

United States Senate

WASHINGTON, DC 20510

August 29, 2025

The Honorable William J. Pulte
Director
Federal Housing Financing Administration
400 7th St SW
Washington, D.C. 20219

Dear Director Pulte:

Despite a January 20th executive order calling for emergency price relief, the nation has seen the housing crisis worsen under President Trump and your leadership as Director of the Federal Housing Finance Agency (FHFA).¹ Rather than use the tools of your office to address the crisis and lower housing costs for families, reports indicate that your primary focus in recent months as Director appears to be a “relentless” campaign on the status of the Federal Reserve Bank’s building renovations that is “laying the groundwork” for a pretext to fire Chairman Jerome Powell.² Now, you continue to misdirect your focus by launching a new campaign against other Fed officials, rather than work relentlessly to lower housing costs for the American people—resulting in an unprecedented attempt by the President to terminate Fed Governor Lisa Cook this week.³ We urge you to reorder your priorities and begin taking meaningful actions to bring affordable housing and homeownership into reach for the American people.

While our nation’s housing crisis has been building over several decades,⁴ price pressures accelerated under the first Trump Administration and continue to worsen under his current term. House prices have increased by 3% since last year,⁵ with existing home prices hitting an all-time high in June.⁶ Median asking rents are 41% higher than they were in 2020 under the first Trump

¹ The White House, “Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis,” Executive Order, January 20, 2025, <https://www.whitehouse.gov/presidential-actions/2025/01/delivering-emergency-price-relief-for-american-families-and-defeating-the-cost-of-living-crisis/>.

² The Wall Street Journal, “The Home-Builder Heir Who Is Stoking the Jerome Powell Frenzy,” Gina Heeb, July 17, 2025, <https://tinyurl.com/bdhd2hut>; See also Vox, “The Trump administration attack dog you should pay attention to,” Andrew Prokop, July 29, 2025, <https://www.vox.com/politics/421362/bill-pulte-fhfa-powell-schiff-james-fed-chair>.

³ The New York Times, “Housing Official’s Push on Mortgage Fraud Gives Trump a Political Weapon,” Alan Rappeport, August 26, 2025, <https://www.nytimes.com/2025/08/26/us/politics/housing-mortgage-fraud-trump-lisa-cook.html>.

⁴ Brookings Institute, “America’s housing affordability crisis and the decline of housing supply,” Edward Glaeser and Joseph Gyourko, March 26, 2025, <https://www.brookings.edu/articles/americas-housing-affordability-crisis-and-the-decline-of-housing-supply/>.

⁵ FHFA, “House Price Index Datasets (Quarterly Purchase-Only Data, Seasonally Adjusted),” Accessed on July 21, 2025, <https://www.fhfa.gov/data/hpi/datasets?tab=quarterly-data>.

⁶ Wall Street Journal, “Home Prices Hit Record High in June, Dragging Down Sales,” Nicole Friedman, July 23, 2025, <https://tinyurl.com/bdfatpxh>.

Administration.⁷ Meanwhile, the cost of building materials are up and housing-related insurance premiums are expected to rise thanks to President Trump's chaotic tariff policies.⁸ This, in turn, has pushed housing starts down and plummeted housing developer confidence to a near-historic low in June.⁹ It's no wonder that more households than ever are paying well over 30% of their incomes on rent,¹⁰ homelessness continues to rise,¹¹ and the median ages of both first-time and repeat homebuyers are at historic highs.¹² Your and the broader Administration's lack of attention to climate-related financial risks and the dismantling of fair housing and fair lending protections stand to make matters irreversibly worse for generations to come.¹³

As FHFA Director, you have a legitimate role to play in addressing these issues. Instead of spinning rumors about the Federal Reserve Chair's retirement or taking credit for credit scoring actions and title insurance pilots created by former FHFA Director Sandra Thompson under the Biden Administration,¹⁴ you could demonstrate an actual commitment to improving the everyday lives of the American people and work to make housing more affordable for them. To that end, we offer the following suggestions for how you can begin to address these issues, lower housing finance costs, and expand access to housing and homeownership:

⁷ US Census Bureau, "Housing Vacancies and Homeownership (CPS/HVS) (Table 11A/B. Quarterly Median Asking Rent and Sales Price of the U.S. and Regions: 1988 to Present)," Accessed on July 21, 2025, <https://www.census.gov/housing/hvs/data/histtabs.html>.

