NATIONAL ASSOCIATION OF REALTORS®

500 New Jersey Avenue, N.W.
Washington, DC 20001-2020
202.383.1194 Fax 202.383.7580
https://www.NAR.REALTOR/political-advocacy/federal-advocacy

Kevin Sears
2024 President

WRITTEN TESTIMONY OF

DR. JESSICA LAUTZ

DEPUTY CHIEF ECONOMIST AND VP OF RESEARCH

NATIONAL ASSOCIATION OF REALTORS®

BEFORE THE

U.S. HOUSE FINANCIAL SERVICES COMMITTEE

SUBCOMMITTEE ON HOUSING AND INSURANCE

HEARING TITLED

"THE CHARACTERISTICS AND CHALLENGES OF TODAY'S HOMEBUYERS"

MARCH 20, 2024

Executive Summary

Chairman Davidson, Ranking Member Cleaver, and members of the Committee: Thank you for inviting me to testify at this hearing.

I am Jessica Lautz, Deputy Chief Economist and Vice President of Research at the National Association of REALTORS® (NAR). I manage the research team, gathering pertinent and timely housing data and overseeing research related to the real estate industry.

NAR Research produces monthly reports on pending and existing-home sales data. The Existing-Home Sales release provides information on closed transactions by region, the median home price, inventory listings, and survey results from our members about other important factors affecting the housing market, such as the number of first-time homebuyers, cash transactions, and distressed property sales. We also produce quarterly reports on metro home prices. NAR research also publishes annual and special reports that track consumer behavior, such as the *Profile of Home Buyers and Sellers*.

Making up nearly 20 percent of the U.S. economy, the housing industry, and specifically the REALTORS® who serve residential and commercial property buyers and sellers, are vital to promoting homeownership, which is the foundational bridge to financial security for consumers. With the current housing market challenges of low inventory and the erosion of housing affordability, consumers know it is critical to have a REALTOR® aid in the transaction, given their enhanced training, earned expertise, and subscription to NAR's Code of Ethics.

Most of America's 1.5 million REALTORS® are small business owners, and 89% are classified as independent contractors. The typical REALTOR® is 60 years old, female (62%), and has 11 years of experience. Key to our discussion today is the impact of the lack of inventory, housing affordability, who can enter today's market, and, importantly, who is locked out of the housing market. Housing inventory and affordability are the most pressing concerns among REALTORS®, with 50% believing it is the most important factor preventing their clients from completing a home purchase.

At 4.09 million in 2023, the annual number of existing-home sales was the lowest recorded since 1995. While January 2024 shows an increase in existing home sales, this follows a retraction in the housing market due to limited inventory and an erosion in housing affordability.

The housing market continues to have a deficit in housing inventory compared to housing demand. In January of 2024, 1.1 million existing homes were available on the market. In comparison, in March of 2020, 1.49 million existing homes were available for purchase. As a consequence of the underproduction of new homes, the typical age of homes purchased was 38 years, and 85% of homes purchased were existing, as opposed to newly-built homes.

Due to the lack of housing inventory, bidding wars for homes are more frequent. In January 2024, the typical seller received 2.7 offers, and 16% of homes sold over the list price. Home prices continue to rise due to constrained housing inventory. From March 2020 to January 2024 existing home prices have climbed 35.7% while household family income has climbed 22.9%. In the fourth quarter of 2023, 15% of metro areas had double-digit home price gains.

Low mortgage interest rates helped spur home sales activity between 2020 and 2022, hitting a low of 2.71% in December 2020. However, fewer buyers could afford the housing market as interest rates rose. Mortgage interest rates have remained in the 6% range for 14 weeks, coming down from a peak in the Fall of 2023. The lock-in effect of the rise in mortgage interest rates has affected housing inventory. Home buyers who purchased a $350,000 home at 3.5% compared to a 7% mortgage interest rate have an increased monthly payment of $683. Even with a motivating factor such as a new job or family change, they may be financially unable to make the change.

