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Senators ask: What's the cost of not addressing America's affordable housing problems?

Send letter to U.S. Government Accountability Office

[Brena Swanson](#)

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A bipartisan group of Senators sent a letter to the **U.S. Government Accountability Office**, asking them evaluate America's "troubling" housing market.

And, to figure out where the government is letting down the American people in the housing market.

The group of Senators includes Lindsey Graham, R-S.C., Susan Collins, R-Maine, Tim Scott, R-S.C., Johnny Isakson, R-Ga., Christopher Coons, D-Del., and Michael Bennet, D-Colo.

The GAO, a nonpartisan agency that works for Congress, investigates how the federal government spends taxpayer dollars. By sending the letter, the senators are requesting the agency to figure out how much it would cost taxpayers to fix affordable housing.

In the letter to Gene Dodaro, comptroller general and head of the GOA, it asks him to assess, "What is the cost of inaction?"

Or, in other words, "What is the long-term impact of failing to respond to the current conditions in the housing market with effective public-policy interventions?"

As it stands, the current states of the single-family and rental sectors are "troubling," the letter said.

According to the latest U.S. Home Affordability Index from **ATTOM Data Solutions**, housing affordability [sits at a decade low](#), as low levels of housing inventory push home prices up.

The letter to the GAO lists four areas of concern for the housing market:

1. *The national homeownership rate now stands at 63.7% after dropping to a 50-year low in the second quarter of 2016. The homeownership rates for minority households and young adults have decline significantly over the past eight years.*
2. *According to the **Harvard Joint Center for Housing Studies**, more than 11 million renter households are “severely burdened” by housing costs, spending in excess of 50% of their income on rent alone.*
3. *There is an acute shortage of affordable homes for America’s lowest-income families. The **U.S. Department of Housing and Urban Development** recently reported in 2015 there were just 38 affordable and available rental units for every 100 “extremely low-income” renters.*
4. *Only one in four eligible households receives federal rental assistance. Many communities allocate this assistance through long waiting lists or by lottery.*

There is some positive news in these numbers though. While the [homeownership rate](#) for every other demographic is decreasing, the rate for Hispanics is [increasing](#) and is projected to continue to rise.

Interesting enough, just as the bipartisan letter asks the government to assess the affordable housing situation in the country, a lot of the key factors to increase Hispanic homeownership lie in the hands of the government.

For example, President Donald Trump repeatedly [states his intent](#) for less regulatory standards, including [his plan](#) to “dismantle” the Dodd-Frank Wall Street Reform Act, which could give lenders more freedom

to originate loans outside traditional qualified mortgages, and perhaps, extend more lines of credit to the Hispanic population.

But, on the other hand, Trump's proposed [HUD budget eliminates](#) several affordable housing programs.

The answer to the letter from the Senators should give a better picture of what the future will look like, especially with all the changing variables.

Looking at the situation in a more positive light, the letter ultimately asks, "How could the United States benefit in terms of increased productivity, job creation, economic growth, and tax-revenue generation if comprehensive policies were enacted to support sustainable homeownership, increase the supply of affordable rental homes and alleviate excessive rent burdens?"



Brena Swanson is the Digital Reporter for HousingWire.com, providing expert coverage on Millennials, lending and housing. Brena joined the HousingWire news team in February 2013, also serving in the roles of Reporter and Content Specialist. Brena graduated from Evangel University in Springfield, Missouri. Follow Brena on twitter at @BrenaSwanson.