⁸ NBC News, "From lumber to lighting: How Trump's tariffs drive up home construction costs," Alex Ford and Jiachuan Wu, July 6, 2025, <https://www.nbcnews.com/specials/house-construction-cost-tariff-change/>; See also Insurance Business Magazine, "Tariffs threaten to push insurance costs higher for US households," Kenneth Araullo, April 8, 2025, <https://www.insurancebusinessmag.com/us/news/property/tariffs-threaten-to-push-insurance-costs-higher-for-us-households-531425.aspx>.

⁹ U.S. Census Bureau, "Monthly New Residential Construction," June 2025, July 18, 2025, <https://www.census.gov/construction/nrc/current/index.html>; See also National Association of HomeBuilders, "Builder Sentiment at Third Lowest Reading Since 2012," Robert Dietz, June 17, 2025, <https://eyeonhousing.org/2025/06/builder-sentiment-at-third-lowest-reading-since-2012/>.

¹⁰ Harvard Joint Center for Housing Studies, "Housing Cost Burdens Climb to Record Levels (Again) in 2023," Peyton Whitney et al., December 3, 2024, <https://www.jchs.harvard.edu/blog/housing-cost-burdens-climb-record-levels-again-2023>.

¹¹ U.S. Department of Housing and Urban Development, "Annual Homelessness Assessment Report to Congress," December 2024, <https://www.huduser.gov/portal/datasets/ahar/2024-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html>.

¹² National Association of Realtors, "Young Buyers Continue to Be Fenced Out of Homeownership," Jessica Lautz, January 7, 2025, <https://www.nar.realtor/blogs/economists-outlook/young-buyers-continue-to-be-fenced-out-of-homeownership>.

¹³ Scotsman Guide, "FHFA's Pulte rescinds a series of Biden-era housing policies," Jeff Bond, March 26, 2025, <https://www.scotsmanguide.com/news/fhfa-pulte-rescinds-a-series-of-biden-era-housing-policies/>; See also FHFA, "Repeal of Fair Lending, Fair Housing, and Equitable Housing Finance Plans Regulation Proposed Rule," Press release, July 28, 2025, <https://www.fhfa.gov/regulation/federal-register/proposed-rulemaking/repeal-of-fair-lending-fair-housing-and-equitable-housing-finance-plans-regulation-proposed-rule..>

¹⁴ FHFA, "FHFA Announces Validation of FICO 10T and VantageScore® 4.0 for Use by Fannie Mae and Freddie Mac," October 24, 2022, <https://www.fhfa.gov/news/news-release/fhfa-announces-validation-of-fico-10t-and-vantagescore-4.0-for-use-by-fannie-mae-and-freddie-mac>; See also FHFA, "Director Sandra Thompson's Statement on Title Acceptance Pilot," March 7, 2024, <https://www.fhfa.gov/news/statement/director-sandra-thompsons-statement-on-title-acceptance-pilot>.

1. Carefully study the impacts of potential Fannie Mae and Freddie Mac reprivatization on consumers and the housing market

As outlined in a prior letter to you from Democratic Senators, economists have warned that reprivatizing Fannie Mae and Freddie Mac (collectively, “the Enterprises”) could have disastrous effects on the mortgage market, driving up costs for homebuyers even further.¹⁵ For example, some experts have estimated that mortgage rates could increase by up to 1% in the first year of privatization alone.¹⁶ In fact, recent polling shows that 65% of voters from across the political spectrum believe “Trump’s plans to privatize Fannie Mae and Freddie Mac will raise costs and make it even harder for them to achieve home ownership,” with 83% of all voters, including 75% of Republicans, specifically concerned that reprivatization will raise mortgage interest rates.¹⁷ You can help support lending affordability by pausing any efforts to reprivatize the Enterprises and instead study the potential effects of reprivatization on the mortgage market to avoid raising costs on families and weakening the stability of the broader housing market.

2. Increase support for lending related to the affordable housing goals and duty to serve

Under the Enterprises’ respective Charter Acts, they are required to support lending activity that increases access to affordable housing and housing in underserved communities. Every three years, FHFA approves the Enterprises’ Housing Goals and Duty to Serve Underserved Markets Plans to support lending for affordable, multifamily, and manufactured housing. However, the Enterprises, especially Fannie Mae, have often trailed the overall market on these types of investments.¹⁸ FHFA could strengthen these plans by increasing the benchmark levels for both single-family and multifamily housing.