Not all buyers are affected by mortgage interest rates. In the last month, 32% of home buyers did not use a mortgage to purchase their home. This is the highest share since June of 2014. In the last six months, 19% of primary residence buyers, 56% of vacation buyers, and 42% of small investors made all cash purchases. The most common type of loan product used is conventional financing. Since 2009, the share of home buyers who used FHA financing has dropped by about half.

First-time home buyers continue to struggle to enter the housing market, lacking the housing equity that boosts the purchasing power of repeat buyers. First-time buyers accounted for 32% of primary residence buyers last year, which remains well under the historical norm of 40%. While there is a smaller share of first-time buyers, they are also older than they have been historically. In the 1980s, the typical first-time buyer was in their late 20s; however, they are now in their mid-30s. Among first-time buyers who are able to enter the market successfully are those with household incomes of nearly $25,000 more than those of the year prior. They are also more likely to use financial assets such as 401K, stocks and bonds. This is the first year since data collection began in 1997 that the use of stocks, bonds, or other retirement savings exceeds family transfers of wealth for a downpayment.

Ultimately, homeownership is where people reside. There is a changing makeup of home buyers as demographics evolve. The share of single home buyers is 29% percent of the overall market, up from 21% in 1981, while married couples purchasing has declined to 59% from a high of 81% in the 1980s. This has implications regarding how housing affordability influences not only single buyers with single incomes but also the size of homes they may want or need. Additionally, as the share of older and repeat buyers has grown, the share of home buyers with children under the age of 18 has dropped to a historic low of 30%. Fourteen percent of all home buyers are purchasing a multi-generational home. This could house an elderly relative, adult children over 18, or families of other makeups for cost savings and to buy a larger home.

The homeownership rate has risen for each racial and ethnic group in the last decade, with Asian and Hispanic households at all-time highs. Despite gains, there remains a 28% percentage point difference in the homeownership rate between white and Black/African American households. The hurdles to homeownership for non-whites are often compounded as these racial groups are more likely to be first-time home buyers with the benefit of housing equity to contribute to the purchase of a home.

While it is hard to attain homeownership, the typical homeowner has benefitted from the rise in home prices. The typical net worth of a homeowner in 2022, as reported by the Board of Governors of the Federal Reserve, is just under $400,000, compared to just over $10,000 for a renter. Thus, the wealth held by homeowners is 40 times that of a renter. Housing wealth can be used to help children attend college, pay for remodeling costs on the home, in retirement, or even help their own children achieve the dream of homeownership. Homeownership also comes with a number of social benefits, such as educational achievement, civic participation, health benefits, property maintenance, and improvement.

For many, the financial benefits and potential pathways into homeownership are unknown. For prospective home buyers, taking a grant program course, attending a home buying counseling program, or a first-time buyer class is not as common. Additionally, many do not consider FHA or VA loan products, which could bring homeownership closer within reach, as there is a lack of understanding of these loan products.

