to request reasonable accommodation or modifications so they can access, maintain, or stabilize their housing. The government shutdown couldn't come at a worse time, in the middle of an affordable housing crisis. NWFHA has a HUD FY23 FHIP grant but there are no HUD FHEO staff working to approve developed materials or grant payments or conduct intake and investigation of housing discrimination complaints. The recent layoffs of more HUD FHEO staff are alarming – employees in Region X were already also working in Region IX to cover staffing shortages. After months of delay and reissuance of the FY24 FHIP NOFO, NWFHA was awarded a FY24 FHIP grant on the last day before the shutdown; but there are no HUD staff working to negotiate the grant agreement, delaying the start of needed services in our communities. HUD has not yet issued a FY25 FHIP NOFO; and so far, there is no FY26 HUD FHIP appropriation. The uncertainty of funding is demoralizing and distracting for our staff who need to be focused on helping people in need of securing housing. Our ability to share information with the public about how to avoid, identify, and report housing discrimination has also been hampered by HUD's ambiguous cease and desists notices relating to materials developed with HUD funds that include HUD's logo or name. Lack of clarity regarding use of existing materials, the absence of HUD staff to approve new materials, and the recent withdrawal of numerous HUD guidance documents has left us with nearly nothing to share with housing providers, local governments, and social service agencies that look to us for information on fair housing compliance. This is the first time in NWFHA's 30 years of existence that NWFHA has faced such prolonged uncertainty about whether HUD will fulfill its fair housing obligations in our communities."

Appendix B – Administration Actions Worsening the Fair and Affordable Housing Crisis

The Trump-Vance administration has engaged in a series of actions that are only worsening the fair⁷¹ and affordable⁷² housing crisis. Many of these actions are based on the Project 2025 plan authored by The Heritage Foundation. At this point, the Trump-Vance administration has implemented about 68 percent of Project 2025's housing actions. The actions turn the basic definition of fairness and civil rights upside down to protect the powerful and undermine those merely seeking a fair opportunity to achieve the American Dream of a safe, stable place to call home.⁷³ Generally, these harmful actions fall into the following five categories:

1. Increasing housing costs for the average renter, buyer, or homeowner
2. Rolling back established housing rights for people of all backgrounds
3. Ignoring the threat to local communities from climate change
4. Eviscerating key agencies that provide people with access to fair and affordable housing
5. Jeopardizing people's data privacy and protection from unfair algorithms

Following is a more detailed list of the administration's actions that are worsening the fair and affordable housing crisis. The Project 2025 page number that corresponds to the action is shown in [brackets].

1-Increasing housing costs for the average renter, buyer, or homeowner

- Tariffs. The administration increased the cost of housing supplies during the nation's fair and affordable housing crisis by imposing tariffs.⁷⁴ (first started on 2/13/2025)

⁷¹ NFHA, 2024 Fair Housing Trends Report (July 2024), <https://nationalfairhousing.org/resource/2024-fair-housing-trends-report/>.

⁷² Harvard Joint Center on Housing Studies, *The State of the Nation's Housing 2025* (June 2025), <https://www.jchs.harvard.edu/state-nations-housing-2025>.

⁷³ For more detail on how the administration's actions are hurting the renters and homeowners of America and practical solutions to address the fair and affordable housing crisis, see Testimony of Nikitra Bailey, EVP of NFHA, in a Hearing Titled, *Building Our Future: Increasing Housing Supply in America*, before the U.S. House Financial Services Subcommittee on Housing and Insurance (March 4, 2025), <https://docs.house.gov/meetings/BA/BA04/20250304/117970/HHRG-119-BA04-Wstate-BaileyN-20250304.pdf>. See also NFHA Press Release, *Fair Housing Month Begins Amid National Assault on Fair Housing* (April 3, 2025), <https://nationalfairhousing.org/fair-housing-month-begins-amid-national-assault-on-fair-housing/>.

⁷⁴ Robert Dietz, *Builder Sentiment at Third Lowest Reading Since 2012*, National Association of Home Builders (June 17, 2025), <https://eyeonhousing.org/2025/06/builder-sentiment-at-third-lowest-reading-since-2012>; Keith Griffith, *Trump's Tariffs Are Expected to Raise New-Home Costs \$9,200*, Realtor.com (April 4, 2025), <https://www.realtor.com/news/trends/trump-tariffs-new-home-prices-homebuilders/>; Erica York, *Trump Tariffs: Tracking the Economic Impact of the Trump Trade War*, Tax Foundation.org (Feb. 13, 2025), <https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war/>. See also Testimony of Buddy

- Immigrant Labor. The administration decreased the availability of labor by attacking, detaining, and deporting immigrants who perform much-needed housing construction and engage in other housing-related professions.⁷⁵ (first started on 1/20/2025) Immigrants make up one-third of the construction trades workforce and home builders are already facing an acute shortage.⁷⁶
- Infrastructure Projects. The administration delayed projects that improve communities by pausing the disbursement of funds appropriated through the Inflation Reduction Act or the Infrastructure Investment and Jobs Act.⁷⁷ (1/20/2025)
- Performative Actions. The administration engaged in performative actions that will not lower costs, such as ordering agencies to deliver emergency housing price relief (without any authorization or funds to do so).⁷⁸ (1/20/2025)
- Tenant Protections. In its capacity as conservator, the Federal Housing Finance Agency (FHFA) issued an order rescinding a Directive titled, “Aligned Policies on Multifamily Rental Payment Flexibility and Lease Notices,” which required Fannie Mae and Freddie Mac to include certain tenant protections, such as rental payment flexibility and lease notices, as a condition of new multifamily financing.⁷⁹ (3/24/2025)
- Consumer Protection. In its capacity as conservator, FHFA issued an order rescinding guidance titled, “Advisory Bulletin No. 2024-06: Regulated Entity Unfair or Deceptive Acts or Practices Compliance,” which had articulated FHFA’s expectations for the GSEs’ and the FHLBanks’ compliance with Section 5 of the Federal Trade Commission Act, which prohibits unfair or deceptive acts or practices (UDAP).⁸⁰ (3/24/2025) FHFA fired the UDAP examiners, which means that the regulator will no longer supervise Fannie Mae

Hughes on Behalf of the National Association of Home Builders (NAHB Testimony), in a Hearing Titled, *Building Our Future: Increasing Housing Supply in America*, before the U.S. House Financial Services Subcommittee on Housing and Insurance (March 4, 2025), <https://docs.house.gov/meetings/BA/BA04/20250304/117970/HHRG-119-BA04-Wstate-HughesB-20250304.pdf> (stating that supply chain instability and tariffs on imported materials continue to create uncertainty for builders).

⁷⁵ See, e.g., Trump Administration, *Protecting the American People Against Invasion* (Jan. 20, 2025), <https://www.whitehouse.gov/presidential-actions/2025/01/protecting-the-american-people-against-invasion/>.

⁷⁶ National Association of Home Builders, *Concentration of Immigration in Construction Trades*, <https://www.nahb.org/advocacy/industry-issues/labor-and-employment/immigration-reform-is-key-to-building-a-skilled-workforce/concentration-of-immigration-in-construction-trades>.

⁷⁷ Trump Administration, *Unleashing American Energy* (Jan. 20, 2025), <https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/>.

⁷⁸ Trump Administration, *Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis* (Jan. 20, 2025), <https://www.whitehouse.gov/presidential-actions/2025/01/delivering-emergency-price-relief-for-american-families-and-defeating-the-cost-of-living-crisis/>.

