

**United States Senate
Committee on Banking, Housing, and Urban Affairs**

**Testimony of Matthew M. Jones
Nominee for Assistant Secretary for Housing – Federal Housing Commissioner
U.S. Department of Housing and Urban Development**

Chairman Scott, Ranking Member Warren, Members of the Committee,

It's an honor to return to this hearing room, to a Committee I once staffed, as President Trump's nominee to lead FHA and serve as Assistant Secretary for Housing. I want to thank the President for the confidence he has placed in me, and Secretary Turner for his support, friendship, and mentorship. Thank you, also, to Chairman Crapo for the kind introduction.

My father, Mark, is here. His example as a dad and as an entrepreneur taught me the fundamentals of leadership and paved the way for me to be sitting here today. My mom, Toni, is also here, and I will always be grateful for her love and support over the years.

I'm also joined by my in-laws, Gene and Jolanta, as well as Dave Gahm, a lifelong mentor of mine, all of whom traveled a long way to be here today.

Most of all, I want to recognize my incredible wife of 11 years Victoria, who is my partner on this great journey of life, who pushes me every day to grow in virtue, and who has made immense sacrifices in ways that are known, and ways that will never be known, to make this type of career possible for our family.

God has blessed us with four incredible daughters - Kate, Lily, Josephine, and Philippa, who are also here today. They're the reason I do everything. No one has a bigger stake in our nation's future than our children. And housing is foundational to family formation and securing the American dream for the generations that come after us.

This is the defining housing challenge of our time. Young Americans today are getting married later, having children later, and in survey after survey, they cite the cost and unavailability of housing as a primary reason why. This has to change. At FHA, we see a huge opportunity. Every business

day, over 3,000 American families purchase a home with an FHA loan - most of whom are first-time homebuyers. That's 3,000 opportunities each day for us to improve.

Over the past year and a half leading the FHA Single Family program, we have worked tirelessly to tackle the cost structure of FHA origination and servicing, to embrace better technology, and to facilitate faster home construction.

We have already cut a lot of red tape, streamlining over 150 FHA program requirements, which has translated to meaningful cost reductions for consumers. As just one example, if you are looking to purchase a newly constructed home with FHA financing, we've already saved you somewhere between \$15,000 and \$30,000 by reversing heavy-handed and burdensome energy code requirements that were scheduled to take effect.

To ensure that families have an advantage in the homebuying process, we are banning large institutional investors from purchasing single family homes. This includes guidance we are finalizing which will ban large institutions from purchasing HUD REO properties or participating in single family note sales.

To drive affordability for renters, we have already delivered across-the-board insurance premium reductions and streamlined regulations within our multifamily portfolio. We plan to build on this momentum by leveraging new technology to shorten turn-times.

Within our healthcare portfolio, we instituted and will continue to fine-tune our 232 Express Lane to underwrite low-risk applications and facilitate better financing of residential care facilities.

We are also leading the way in facilitating housing innovation. Last week on the National Mall, we showcased a two-story manufactured home, the first ever built, and made possible through one of our rulemakings. Paired with the implementation of the 21st Century ROAD legislation, we are looking at a generational opportunity to accelerate the construction of non-site built housing, reduce its cost, and increase its appeal to the American people - arguably the biggest change since the HUD code was established in 1976. You can count on this being a priority for us.

We are also leading a major transformation in the use of alternative credit scores at FHA - the first in decades for our program. Effective three months from today, FHA will accept two new credit score models for underwriting approval. This will benefit our insurance fund through improved predictive power and will benefit responsible young consumers who have done everything right, made payments on time, but may not yet see those trends reflected under older models. Not to mention - this will create competitive pressure to continue to sharpen these models while also bringing down the cost of pulling a credit report.

We have charted an ambitious roadmap for the future. It won't be easy, but we have a phenomenal team that is energized, focused, and ready to navigate the path forward. I'd be honored to have your support to keep doing this work for my family's future, and for all Americans. Thank you, and I look forward to your questions.