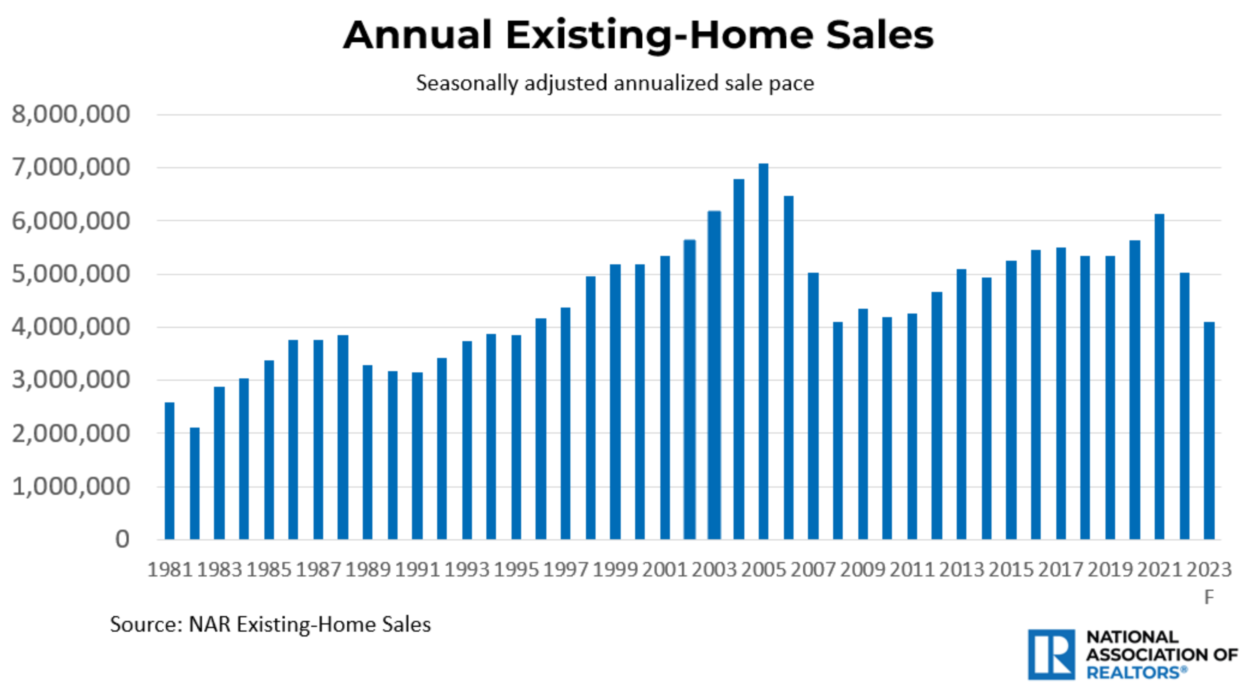
There have also been significant legal developments in real estate in the last week that could potentially shift how buyer representatives are compensated. REALTORS® play a pivotal role in the real estate transaction, especially for first-time and low to moderate-income buyers, serving as a trusted advisor in one of the most important financial decisions of their lives. These potential shifts in the market could push homebuyers without cash to pay for professional representation out of the market. NAR is seeking to clarify that existing mortgage finance rules, which assume seller pay commissions, will continue. If not, limits on seller contributions may need to be adjusted. Veteran buyers using VA loans are also currently prohibited from paying for buyer representation under the Department's guidelines. Should the market shift in a way that buyers are expected to pay for representation, Veterans could be left out of the market, forced to forego professional representation, or forced to use a different, less favorable loan product.

Thank you for the opportunity to present my views today.