⁷⁹ FHFA, *Order Rescinding Directive on Multifamily Lease Policies*, Order Nos. 2025-OR-FNMA-13, 2025-OR-FHLMC-13 (March 24, 2025), <https://x.com/pulte/status/1904282014582264283>.

⁸⁰ FHFA, *Order Rescinding Advisory Bulletin No. 2024-06: Regulated Entity Unfair or Deceptive Acts or Practices Compliance*, Order Nos. 2025-OR-FNMA-2, 2025-OR-FHLMC-2, 2025-OR-B-2 (March 24, 2025), <https://x.com/pulte/status/1904283306603982858>.

and Freddie Mac for compliance with the UDAP law.⁸¹ Each of the federal financial regulators has long supervised its regulated entities for compliance with UDAP, so this makes FHFA an outlier among the regulators and leaves everyday consumers without basic consumer protections.⁸²

- GSE Privatization and Increased Lending Costs. Administration officials have discussed privatizing Fannie Mae and Freddie Mac, allowing them to exit conservatorship, and/or selling off stock in Fannie Mae and Freddie Mac.⁸³ Experts predict that privatization is likely to cause interest rates to rise and rate-lock agreements to evaporate as the explicit government backstop is rolled back, driving up housing costs for middle-class families.⁸⁴ [706]
- Foreclosure Protections for Veterans. The U.S. Department of Veterans Affairs (VA) discontinued the Veterans Affairs Servicing Purchase (VASP) program, the only VA mortgage assistance option that currently helps the vast majority of borrowers obtain an affordable payment when they are delinquent on their mortgage.⁸⁵ (4/23/2025) This action dramatically increases the risk of foreclosure for tens of thousands of veterans and their families.
- Medical Debt on Credit Reports. As of June 2023, 15 million people had more than \$49 billion in outstanding medical debt on their credit reports.⁸⁶ The 15 million Americans disproportionately live in the South and low-income communities. Unlike other forms of debt, medical debt has little predictive value for a consumer's ability to repay their other financial debts. In January 2025, the CFPB issued a rule prohibiting the inclusion of medical bills on credit reports and requiring credit reporting companies to remove

⁸¹ Eric Katz, *Housing Agencies Begin Closing Offices, Escorting Employees Out*, Government Executive (March 19, 2025), <https://www.govexec.com/workforce/2025/03/housing-agencies-begin-closing-offices-escorting-employees-out/403903/>.

⁸² See, e.g., Board of Governors of the Federal Reserve and Federal Deposit Insurance Corporation, *Unfair or Deceptive Acts or Practices by State-Chartered Banks* (March 11, 2004), <https://www.federalreserve.gov/boarddocs/press/bcreg/2004/20040311/attachment.pdf>.

⁸³ Sylvan Lane, *Fannie, Freddie Chief Teases IPO*, The Hill (Oct. 20, 2025), <https://thehill.com/newsletters/business-economy/5564325-fannie-freddie-chief-teases-ipo/>.

⁸⁴ Erik J. Martin, *Mortgages Under Trump: What Happens if He Privatizes Fannie Mae and Freddie Mac?*, U.S. News, (May 22, 2025), <https://money.usnews.com/loans/mortgages/articles/mortgages-under-trump-what-happens-if-he-privatizes-fannie-mae-and-freddie-mac>; Ronda Kaysen, *What Will It Mean for Homebuyers If Fannie Mae and Freddie Mac Go Private*, N.Y. Times (April 2, 2025), <https://www.nytimes.com/2025/03/26/realestate/fannie-mae-freddie-mac-loans-pulte.html>.

⁸⁵ VA, *Veterans Affairs Servicing Purchase (VASP) Program Wind Down*, Circular 26-25-2 (4/23/2025), <https://www.benefits.va.gov/HOMELoans/documents/circulars/26-25-02.pdf>; NFHA Press Release, *Advocates, Members of House Committee on Veterans Affairs Respond to Housing Cuts for Veterans*, <https://nationalfairhousing.org/advocates-members-of-house-committee-on-veterans-affairs-respond-to-housing-cuts-for-veterans/>.

⁸⁶ CFPB, *CFPB Finds 15 Million Americans Have Medical Bills on Their Credit Reports* (Apr. 29, 2024), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finds-15-million-americans-have-medical-bills-on-their-credit-reports/#:~:text=As%20of%20June%202023%2C%20about,below%203%25%20in%20June%202023.>

medical bills and information from credit reports, as originally mandated by law.⁸⁷ In April 2025, the CFPB and two industry associations filed a joint motion in federal district court to vacate the rule, which the court granted.⁸⁸ (7/15/2025) After several states issued laws banning the reporting of medical debt on credit reports, the CFPB issued an interpretive rule stating that the Fair Credit Reporting Act preempts those laws.⁸⁹ (10/28/2025)

- GSE Affordable Housing Goals. Congress passed the Affordable Housing Goals in the 1992 Safety and Soundness Act, and updated them in the 2008 Housing and Economic Recovery Act, as a key tool to keep Fannie Mae and Freddie Mac focused on their public mission. In October 2025, FHFA issued proposed rule changing the Affordable Housing Goals for single family housing in a manner that will take away affordable mortgages for up to 177,000 lower- to moderate-income families over the next three years, worsening the housing affordability crisis and fueling deeper racial and socioeconomic inequalities in who can access credit and become a first-time homeowner.⁹⁰ (10/2/2025)
- Community Development Financial Institutions (CDFIs). The administration used illegal Reduction-In-Force procedures during the shutdown to terminate all of the Treasury Department's CDFI Fund staff. (10/10/2025) The CDFI Fund and the community financial institutions they serve are an essential and vital source of capital and financial services to underserved communities across the United States that traditional financial institutions historically don't serve as well, including in urban and rural communities.⁹¹
- Housing Counselors. In the past, HUD has funded, certified, and trained over 4,200 housing counselors who offer expert, confidential advice that is usually free or very low cost, to help consumers rebuild their credit or become more financially stable, prevent homelessness, avoid eviction or foreclosure, recover from disasters, or prepare for homeownership.⁹² In October 2025, the administration ordered the layoffs of *all but one*

⁸⁷ CFPB, *CFPB Finalizes Rule to Remove Medical Bills from Credit Reports* (1/7/2025), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-to-remove-medical-bills-from-credit-reports/>.

⁸⁸ Ken Alltucker, *Medical Debt Remains on Credit Reports after Biden-Era Rule Tossed by Judge*, USA Today (July 15, 2025), <https://www.usatoday.com/story/money/2025/07/15/biden-medical-debt-rule-tossed-trump/85205733007/>.

⁸⁹ CFPB, *Federal Law Preempts State Law on Credit Reporting*, ABA Banking Law Journal (Oct. 28, 2025), <https://bankingjournal.aba.com/2025/10/cfpb-federal-law-preempts-state-law-on-credit-reporting/>.

⁹⁰ FHFA, *Proposed Rule: 2026-2028 Affordable Housing Goals* (Oct. 2, 2025), <https://www.federalregister.gov/documents/2025/10/02/2025-19428/2026-2028-enterprise-housing-goals>.

⁹¹ House Financial Services Committee Democrats, *Letter to Treasury and Office of Management and Budget regarding CDFI Fund Staff* (Oct. 27, 2025), https://democrats-financialservices.house.gov/uploadedfiles/10.27.2025_ltr_bandv_cdfi_rifs.pdf.