3. Support affordable multifamily construction and rehabilitation lending

Currently, the Enterprises do not purchase loans for affordable multifamily construction or rehabilitation. While some research has indicated that higher losses are associated with construction lending,¹⁹ FHFA should explore ways that the Enterprises can support liquidity for multifamily construction and rehabilitation lending for federally-subsidized and mixed-income developments that predominantly serve the lowest income households (making at or below 80% of the area median income) who disproportionately lack adequate housing supply.²⁰ The

¹⁵ US News, “Mortgages Under Trump: What Happens if He Privatizes Fannie Mae and Freddie Mac?,” Erik J. Martin, May 22, 2025, <https://money.usnews.com/loans/mortgages/articles/mortgages-under-trump-what-happens-if-he-privatizes-fannie-mae-and-freddie-mac>

¹⁶ *Id.*

¹⁷ Groundwork Collaborative, “There’s No Place Like Home: How Trump Is Making Housing Unaffordable,” July 21, 2025, <https://groundworkcollaborative.org/news/theres-no-place-like-home-how-trump-is-making-housing-unaffordable/>.

¹⁸ National Community Reinvestment Coalition, “FHFA Comment Letter re: 2025–2027 Enterprise Housing Goals,” October 21, 2024, <https://www.fhfa.gov/sites/default/files/2024-10/NCRC%20comment%20on%20AHGs%2025-27.pdf/>.

¹⁹ Federal Deposit Insurance Corporation, “Determinants of Losses on Construction Loans: Bad Loans, Bad Banks, or Bad Markets?,” August 2021, <https://groundworkcollaborative.org/wp-content/uploads/2025/07/Trump-Housing-Unaffordable-Fact-Sheet.pdf>.

Enterprises could also focus on lending for projects that use lower-cost modular construction methods and office-to-housing conversions that help minimize construction costs.²¹

4. Support lending for models that preserve long-term affordability

FHFA could require the Enterprises to prioritize lending for nonprofit and local government-driven housing models, such as community land trusts (CLTs), public housing, and other federally subsidized developments that preserve long-term affordability in local communities. For example, CLTs use ground leases to mitigate the cost of land as a part of housing costs which help make homeownership and rental housing costs more affordable compared to traditional market rate housing.²² FHFA could build on Freddie Mac's existing work with communities to help establish CLTs and educate the lending industry to provide loans to CLTs and CLT homebuyers.²³

5. Support fair housing and fair lending initiatives

In your time as FHFA Director, you have rescinded support for first-time homebuyers by ending Special Purpose Credit Programs sponsored by the Enterprises, which help lenders expand access to credit for underserved borrowers.²⁴ In fact, you recently moved to repeal an FHFA rule requiring comprehensive fair housing and fair lending compliance requirements for the Enterprises, along with the requirement that they conduct Equitable Housing Finance Planning.²⁵ To help expand access to credit and revive the dream of homeownership for millions across the country, you could reinstate these programs and initiatives that Fannie Mae and Freddie identified in their 2025-2027 Equitable Housing Finance Plans as helping first-time, first-

²⁰ National Low Income Housing Coalition, "The Gap: A Shortage of Affordable Homes," July 2025, <https://nlihc.org/gap>.

²¹ Urban Institute, "Encouraging Modular Construction Could Help Address the Housing Shortage," Laurie Goodman and Matthew Pruitt, September 19, 2024, <https://www.urban.org/urban-wire/encouraging-modular-construction-could-help-address-housing-shortage>; See also American Planning Association, "How Adaptive Reuse Can Help Solve the Housing Crisis," Tatiana Walk-Morris, May 1, 2021, <https://www.planning.org/planning/2021/spring/how-adaptive-reuse-can-help-solve-the-housing-crisis/>.

²² Freddie Mac, "How Community Land Trusts Can Make Homebuying More Affordable," September 6, 2024, <https://myhome.freddiemac.com/blog/homebuying/how-community-land-trusts-can-make-homebuying-more-affordable>; See also The Gainesville Sun, "Community land trusts are a powerful tool to help get housing costs under control," Frank Wells, June 8, 2022, <https://www.gainesville.com/story/opinion/2022/06/08/frank-wells-community-land-trusts-lower-housing-costs-residents/7531908001/>; See also Urban Institute, "Do Community Land Trusts Improve Resident Outcomes?," Jakob Kendall Schneider et al., February 21, 2024, <https://housingmatters.urban.org/research-summary/do-community-land-trusts-improve-resident-outcomes>.

²³ Freddie Mac, "Community Land Trust (CLT) Mortgages," Accessed on July 21, 2025, <https://sf.freddiemac.com/working-with-us/origination-underwriting/mortgage-products/community-land-trust-clt-mortgages>; See also Freddie Mac, "Overview for Community Land Trust," March 5, 2025, <https://guide.freddiemac.com/app/guide/section/4502.1>.