THE CHARACTERISTICS AND CHALLENGES OF TODAY'S HOMEBUYERS

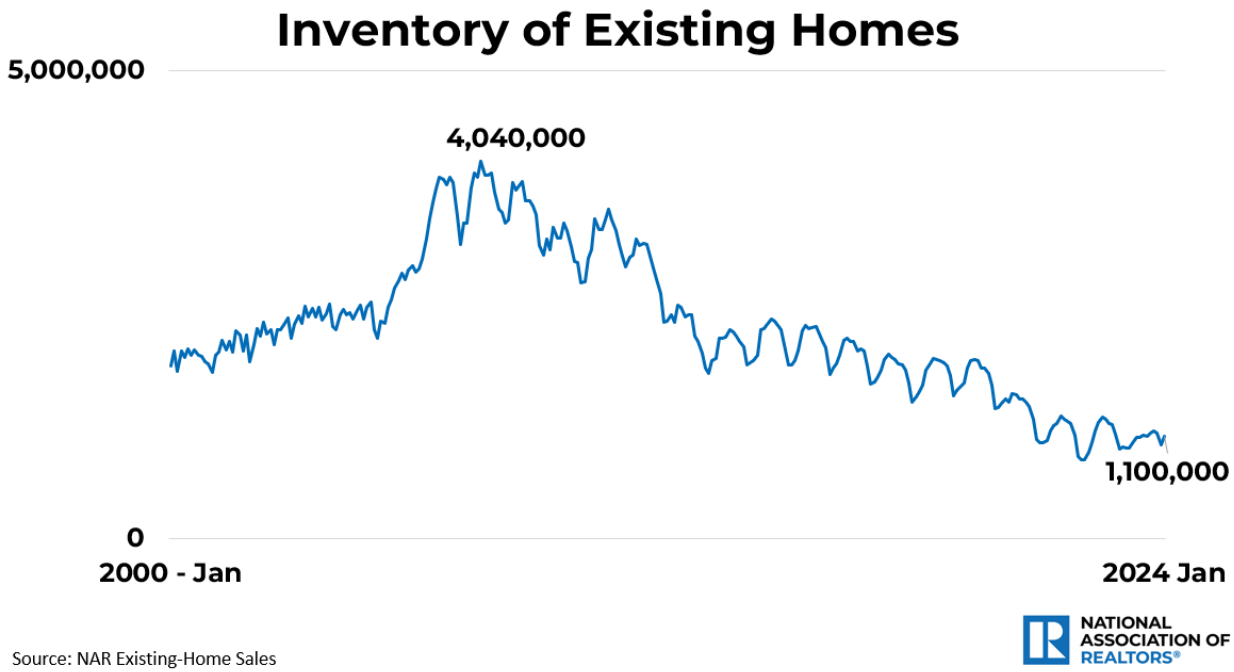
Housing Market

At 4.09 million in 2023, the annual amount of existing-home sales was the lowest number recorded since 1995, when it was 3.85 million. In 1995, the population of the U.S. was 266.6 million, and 1.58 million homes were available for purchase. Today, the U.S. population is 336.0 million, and in December of 2023, there were 870,000 available homes to purchase. The decline in home sales in 2023 follows increased sales activity in 2020 and 2021. Housing consumers utilized lower mortgage interest rates and found properties outside dense city centers during the COVID-19 pandemic. While January 2024 shows an increase in existing-home sales of 3.1%, this is following a retraction in the housing market due to limited inventory and an erosion in housing affordability.