⁹² Sharon Cornelissen, *Frontline Workers in a Housing Crisis: The Administration's Attacks on HUD Housing Counselors*, Consumer Federation of America Blog (Oct. 24, 2025), <https://consumerfed.org/frontline-workers-in-a-housing-crisis-the-administrations-attacks-on-hud-housing-counselors/>.

person (the statutorily mandated Director) in HUD's housing counseling program.⁹³(10/2025)

- Public Housing Limits. HUD has drafted rules to allow local housing authorities and landlords to impose time limits and work requirements for tenants under any of the four following programs: public housing, House Choice Vouchers, Project-Based Vouchers, and Project-Based Rental Assistance.⁹⁴ (9/2025) This action would weaken the social safety net amid record-high housing costs, causing hardship for millions of people across the country.

2-Rolling back established housing rights for people of all backgrounds

Rolling back established housing rights for people of color, women, people with disabilities, domestic violence survivors, & others

- Diversity, Equity, Inclusion, Accessibility. The administration attacked basic civil rights protections under the guise of terminating “‘diversity, equity, inclusion, and accessibility’ (DEIA) mandates, policies, programs, preferences, [positions], and activities in the Federal Government” while also erasing the existence of transgender people.⁹⁵ (1/20/2025) These actions will undermine housing and credit opportunities for the consumers of America. [561-562, 584, 586]
- Fair Housing Grants. Created in 1987 under the Reagan Administration and funded by Congress annually ever since, the Fair Housing Initiatives Program (FHIP) is a grant program that provides localized assistance to people who face housing and lending discrimination. Organizations receiving FHIP grants field and resolve over 75 percent of fair housing complaints—about three times as many as all state and federal agencies combined—and they are also the primary means by which the federal government educates the public about their fair housing rights and responsibilities. In February 2025, HUD abruptly terminated 78 grant contracts, adversely impacting these agencies’ ability

⁹³ Janie Har, *Judge Temporarily Blocks the Trump Administration from Firing Workers during the Government Shutdown*, Associated Press (Oct. 15, 2025), <https://apnews.com/article/government-shutdown-layoffs-trump-unions-b312b3ca77cbdbc72e778ece3b2cbffc>.

⁹⁴ Jesse Coburn, *Millions Could Lose Housing Aid under Trump Plan*, ProPublica (Sept. 29, 2025), <https://www.propublica.org/article/trump-housing-reforms-aid-hud-immigration-homelessness>.

⁹⁵ Trump Administration, *Ending Radical and Wasteful DEI Programs and Preferencing* (Jan. 20, 2025), <https://www.whitehouse.gov/presidential-actions/2025/01/ending-radical-and-wasteful-government-dei-programs-and-preferencing/>; NFHA, *Civil and Human Rights Organizations Sue Trump Administration Over Executive Orders Banning Diversity, Equity, Inclusion, Accessibility, and Erasing Transgender People* (Feb. 19, 2025), <https://nationalfairhousing.org/civil-and-human-rights-organizations-sue-trump-administration-over-executive-orders-banning-diversity-equity-inclusion-accessibility-and-erasing-transgender-people/>; NFHA, *Elimination of Federal Diversity, Equity, and Inclusion Programs Threatens Economic Stability and National Security* (Jan. 22, 2025), <https://nationalfairhousing.org/elimination-of-federal-diversity-equity-and-inclusion-programs-threatens-economic-stability-and-national-security/>; NFHA, *Civil and Human Rights Organizations Continue to Fight against Trump Administration's Anti-Equity and Transgender Erasure Executive Orders Despite Denial of Preliminary Injunction* (May 5, 2025), <https://nationalfairhousing.org/civil-and-human-rights-organizations-continue-to-fight-against-trump-administrations-anti-equity-and-transgender-erasure-executive-orders-despite-denial-of-preliminary-injunction/>.

to provide essential assistance to vulnerable populations, reinstating them a month later only after being sued.⁹⁶ (2/27/2025) Then HUD delayed awarding new grants and allowing existing grants to continue into the next year, continuing the funding crisis it inflicted on the nation's local fair housing organizations. After being sued again, HUD finally planned to announce a new round of grant funding to fair housing organizations on September 30, 2025, the last day of the fiscal year.⁹⁷ (9/30/2025) But because of HUD's unjustifiable delay in awarding the grants, HUD had no time to do the paperwork to start the grants before the government shut down in October, preventing fair housing organizations from beginning work. That means community-based fair housing groups cannot provide assistance to families fleeing domestic violence, disabled veterans looking for permanent housing, first-generation, first-time homebuyers seeking fair and affordable mortgages, and others who are protected from discrimination by the nation's fair housing laws. The future of these grants remains unclear. By eviscerating the federal agencies that oversee fair housing as well as jeopardizing the funding for community-based fair housing organization, the administration has decimated the promise of fair housing opportunities for all.⁹⁸

- HUD Complaint Portal. Under the Fair Housing Act, HUD is required to provide a means for the members of the public to submit complaints of housing discrimination for administrative investigation and adjudication.⁹⁹ However, HUD will now only accept housing discrimination complaints submitted through its online portal.¹⁰⁰ Complaints will no longer be accepted via email, mail, telephone, or in-person submissions. Additionally, regional hotlines, intake numbers (available in both English and Spanish), and email addresses previously used for filing complaints have been discontinued. (3/15/2025) These changes are likely to severely impede the ability of people with disabilities, people with limited English proficiency, and people with limited internet access to secure their right to fair housing.

⁹⁶ Rachel Siegel, *HUD Cuts Might Hamper Government Efforts to Stop Housing Discrimination*, Washington Post (April 6, 2025), <https://www.washingtonpost.com/business/2025/04/06/fair-housing-enforcement-hud-cuts/>; Jennifer Ludden, *HUD Choked Funding to Enforce Fair Housing Laws. Legal Aid Groups May Not Survive*, NPR (March 15, 2025), <https://www.npr.org/2025/03/15/nx-s1-5325936/hud-funding-fair-housing-laws-legal-aid-groups-scott-turner>.

⁹⁷ NFHA, *The Federal Government Shutdown Exacerbates Harm of HUD's Dismantling of Its Fair Housing Infrastructure* (Sept. 30, 2025), <https://nationalfairhousing.org/the-federal-government-shutdown-exacerbates-harm-of-huds-dismantling-of-its-fair-housing-infrastructure/>; NFHA, *Federal Judge Grants Temporary Restraining Order in Lawsuit against HUD for Withholding Fair Housing Funds* (July 29, 2025), <https://nationalfairhousing.org/federal-judge-grants-temporary-restraining-order-in-lawsuit-against-hud-for-withholding-fair-housing-funds/>.

⁹⁸ NFHA, *NFHA Denounces Trump Administration's Firing of Hundreds of HUD Employees during Government Shutdown* (Oct. 14, 2025), <https://nationalfairhousing.org/nfha-denounces-trump-administrations-firing-of-hundreds-of-hud-employees-during-government-shutdown/>.

⁹⁹ 42 U.S.C. § 3610.

¹⁰⁰ Jesse Coburn, *How the Trump Administration Is Weakening the Enforcement of Fair Housing Laws*, ProPublica (May 15, 2025), <https://www.propublica.org/article/trump-hud-weakening-enforcement-fair-housing-laws>.