²⁴ National Mortgage Professional, "GSEs Ordered To Terminate Special Purpose Credit Programs," Aaron Marsh, March 26, 2025, <https://nationalmortgageprofessional.com/news/gses-ordered-terminate-special-purpose-credit-programs>; See also National Fair Housing Alliance and Mortgage Bankers Association, "Special Purpose Credit Programs Toolkit," Accessed on July 21, 2025, <https://spcptoolkit.com/>.

²⁵ FHFA, "Repeal of Fair Lending, Fair Housing, and Equitable Housing Finance Plans Regulation Proposed Rule," Press release, July 28, 2025, <https://www.fhfa.gov/regulation/federal-register/proposed-rulemaking/repeal-of-fair-lending-fair-housing-and-equitable-housing-finance-plans-regulation-proposed-rule>; See also Post on X by Pulte, March 25, 2025, <https://x.com/pulte/status/1904633180604481753>.

generation, and higher income, lower wealth homebuyers overcome barriers related to downpayment and closing costs.²⁶ According to a 2021 Fannie Mae survey, “[i]f Black and white Hispanic low-income first-time homebuyers’ median closing costs as a percent of purchase price had been equal to those of their white non-Hispanic counterparts in our sample, their costs would have been reduced by \$180 and \$379, respectively.”²⁷

6. Recommence Implementation of Tenant Protections

In 2023, FHFA issued a request for input regarding the need for tenant protections in multifamily housing that is financed with mortgages backed by the Enterprises, which totals over 8 million housing units. FHFA already provides limited tenant protections for manufactured housing residents living in communities that are purchased using Enterprise-backed financing, including requiring 30-day written notices for pad lease rent increases, 12-month renewable lease terms, grace periods for late rental payments, among others. Rather than improve housing stability for renters, you rescinded these efforts upon your confirmation as FHFA Director.²⁸ By enforcing tenant protections, including curbing exorbitant rent hikes, FHFA can help stabilize renters and the housing market.

7. Transition to bi-merge credit reporting system

In fact, between 2021 and 2022, “median total loan costs rose sharply, increasing by 21.8 percent on home purchase loans,” which includes the rising costs of credit scores and reports that are a burden on lenders and borrowers.²⁹ In some cases, these costs have increased by 400%.³⁰ To address this issue, former FHFA Director Thompson announced efforts to transition to a bi-merge credit report system where lenders would only be required to utilize 2 out of 3 consumer credit reports when making underwriting determinations.³¹ Director Thompson had announced the bi-merge transition alongside her approval of updated credit scoring models, including both FICO 10T and Vantage Score 4.0 which includes rental payment histories to better capture borrower creditworthiness.³² Taken together, these changes “expected to reduce costs and encourage innovation, without introducing additional risk to the Enterprises.”³³ However, you have yet to fully implement FICO 10T and the bi-merge credit report system as intended, which

²⁶ Fannie Mae, “Equitable Housing Finance Plan 2025 – 2027,” January 2024, <https://business.cch.com/BFLD/Fannie-Mae-2025-2027-EHFP-11252024.pdf>; See also Freddie Mac, “Equitable Housing Finance Plan 2025 – 2027,” January 2024, <https://business.cch.com/BFLD/Freddie-Mac-2025-2027-EHFP-11252024.pdf>.

²⁷ Fannie Mae, “Barriers to Entry: Closing Costs for First-Time and Low-Income Homebuyers,” Nuno Mota and Mark Palim, December 2021, <https://www.fanniemae.com/media/42286/display>.

²⁸ The Real Deal, “Bill Pulte rescinds renter rights tied to Freddie, Fannie,” March 26, 2025, <https://therealdeal.com/national/2025/03/26/bill-pulte-rescinds-renter-rights-tied-to-freddie-fannie/>.

²⁹ Consumer Financial Protection Bureau, “Junk fees are driving up housing costs. The CFPB wants to hear from you,” Julie Margetta Morgan, March 8, 2024, <https://www.consumerfinance.gov/about-us/blog/junk-fees-are-driving-up-housing-costs-the-cfpb-wants-to-hear-from-you/>.

³⁰ *Id.*

³¹ FHFA, “FHFA Announces Key Updates for Implementation of Enterprise Credit Score Requirements,” February 29, 2024, <https://www.fhfa.gov/news/news-release/fhfa-announces-key-updates-for-implementation-of-enterprise-credit-score-requirements>.