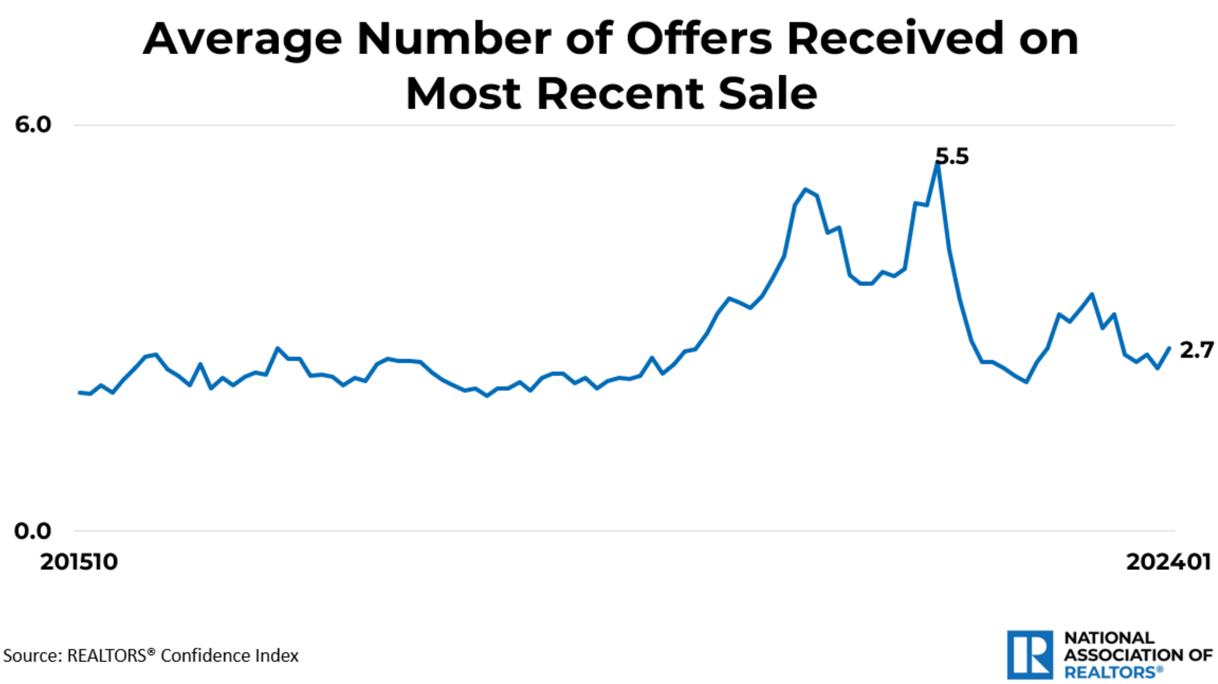
Housing Inventory

The housing market continues to have a deficit in housing inventory compared to housing demand. In January of 2024, 1.1 million existing homes were available on the market. In comparison, in March of 2020, 1.49 million existing homes were available for purchase. Due to underbuilding following the Great Recession (2010 to 2019) and the reduction in new home building during the COVID-19 pandemic, the dearth of supply of homes was exacerbated by an increase in home sales. While home-building activity during over a decade would typically be 15 million, it only totaled 9.9 million between 2010 and 2019.



Source: NAR Existing-Home Sales

Due to the lack of housing inventory, bidding wars for homes are more frequent between interested home buyers, as shown in NAR's REALTOR® Confidence Index. Between October 2015 and February 2020, a home seller's average number of offers received was 2.3. Between March 2020 and January 2024, the average number of offers from a buyer a seller receives is 3.4, with the most recent average of 2.7 in January 2024. Bidding wars peaked in the data history at 5.5 offers in April 2022. In January of 2024, the typical seller sold their home in 36 days, with 16% of homes selling above the list price.