- Affirmatively Furthering Fair Housing. The Fair Housing Act requires all federal agencies to administer their housing and urban development programs in a manner affirmatively to further fair housing (AFFH).¹⁰¹ However, in March 2025, HUD issued a watered-down Interim Final Rule, which weakens the AFFH mandate and removes key tools from states and localities, despite many of them requesting HUD’s guidance.¹⁰² HUD Secretary Scott Turner stated, “We have to save our suburbs....We are taking the [AFFH Rule] down today so that we could restore our suburbs.”¹⁰³ The Secretary’s remarks seemed to harken back to a time of rigid residential segregation when all-White suburbs held the highest value regardless of the creditworthiness of the borrower or the condition of the home. The remarks also disregard the growing problem that the lack of affordable housing supply is causing in rural communities nationwide.
- Federal Lands. HUD and the Department of Interior created a Joint Task Force on Federal Land for Housing to identify federal lands for affordable housing.¹⁰⁴ (3/17/2025) HUD rescinded meaningful regulations to affirmatively further fair housing, so there is no framework to ensure that the affordable housing developments will be part of inclusive, thriving communities with good jobs, schools, and transportation or will further isolate the people who need access to affordable housing. [508]
- Appraisal Modernization. In May of 2024, Fannie Mae, Freddie Mac, and HUD’s FHA published requirements for a consumer-initiated Reconsideration of Value (ROV) that promotes consistency for all consumers when a perceived appraisal issue and/or appraisal deficiency exists, including potential appraisal discrimination.¹⁰⁵ In March 2025, HUD’s FHA rescinded its policies that clarified the application of the Fair Housing Act to appraisal discrimination and established standards for FHA lenders to follow in connection with a consumer’s request Reconsideration of Value (ROV).¹⁰⁶ (3/19/2025) In September 2025, HUD withdrew guidance providing support for the Fair Housing Act’s coverage of appraisal discrimination.¹⁰⁷ (9/16/2025) [558] This will make it harder for consumers to fairly access the full equity of their homes. [508]

¹⁰¹ 42 U.S.C. § 3608(d).

¹⁰² HUD, Interim Final Rule, *Affirmatively Furthering Fair Housing Revisions*, 90 Fed. Reg. 11020 (March 3, 2025), <https://www.federalregister.gov/documents/2025/03/03/2025-03360/affirmatively-furthering-fair-housing-revisions>;

¹⁰³ HUD Secretary Scott Turner, Interview on Fox Business, *Secretary Turner Repeals Biden AFFH ‘Zoning Tax’* (Feb. 26, 2025), <https://www.youtube.com/watch?v=xzTT9cEM6fY>.

¹⁰⁴ HUD, *HUD Secretary Scott Turner and DOI Secretary Doug Burgum Announce Joint Task Force to Use Federal Lands for Affordable Housing* (March 17, 2025), <https://www.hud.gov/news/hud-no-25-042>.

¹⁰⁵ Fannie Mae Selling Guide Announcement, SEL-2024-03 (May 1, 2024), <https://singlefamily.fanniemae.com/media/39081/display>; Freddie Mac Single Family Bulletin, 2024-06 (May 1, 2024), https://guide.freddiemac.com/ci/okcsFattach/get/1009248_7.

¹⁰⁶ HUD, *Rescinding Multiple Appraisal Policy Related Mortgagee Letters*, Mortgagee Letter 2025-08 (March 19, 2025), <https://www.hud.gov/sites/default/files/OCHCO/documents/2025-08hsgml.pdf>.

¹⁰⁷ Lori Summerfield and Chris Willis, *HUD’s New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), <https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity>.

- Special Purpose Credit Programs (SPCP)/Down Payment Assistance. In its capacity as conservator, FHFA issued an order requiring Fannie Mae and Freddie Mac to “terminate SPCP Programs supported by the Enterprises.”¹⁰⁸ (3/25/2025) SPCP’s are authorized by law under the Equal Credit Opportunity Act and Regulation B.¹⁰⁹ This order does not (and cannot) ban lenders’ ability to originate SPCPs but will severely restrict liquidity for SPCPs, which typically overcome historic barriers to homeownership by providing down payment assistance and flexible underwriting for certain underserved geographic areas. In September 2025, HUD withdrew guidance providing support for SPCPs under the Fair Housing Act.¹¹⁰ (9/17/2025) In November 2025, the CFPB issued a proposed rule that would make it nearly impossible for lenders to issue SPCPs.¹¹¹ (11/13/2025) [558]
- Fannie Mae/Freddie Mac Equitable Housing Finance Plans. FHFA finalized the regulation for the Equitable Housing Finance Plans in 2024.¹¹² However, in March 2025, in its regulatory capacity, FHFA issued a regulatory waiver of the requirements for Fannie Mae, Freddie Mac, and the Federal Home Loan Banks (GSEs) to submit and publish Equitable Housing Finance Plans.¹¹³ (3/25/2025) The waiver does not require the GSEs to stop any of the initiatives started in connection with the Plans (e.g., appraisal modernization), except for SPCPs, but severely restricts the transparency and accountability needed for the public to determine whether the GSE’s are fulfilling their statutory mandate to serve the whole of the housing market. In July 2025, FHFA issued a Proposed Rule to repeal the regulation regarding fair lending and equitable housing finance plans.¹¹⁴ (7/28/2025) [561-562]
- REO Repairs. In its capacity as conservator, FHFA issued an order requiring Fannie Mae to end its “Repair All” strategy for its REO inventory and to return to a portfolio neutral

[guidance/](#). Withdrawn guidance includes: *Statement of Interest: Connolly v. Lanham* (March 13, 2023); *Appraisal Elements of Proof* (May 6, 2022).

¹⁰⁸ FHFA, *Order Issuing Directive to Terminate Special Purpose Credit Programs*, Decision No. 2025-145 (March 25, 2025),

https://x.com/pulte/status/1904621959213965690?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etweet.

¹⁰⁹ 15 U.S.C. § 169(c); 12 C.F.R. § 1002.8. See also National Fair Housing Alliance and Mortgage Bankers Association, *Special Purpose Credit Programs Toolkit*, <https://spcptoolkit.com/>.

¹¹⁰ Lori Summerfield and Chris Willis, *HUD’s New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), <https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/>.

¹¹¹ CFPB, *Proposed Rule: Equal Credit Opportunity Act (Regulation B)*, 90 Fed. Reg. 50901 (Nov. 13, 2025), <https://www.govinfo.gov/content/pkg/FR-2025-11-13/pdf/2025-19864.pdf>.

¹¹² 12 C.F.R. Part 1293.

¹¹³ FHFA, *Regulatory Waiver of Enterprise Equitable Housing Finance Planning Requirements*, 2025-W-4 (March 25, 2025), <https://x.com/pulte/status/1904633180604481753>.

¹¹⁴ FHFA, *Repeal of Fair Lending, Fair Housing, and Equitable Housing Finance Plans Regulation Proposed Rule*, 90 Fed. Reg. 35475 (July 28, 2025), <https://www.govinfo.gov/content/pkg/FR-2025-07-28/pdf/2025-14183.pdf>.

approach.¹¹⁵ (3/25/2025) This raises questions about whether Fannie Mae will repair homes in communities of color or create blight and drive down prices in certain communities.