³² *Id.*

³³ FHFA, “FHFA Announces Validation and Approval of FICO 10T and VantageScore 4.0 Credit Score Models,” <https://www.fhfa.gov/sites/default/files/2024-02/CS-Fact-Sheet-2022.pdf>.

has raised “more questions than answers” for the mortgage industry about how to proceed.³⁴ Implementing FICO 10T and bi-merge as intended would help fully effectuate intended cost-savings for lenders and borrowers alike.

8. Increase the Federal Home Loan Banks’ (FHLBs) Affordable Housing Program (AHP) Investments

The FHLBs were established in the 1930s to shore up liquidity for the mortgage and housing industries during the Great Depression.³⁵ Under current statute, FHLBs are required to invest 10% of their net profits, or not less than \$100 million system-wide, in AHPs in the form of grants or subsidized advances.³⁶ This funding helps localities and nonprofits rehabilitate or build new housing, assist people experiencing homelessness, support first-time homebuyers with downpayments and closing costs, among other activities. From 1990 to 2023, the FHLBs contributed nearly \$8 billion to AHPs.³⁷ While several FHLBs now voluntarily invest 15% of net proceeds to their AHPs (a 5% increase above the statute), it is clear that more can be done. For example, despite Congressional efforts to limit excessive FHLB executive compensation,³⁸ in 2024, the FHLBs “spent more on compensation and benefits (\$859 million) than on housing programs[...], including paying 31 executives across the system over \$1 million dollars in compensation.”³⁹ FHFA could work with Congress to encourage FHLBs to invest at least 20% of net profits.⁴⁰ Indeed, in its 100-year review of the FHLB System in 2023, FHFA stated that “a doubling of the statutory minimum contribution for the AHP [increase to 20% total] would be one of the most significant means of increasing the FHLBs’ engagement in these activities.”⁴¹

Housing and the American dream of homeownership are the backbone of this country. Now is the time to deliver emergency price relief, as the President has called on you to do. We thank you for your attention to this critical issue.

³⁴ HousingWire, “FHFA clarifies key VantageScore 4.0 implementation questions,” James Kleimann, July 15, 2025, <https://www.housingwire.com/articles/fhfa-clarifies-key-vantagescore-4-0-implementation-questions/>.

³⁵ FHFA Office of Inspector General, “An Overview of the Federal Home Loan Bank System,” March 31, 2023, <https://www.fhfaig.gov/sites/default/files/WPR-2023-002.pdf>.

³⁶ Pub. L. 72–304

³⁷ FHFA, “2023 FHLBank Targeted Mission Activities Report,” October 2024, <https://www.fhfa.gov/sites/default/files/2024-11/2023-FHLB-Targeted-Mission-Activities-Report-FINAL.pdf>.

³⁸ Senator Cortez Masto, “Senator Cortez Masto, Cortez Masto, Banks Introduce Legislation to Address Excessive Executive Pay Within Federal Home Loan Banks System,” Press Release, June 10, 2025, <https://www.cortezmasto.senate.gov/news/press-releases/cortez-masto-banks-introduce-legislation-to-address-excessive-executive-pay-within-federal-home-loan-banks-system/>.

³⁹ Consumer Federation of America, “A Government-Sponsored Banking System that Spends More on Salaries than on Housing? An Analysis of 2024 Financial Data,” Avinash Chivakula and Sharon Cornelissen, May 30, 2025, <https://consumerfed.org/a-government-sponsored-banking-system-that-spends-more-on-salaries-than-on-housing-an-analysis-of-2024-financial-data/>.

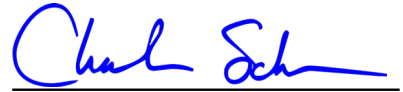
⁴⁰ Letter from Senators Warren and Cortez Masto to FHLB System, July 30, 2024, <https://www.warren.senate.gov/newsroom/press-releases/warren-cortez-masto-lead-colleagues-in-urging-federal-home-loan-banks-nationwide-to-contribute-more-to-affordable-housing>; See also Letter from Congresswoman Waters to FHFA, July 24, 2024, <https://democrats-financialservices.house.gov/news/documentsingle.aspx?DocumentID=410703>.

⁴¹ FHFA, “FHLBank System at 100: Focusing on the Future,” November 2023, <https://www.fhfa.gov/sites/default/files/2024-12/FHLBank-System-at-100-Report.pdf>.

Sincerely,



Elizabeth Warren
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Charles E. Schumer
United States Senator



Cory A. Booker
United States Senator