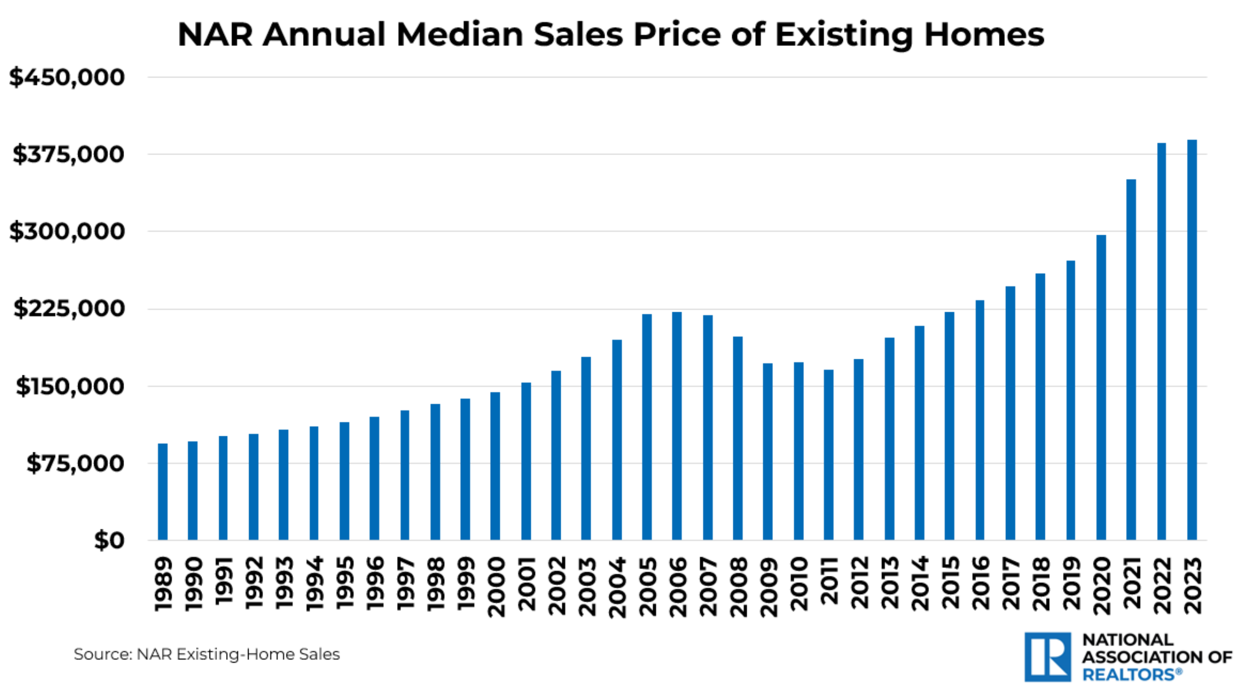
Source: REALTORS® Confidence Index

Housing Affordability

Home Prices

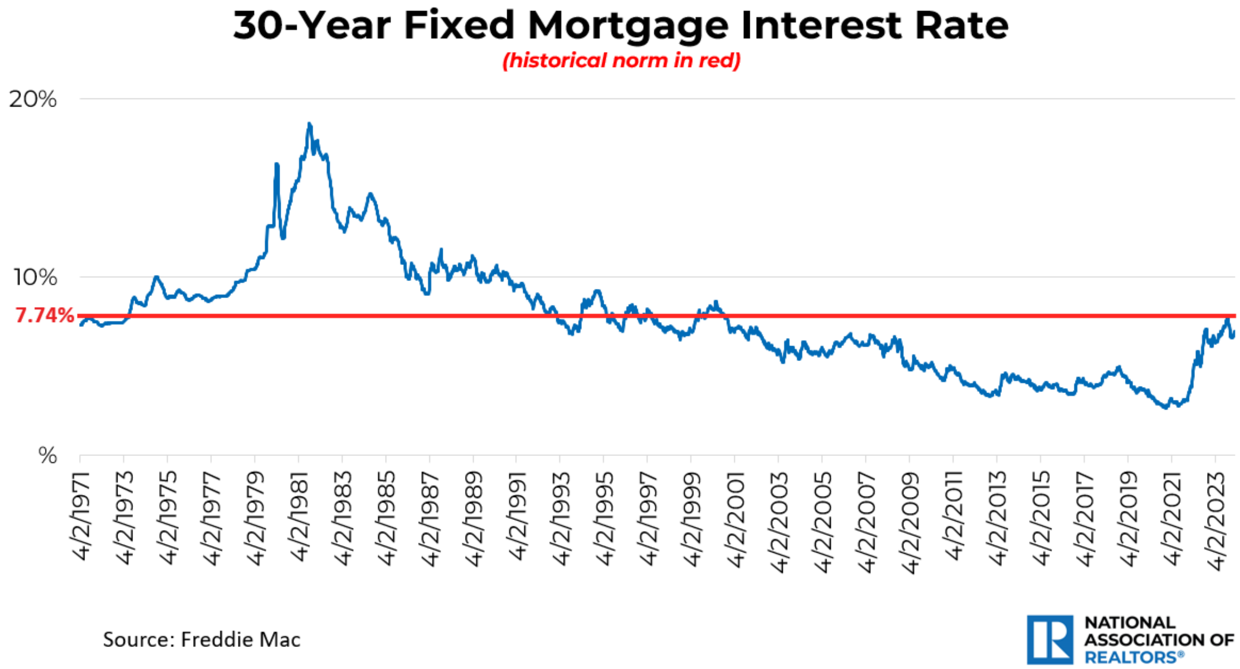
The median existing-home sales price hit a record high in 2023 at $389,300, up from $386,400 in 2022. Home prices continue to rise due to constrained housing inventory. While there was some softening of home prices in limited areas of the country as mortgage interest rates climbed from all-time lows to recent highs, home prices have again shown gains. Based on NAR's Housing Affordability Index data, from March 2020 to January 2024, existing-home prices have climbed 35.7% while household family income has climbed 22.9%. NAR's forecast expects existing-home prices will continue to climb in 2024 by 1.4% nationally.

Eight of the ten metro areas that are the most expensive in the country are in California, with Urban Honolulu, Hawaii, and Boulder, Colorado, following close behind. The most affordable metro areas are Decatur, IL; Elmira, NY; Peoria, IL; Youngstown-Warren-Boardman, OH-PA; and Cumberland, MD-WV. However, while these areas are relatively more affordable, four of the five continued to see quarterly gains in home prices. In 85% of the 221 metro markets tracked by NAR, there were fourth-quarter 2023 home price gains. In 15% of metro areas, there were double-digit home price gains.