- Redlining. This administration has repeatedly sent the message that it will no longer protect communities who are unfairly denied access to credit on the basis of race or ethnicity. In March 2025, the CFPB joined with a defendant (Townstone Financial) to ask a federal court to vacate the agency's own settlement that resolved allegations of redlining in Chicago and refund the civil penalty to the defendant; the case had been upheld by the Seventh Circuit.¹¹⁶ (3/26/2025) The federal court denied the CFPB's motion.¹¹⁷ (6/12/2025) In July 2025, another federal court rejected the administration's attempt to terminate a consent order holding a bank accountable for alleged redlining in Philadelphia.¹¹⁸ (7/24/2025) In September 2025, HUD issued guidance stating that the Fair Housing Act only protects individuals, not groups, and rescinded its guidance on redlining.¹¹⁹ (9/16/2025) In November 2025, the CFPB issued a proposed rule that would undermine the definition of "discouragement" under the Equal Credit Opportunity Act and make it nearly impossible to bring redlining cases.¹²⁰ [558]
- Disparate Impact. In April 2025, the administration issued an Executive Order instructing agencies to disregard the longstanding theory of disparate impact liability,¹²¹ even though this theory was upheld by the Supreme Court in 2015 and remains the law of the

¹¹⁵ FHFA, *Order Issuing Directive Terminating "Repair All" REO Strategy*, Decision No. 2025-144 (March 25, 2025),

https://x.com/pulte/status/1904621815563215008?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etweet; NFHA Press Release, *NFHA Reaches Historic Settlement with Fannie Mae* (Feb. 7, 2022), <https://nationalfairhousing.org/nfha-reaches-historic-settlement-with-fannie-mae/>.

¹¹⁶ Consumer Federal of America, *By Vacating Townstone, the CFPB Prolongs Its March Madness* (March 28, 2025), <https://consumerfed.org/by-vacating-townstone-the-cfpb-prolongs-its-march-madness/>.

¹¹⁷ NFHA, *Judge Rejects Trump Administration's Effort to Abandon Redlining Settlement with Townstone Financial Inc.* (June 12, 2025), <https://nationalfairhousing.org/judge-rejects-trump-administrations-efforts-to-abandon-redlining-settlement-with-townstone-financial-inc/>; NFHA Press Release, *Civil Rights and Consumer Protection Groups Urge Court to Reject the Trump Administration's Unprecedented Attempt to Abandon Redlining Settlement with Townstone Financial, Inc.* (April 7, 2025), <https://nationalfairhousing.org/civil-rights-and-consumer-protection-groups-urge-court-to-reject-the-trump-administrations-unprecedented-attempt-to-abandon-redlining-settlement-with-townstone-financial-inc/>.

¹¹⁸ NFHA, *Holding the DOJ Accountable to Remedy Alleged Redlining in Philadelphia, PA* (July 25, 2025), <https://nationalfairhousing.org/holding-the-department-of-justice-accountable-to-remedy-alleged-redlining-in-philadelphia-pa/>.

¹¹⁹ Lori Summerfield and Chris Willis, *HUD's New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), <https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/>.

¹²⁰ CFPB, *Proposed Rule: Equal Credit Opportunity Act (Regulation B)*, 90 Fed. Reg. 50901 (Nov. 13, 2025), <https://www.govinfo.gov/content/pkg/FR-2025-11-13/pdf/2025-19864.pdf>.

¹²¹ Trump Administration, *Restoring Equality of Opportunity and Meritocracy* (April 23, 2025), <https://www.whitehouse.gov/presidential-actions/2025/04/restoring-equality-of-opportunity-and-meritocracy/>.

land.¹²² (4/23/2025) In July 2025, a press report revealed that HUD was closing at least seven major housing discrimination investigations that relied in whole or in part on the disparate impact theory of discrimination, which requires use of the least discriminatory approach to achieve a business objective.¹²³ In August 2025, HUD sent to the Office of Management and Budget (OMB) a “Final Rule” entitled “HUD’s Implementation of the Fair Housing Act’s Disparate Impact Standard,” which is likely to substantially weaken the rule.¹²⁴ (8/5/2025) HUD has withdrawn guidance regarding the use of disparate impact in Fair Housing Act cases and the use of arrest records in housing decisions where they may have an illegal disparate impact.¹²⁵ (9/16/2025) In November 2025, the CFPB issued a proposed rule that would eviscerate the definition of “disparate impact” under the Equal Credit Opportunity Act.¹²⁶ [72, 334-336, 583, 558]

- **Domestic Violence Survivors.** In recent years, HUD has protected survivors of domestic violence from being denied housing assistance when attempting to escape a stalker or abuser. About 500 women a year reach out to HUD to request help under the Violence Against Women Act, but now only two lawyers with experience with the law remain in HUD’s fair housing office.¹²⁷ (9/2025) In addition, the administration has shuttered the DOJ’s grant-making offices, furloughing employees who help provide federal support to organizations that aid victims of domestic violence.¹²⁸ (10/2025) The actions will imperil survivors, advocates, and law enforcement.

¹²² *Texas Department of Housing and Community Affairs v. Inclusive Communities Project*, 576 U.S. 519 (2015).

¹²³ Jesse Coburn, *Trump Administration Prepares to Drop at Least Seven Major Housing Discrimination Cases*, ProPublica (July 18, 2025), <https://www.propublica.org/article/trump-hud-drop-housing-discrimination-cases-housing-pollution>; NFHA, *Leading Civil Rights Organizations Urge HUD to Uphold Fair Housing Protections Against Disparate Impact Rollbacks* (Aug. 5, 2025), <https://nationalfairhousing.org/leading-civil-rights-organizations-urge-hud-to-uphold-fair-housing-protections-against-disparate-impact-rollbacks/>.

¹²⁴ NFHA, *Advocates Strongly Urge Trump Administration to Uphold Rule That Advances Justice and Fairness for All* (Sept. 11, 2025), <https://nationalfairhousing.org/advocates-strongly-urge-trump-administration-to-uphold-rule-that-advances-justice-and-fairness-for-all/>.

¹²⁵ Lori Summerfield and Chris Willis, *HUD’s New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), <https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/>. Withdrawn guidance includes: *Proving Disparate Impact in Fair Housing Cases After Inclusive Communities* (Aug. 1, 2016); *OGC Guidance Application of Fair Housing Act Standards to Use of Criminal Records* (April 4, 2016); *Guidance for PHAs and Owners of Federally-Assisted Housing on Excluding the Use of Arrest Records in Housing Decisions* (Nov. 2, 2015) Memo – *Use of Arrest Records of Tenants of Public and HUD-Assisted Housing* (April 8, 2015).

¹²⁶ CFPB, *Proposed Rule: Equal Credit Opportunity Act (Regulation B)*, 90 Fed. Reg. 50901 (Nov. 13, 2025), <https://www.govinfo.gov/content/pkg/FR-2025-11-13/pdf/2025-19864.pdf>.

¹²⁷ Debra Kamin, *Trump Appointees Roll Back Enforcement of Fair Housing Laws*, NY Times (Sept. 22, 2025), <https://www.nytimes.com/2025/09/22/realestate/trump-fair-housing-laws.html>.

¹²⁸ Eli Stokol, *DOJ Furloughs Could Impact Domestic Violence Grants, Some Fear*, Politico (Oct. 4, 2025), <https://www.politico.com/news/2025/10/04/doj-furloughs-could-impact-domestic-violence-grants-some-fear-thats-the-point-00594256>.

- Reasonable Accommodation. HUD withdrew guidance for cases involving reasonable accommodations for people with disabilities.¹²⁹ (9/17/2025) [558]

Rolling back established housing rights for LGBTQ+ individuals

- Sexual Orientation/Gender Identity. In January 2025, the administration terminated LGBTQ+ people's rights by limiting the definition of "sex" to two unchangeable sexes (male and female).¹³⁰ (1/20/2025) [451, 584, 586]
- Equal Access Rule. In February 2025, HUD issued an order to halt any pending or future enforcement actions related to HUD's 2016 Equal Access Rule,¹³¹ which ensured equal access to HUD-assisted or HUD-insured housing without regard to actual or perceived sexual orientation, gender identity, or marital status. In the announcement, HUD Secretary Scott Turner stated that this approach "means getting the government out of the way of what the Lord established from the beginning when he created man in His own image."¹³² (2/7/2025) HUD also has a proposed rule regarding the Equal Access Rule, which is pending at OMB and which could further erode the housing protections for LGBTQ+ people. [451, 584, 586]
- HUD Cases. HUD now turns away cases that allege housing discrimination on the basis of sexual orientation or gender identity, stating that HUD does not view those cases as covered by the Fair Housing Act.¹³³ (5/2025) HUD has deprioritized cases based on

¹²⁹ Lori Summerfield and Chris Willis, *HUD's New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), <https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/>. Withdrawn guidance includes: FHEO Notice 2013-01: *Service Animals and Assistance Animals for People with Disabilities in Housing and HUD-funded Programs* (April 25, 2013); FHEO 2020-01: *Assessing a Person's Request to Have an Animal as a Reasonable Accommodation Under the Fair Housing Act* (Jan. 28, 2020).

¹³⁰ Trump Administration, *Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government* (Jan. 20, 2025), <https://www.whitehouse.gov/presidential-actions/2025/01/defending-women-from-gender-ideology-extremism-and-restoring-biological-truth-to-the-federal-government/>; NFHA, *Civil and Human Rights Organizations Sue Trump Administration Over Executive Orders Banning Diversity, Equity, Inclusion, Accessibility, and Erasing Transgender People* (Feb. 19, 2025), <https://nationalfairhousing.org/civil-and-human-rights-organizations-sue-trump-administration-over-executive-orders-banning-diversity-equity-inclusion-accessibility-and-erasing-transgender-people/>; NFHA, *Elimination of Federal Diversity, Equity, and Inclusion Programs Threatens Economic Stability and National Security* (Jan. 22, 2025), <https://nationalfairhousing.org/elimination-of-federal-diversity-equity-and-inclusion-programs-threatens-economic-stability-and-national-security/>.

¹³¹ 24 C.F.R. § 5.106.

¹³² HUD, *Secretary Scott Turner Halts Enforcement Actions of HUD's Gender Identity Rule* (Feb. 7, 2025), https://www.hud.gov/press/press_releases_media_advisories/hud_no_25_026.

¹³³ Jesse Coburn, *How the Trump Administration Is Weakening the Enforcement of Fair Housing Laws*, ProPublica (May 15, 2025), <https://www.propublica.org/article/trump-hud-weakening-enforcement-fair-housing-laws>.

“gender identity,” stating that it is a “novel and tenuous” legal theory and has withdrawn related guidance.¹³⁴ (9/16/2025) [558]

Rolling back established housing rights for immigrants

- HUD/ICE Collaboration. HUD and the Department of Homeland Security (DHS) entered into a Memorandum of Understanding to collaborate to identify undocumented immigrants who are ineligible for Federal housing assistance and take remedial actions, including referral for immigration enforcement action.¹³⁵ (3/24/2025) These and other DHS actions are designed to use agency data to target immigrants and erode their feeling of safety and security in their homes.
- FHA Mortgages for DACA Recipients. HUD eliminated the non-permanent resident category from FHA’s Single Family Title I and Title II programs (which applied to DACA, pending asylum, pending refugee status, and H1-B immigrants).¹³⁶ (3/26/2025) Although HUD’s Press Release framed this action as preventing undocumented immigrants from accessing FHA mortgage benefits, FHA has never allowed undocumented immigrants to access those loans. In fact, the non-permanent resident category was established under HUD Secretary Ben Carson, who was appointed by the Trump Administration.¹³⁷ [509]
- USDA Loans for Non-Citizens. USDA rescinded its policy that provided temporary eligibility for non-Citizens with social security numbers and work authorization to apply for its Single Family Housing Guaranteed Loan Program.¹³⁸ (3/18/2025) The temporary eligibility was provided in 2022 because the existing categories of eligible immigration statuses did not include some categories of immigrants who were authorized to live and work in the United States. [509]
- Language Access. After the administration issued an executive order designating English as the official language of the United States,¹³⁹ HUD announced it would only use

¹³⁴ Lori Summerfield and Chris Willis, *HUD’s New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), <https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/>. Withdrawn guidance includes: *Implementation of Executive Order 13988 on the Enforcement of the Fair Housing Act* (Feb. 11, 2021) (implementing EO 13988: Preventing and Combating Discrimination on the Basis of Sexual Orientation and Gender Identity).

¹³⁵ HUD, *HUD Secretary Scott Turner, DHS Secretary Kristi Noem Establish Partnership to End Illegal Alien Exploitation of Housing Programs* (March 24, 2025), https://www.hud.gov/press/press_releases_media_advisories/hud_no_25_046.

¹³⁶ HUD, *HUD Cracks Down on Government-Backed Mortgages for Illegal Immigrants* (March 26, 2025), <https://www.hud.gov/news/hud-no-25-048>.

¹³⁷ FHA, *Eligibility Requirements for Certain Non-Permanent Resident Borrowers*, Mortgagee Letter 2021-12 (May 28, 2021), <https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-12hsgml.pdf>

¹³⁸ USDA, *Retraction of Non-U.S. Citizen Eligibility* (March 18, 2025), <https://content.govdelivery.com/accounts/USDARD/bulletins/3d79381>.

¹³⁹ White House, *Designating English as the Official Language of the United States* (March 1, 2025), <https://www.whitehouse.gov/presidential-actions/2025/03/designating-english-as-the-official-language-of-the-united-states/>.

English for official communications and withdrew translated materials, including disaster recovery materials, fair housing videos, and HUD leases.¹⁴⁰ (8/19/2025)

- HUD Mixed-Status Rule. Under long-standing HUD regulations, “mixed-status” families (where one or more members of the family are undocumented) are permitted to live in public housing or receive vouchers, but their benefits are prorated so that the ineligible members receive no assistance and the other family members pay a greater share of the rent. HUD has drafted a rule that would make everyone in a mixed-status family ineligible for assistance, unless the undocumented family member moves out.¹⁴¹ The draft rule would also require U.S. citizens applying for or currently receiving housing assistance to provide documents proving their citizenship, such as birth or naturalization certificates. [509] (9/2025) The rule would affect thousands of families, the majority of whom are families with children.
- HUD Guidance. HUD has withdrawn guidance protecting people who may be denied housing on the basis of immigration status or English-language proficiency.¹⁴² (9/16/2025) [558-559]

3-Ignoring the threat to local communities from climate change

- Green and Resilient Retrofit Program. HUD terminated the \$1 billion Green and Resilient Retrofit Program, which would have made HUD-assisted multifamily properties safer from natural disasters.¹⁴³ (3/12/2025) Congress had approved the Green and Resilient Retrofit Program in 2022 as part of the Inflation Reduction Act, which included major investments in climate resilience.
- Community Development Block Grant – Disaster Recovery (CDBG-DR). HUD removed requirements that grantees perform fair housing assessments and certify compliance with the Fair Housing Act and other federal civil rights law when administering \$12

¹⁴⁰ Leading Age, *HUD Removes Translated Documents in New English-Only Policy* (Aug. 20, 2025), <https://leadingage.org/hud-removes-translated-documents-in-new-english-only-policy/>.

¹⁴¹ Jesse Coburn, *Millions Could Lose Housing Aid under Trump Plan*, ProPublica (Sept. 29, 2025), <https://www.propublica.org/article/trump-housing-reforms-aid-hud-immigration-homelessness>; National Housing Law Project, *Trump’s Cruel Directive to Take Away Federal Funding from Housing Authorities Who Protect Immigrants* (Aug. 28, 2025), <https://www.nhlp.org/press-release/national-housing-law-project-on-trumps-cruel-directive-to-take-away-federal-funding-from-housing-authorities-who-protect-immigrants-we-must-keep-families-whole-and-housed/>.

¹⁴² Lori Summerfield and Chris Willis, *HUD’s New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), <https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/>. Withdrawn guidance includes: *Immigration Status and Discrimination FAQ* (March 1, 2022); *OGC Guidance Fair Housing Act Protections for LEP Persons* (Sept. 15, 2016); *R8 Legal Opinion – SSN Non-Citizen Legal Memo* (Aug. 15, 2013).

¹⁴³ Ashleigh Fields, *Trump Administration Halting \$1B Affordable Housing Preservation Program*, The Hill (March 12, 2025), <https://thehill.com/homenews/administration/5190958-hud-billion-green-resilient/>. National Housing Law Project, *Tenant Advocates Urge Court of Appeals to Protect Tenants, Save Their Homes, and Uphold Preliminary Injunction* (Sept. 30, 2025), <https://www.nhlp.org/press-release/tenant-advocates-urge-court-of-appeals-to-protect-tenants-save-their-homes-and-uphold-preliminary-injunction/>.

billion in long-term disaster recovery funding.¹⁴⁴ (3/19/2025). CDBG-DR is the only federal long-term disaster recovery program and provides critical funds for housing repair and reconstruction in disaster-impacted communities across the country. These harmful changes undermine policies that were developed with direct input from disaster survivors across the nation and will make it harder for federal recovery resources to reach those most in need.

- Climate-Related Risk Management. In its capacity as conservator, FHFA issued an order rescinding FHFA's previously-issued guidance that required Fannie Mae and Freddie Mac to integrate a climate-related risk management framework into its existing enterprise risk management framework.¹⁴⁵ (3/25/2025) Similarly, the federal financial institution regulators (Board of Governors of the Federal Reserve, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency) announced the withdrawal of interagency Principles for Climate-Related Financial Risk Management for Large Financial Institutions.¹⁴⁶ (10/17/2025) [740]
- Weather Predictions. The administration cut the staff and funding for the National Weather Service and stopped tracking the cost of extreme weather.¹⁴⁷ (7/2025) The cuts to programs, staff, funding, and data have made communities more vulnerable to weather events. [664]

4-Eviscerating key agencies that provide people with access to fair & affordable housing

- HUD Fair Housing Offices. HUD has eviscerated the Office of Fair Housing and Equal Opportunity (FHEO) as well as field staff, making it nearly impossible to enforce the Fair Housing Act and provide fair housing opportunity for all.¹⁴⁸ Administration actions

¹⁴⁴ HUD, *Waivers and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees* (March 19, 2025),

<https://www.hud.gov/sites/default/files/CPD/documents/CPDUniversalnotice.pdf>; National Low Income Housing Coalition, *Statement on CDBG-DR Universal Notice Modifications* (March 21, 2025), <https://nlihc.org/resource/nlihc-statement-cdbg-dr-universal-notice-modifications>.

¹⁴⁵ FHFA, *Order Rescinding Advisory Bulletin 2024-01: Climate-Related Risk Management*, 2025-OR-FNMA-4, 2025-OR-FHLMC-4 (March 25, 2025), https://x.com/pulte/status/1904618898537750553?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Etweet.

¹⁴⁶ Federal Reserve, *Agencies Announce Withdrawal of Principles for Climate-Related Financial Risk Management* (Oct. 16, 2025),

<https://www.federalreserve.gov/newsevents/pressreleases/bcreg20251016a.htm>.

¹⁴⁷ Margaret Cooney and Cody Hankerson, Center for American Progress, *The Lasting Threat of Trump's Cuts to NOAA and NWS on American Communities* (July 10, 2025), <https://www.americanprogress.org/article/the-lasting-threat-of-trumps-cuts-to-noaa-and-nws-on-american-communities/>.

¹⁴⁸ Raymond Fernandez, *Mass Layoffs at HUD's Fair Housing Office Could Cause Enforcement to Grind to a Halt*, NOTUS (Oct. 23, 2025), <https://www.notus.org/housing/layoffs-housing-urban-development-fair-housing-office>; NFHA, *NFHA Denounces Trump Administration's Firing of Hundreds of HUD Employees during Government Shutdown* (Oct. 14, 2025), <https://nationalfairhousing.org/nfha-denounces-trump>.

include removing about 65 percent of FHEO staff, closing field offices, firing whistleblowers, firing staff for insubordination for raising questions, imposing gag orders to prevent investigation communications, stripping career officials of authority to approve settlements or issue charges, removing longstanding precedent and guidance, freezing cases, and revoking settlements. [508, 512]

- DOJ Civil Rights Division. DOJ has suspended many of the activities of the Civil Rights Division and reassigned leadership to prosecute officials from sanctuary cities that protect immigrants.¹⁴⁹ (1/31/2025) The guidance for the DOJ Civil Rights Division's Housing and Civil Enforcement section does not mention the Fair Housing Act.¹⁵⁰ (4/2025) As of October 2025, 75 percent of the attorneys in the Civil Rights Division have left or been forced out.¹⁵¹ (10/2025) [561-562, 569]
- CFPB. The CFPB has suspended the agency's activities and staff, including its ability to fully enforce the Equal Credit Opportunity Act and other consumer protection laws.¹⁵² (2/10/2025) The administration plans to lay off about 90 percent of the CFPB workforce and the agency is likely to run out of money by the end of 2025.¹⁵³ (11/2025) [839]
- Federal Housing Finance Agency. FHFA forced out staff in the following offices: Division of Public Interest Examinations (fair lending, UDAP, and consumer protection), Office of Minority and Women Inclusion, and Division of Research and Statistics, which means there is no one to monitor Fannie Mae's and Freddie Mac's compliance with fair lending laws to serve the whole of the housing market.¹⁵⁴ (3/18/2025) FHFA no longer has an

[administrations-firing-of-hundreds-of-hud-employees-during-government-shutdown/](#); NFHA, *Civil Rights Coalition Denounces HUD's Abdication of Its Fair Housing Obligations* (Sept. 23, 2025),

<https://nationalfairhousing.org/civil-rights-coalition-denounces-huds-abdication-of-its-fair-housing-obligations/>; Debra Kamin, *Trump Appointees Roll Back Enforcement of Fair Housing Laws*, NY Times (Sept. 22, 2025), <https://www.nytimes.com/2025/09/22/realestate/trump-fair-housing-laws.html>.

¹⁴⁹ Chloe Atkins and Daniel Barnes, *Trump Is Reversing the Justice Department's Civil Rights Policies*, NBC News (Jan. 31, 2025), <https://www.nbcnews.com/politics/justice-department/trump-reversing-justice-departments-civil-rights-policies-rcna189657>.

¹⁵⁰ Sam Levine, *Trump Ally Pushes DOJ Unit to Shift Civil Rights Focus*, New Messages Show, The Guardian (Apr. 18, 2025), <https://www.theguardian.com/us-news/2025/apr/18/justice-department-civil-rights-division-trump>.

¹⁵¹ Ryan Lucas, *Trump's Push to Reshape the DOJ's Civil Rights Division Sparks Mass Exodus of Attorneys*, NPR (2025), <https://www.npr.org/2025/05/12/nx-s1-5387495/trumps-push-to-reshape-the-doj-s-civil-rights-division-sparks-mass-exodus-of-attorneys>; The Justice Connection, *Urgent Message from Recent DOJ Alumni Decrying Attacks on Justice Department* (Oct. 6, 2025), <https://www.thejusticeconnection.org/wp-content/uploads/2025/10/An-Urgent-Message-from-Recent-DOJ-Alum.pdf>.

¹⁵² Chris Megerian, *Secrecy Preceded the Shutdown of The Consumer Protection Agency's Washington Headquarters*, AP (Feb. 10, 2025), <https://apnews.com/article/cfpb-trump-musk-doge-7a62161f4ed6faf43ec62075b5844e57#:~:text=Vought's%20message%20followed%20one%20on,debts%2C%20compensation%20and%20reduced%20loans>.

¹⁵³ Michael Stratford, *CFPB's Breaking Point*, Politico (Nov. 4, 2025), <https://www.politico.com/newsletters/morning-money/2025/11/04/cfpbs-breaking-point-00634453>.

¹⁵⁴ Eric Katz, *Housing Agencies Begin Closing Offices, Escorting Employees Out*, Government Executive (March 19, 2025), <https://www.govexec.com/workforce/2025/03/housing-agencies-begin-closing-offices-escorting-employees-out/403903/>.

internal watchdog as the website for the head of the Office of Inspector General (OIG) is labeled as “vacant.”¹⁵⁵ (11/3/2025)

- Fannie Mae and Freddie Mac. FHFA fired a total of 14 members of the 25 board members at Fannie Mae and Freddie Mac; installed the FHFA Director as chair of both boards (in violation of law); installed FHFA’s General Counsel, Clinton Jones, as a member on both boards; and fired Fannie Mae’s entire audit committee.¹⁵⁶ (3/17/2025) FHFA fired most of the officers and staff in the Office of Minority and Women Inclusion at Fannie Mae and Freddie Mac; Freddie Mac’s CEO (Diana Reid), COO, head of HR, and SVP of Mission and Community Engagement; and Fannie Mae’s fair lending officers.¹⁵⁷ (3/18/2025) Fannie Mae’s CEO (Priscilla Almodovar) stepped down unexpectedly and was replaced by the COO, and Fannie Mae’s General Counsel (Danielle McCoy) was replaced by a deputy general counsel (Tom Klein).¹⁵⁸ (10/27/2025)

5-Jeopardizing people’s data privacy and protections from unfair algorithms

- Unfair Algorithms. The administration rescinded the federal government’s framework for responsible artificial intelligence (AI), allowing AI and other automated systems to experiment on the people of America in housing and financial services without the guardrails of a safe, secure, and trustworthy auditing framework.¹⁵⁹ (1/20/2025) [59-60]
- Personal Data. Without security clearances or training, Elon Musk and DOGE gained access to the personal, confidential data of the people of America through government

¹⁵⁵ Cassandra Dumay, *Top Watchdog Out at FHFA*, Politico (Nov. 3, 2025),

<https://subscriber.politicopro.com/article/2025/11/top-watchdog-out-at-fhfa-00634168>.

¹⁵⁶ Rachel Siegel, *Trump Team Shakes Up Mortgage Giants As It Weighs Their Futures*, Washington Post (March 19, 2025), <https://www.washingtonpost.com/business/2025/03/18/fannie-mae-freddie-mac-fhfa-overhaul-mortgage/>; Lew Sichelman, *Pulte Cleans House at GSEs*, National Mortgage Professional (March 18, 2025), <https://nationalmortgageprofessional.com/news/pulte-cleans-house-gses>.

¹⁵⁷ James Kleimann and Chris Clow, *ESG Team at Fannie Mae Has Been Terminated*, HousingWire (April 25, 2025), <https://www.housingwire.com/articles/esg-team-at-fannie-mae-has-been-terminated-sources/>; Katy O’Donnell, *Housing Regulator in Upheaval as Executives, Employees Put on Leave*, Politico (March 20, 2025), <https://www.politico.com/news/2025/03/20/employees-placed-on-leave-at-top-housing-regulator-00240298>.

¹⁵⁸ Keith Griffith, *Fannie Mae CEO Exits Abruptly as Trump Considers Taking the Mortgage Giant Public*, Realtor.com (Oct. 27, 2025), <https://www.realtor.com/news/real-estate-news/fannie-mae-ceo-priscilla-almodovar/>; Ryan Kingsley, *New Head of Single Family, General Counsel Named at Fannie Mae* (Oct. 27, 2025), <https://www.scotsmanguide.com/news/new-head-of-single-family-general-counsel-named-at-fannie-mae/>.

¹⁵⁹ Trump Administration, *Initial Rescissions of Harmful Executive Orders and Actions* (Jan. 20, 2025), <https://www.whitehouse.gov/presidential-actions/2025/01/initial-rescissions-of-harmful-executive-orders-and-actions/>; NFHA, *NFHA Outlines Key Considerations for OSTP Director Michael Kratsios* (April 1, 2025), <https://nationalfairhousing.org/national-fair-housing-alliance-outlines-key-considerations-for-ostp-director-michael-kratsios/>; NFHA, *NFHA President and CEO Lisa Rice Issues Statement on Trump Administration’s AI Plan and Executive Orders* (July 5, 2025), <https://nationalfairhousing.org/national-fair-housing-alliance-nfha-president-and-ceo-lisa-rice-issues-statement-on-the-trump-administrations-ai-plan-and-executive-orders/>.

databases.¹⁶⁰ For example, DOGE gained access to HUD's Enforcement Management System which contains medical records, financial files, Social Security numbers, medical details, and addresses of domestic violence survivors. (2/26/2025)

- HUD Guidance. HUD withdrew guidance regarding the application of the Fair Housing Act to housing-related technology, such as tenant screening.¹⁶¹ (9/2025) [558]

¹⁶⁰ Jesse Coburn, *DOGE Gains Access to Confidential Records on Housing Discrimination, Medical Details - Even Domestic Violence*, ProPublica (Feb. 26, 2025), <https://www.propublica.org/article/doge-elon-musk-hud-housing-discrimination-privacy-domestic-violence>.

¹⁶¹ Lori Summerfield and Chris Willis, *HUD's New Direction in Fair Housing Act Enforcement and Rescission of Certain FHEO Guidance*, Troutman Pepper Locke Consumer Financial Services Law Monitor (Sept. 29, 2025), <https://www.consumerfinancialserviceslawmonitor.com/2025/09/huds-new-direction-in-fair-housing-act-enforcement-and-rescission-of-certain-office-of-fair-housing-and-equal-opportunity-guidance/>. Withdrawn guidance includes: *DOJ Press Release on AI Discrimination in Tenant Screening* (Jan. 9, 2023); *Louis et al. v. SafeRent et al. U.S. Statement of Interest (tenant screening algorithm)* (Jan. 9, 2023); *Guidance on Application of the Fair Housing Act to the Advertising of Housing, Credit, and Other Real Estate-Related Transactions through Digital Platforms* (Apr. 29, 2024).