Mortgage Interest Rates

Using Freddie Mac data, the average 30-year fixed mortgage interest rate dating to 1971 was 7.74%. During the COVID-19 pandemic, the lowest point of mortgage rates was 2.71% in December 2020. Low mortgage interest rates helped spur home sales activity between 2020 and 2022, but fewer buyers could afford the housing market as interest rates rose. As of March 14, 2024, mortgage interest rates are at 6.74%. Mortgage interest rates have remained in the 6% range since December 14, 2023.



While mortgage interest rates for the 30-year fixed mortgage have reduced since the recent peak in October of 2023 of 7.79%, they are still considerably higher than home buyers may have on their current property. This is likely creating a lock-in effect as homeowners may not be able to afford to make even a lateral trade with the rise in mortgage interest rates. For instance, if a homeowner refinanced their mortgage at 3.5%, their mortgage payment on a $350,000 home with a 20% down payment is $1,180. If the homeowner needed to move to accommodate a family or career change and were to purchase a new property at $350,000, with a 20% down payment and a mortgage interest rate of 7%, their mortgage payment would be $1,863—a monthly increase of $683.

Mortgage Payment on a $350,000 Home With a 20% Downpayment	
Mortgage Interest Rate	Mortgage Payment
2.0%	$1,035
3.0%	$1,180
4.0%	$1337
5.0%	$1,503
6.0%	$1,679
7.0%	$1,863
8.0%	$2,055

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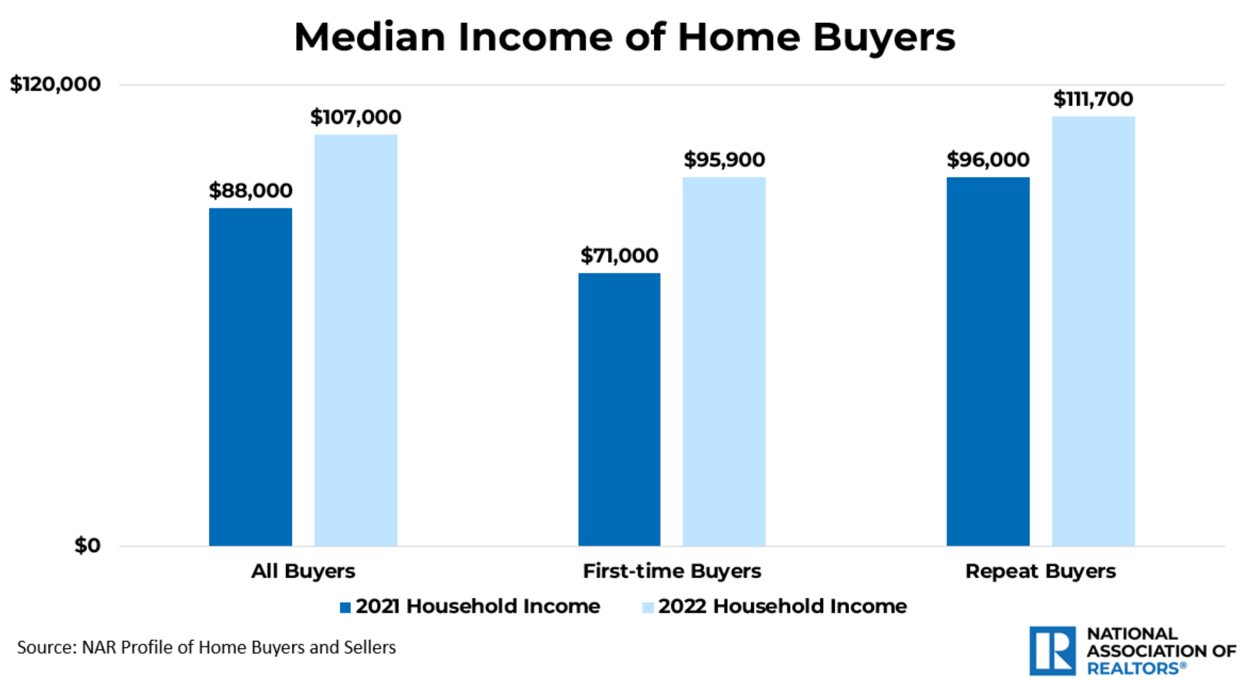
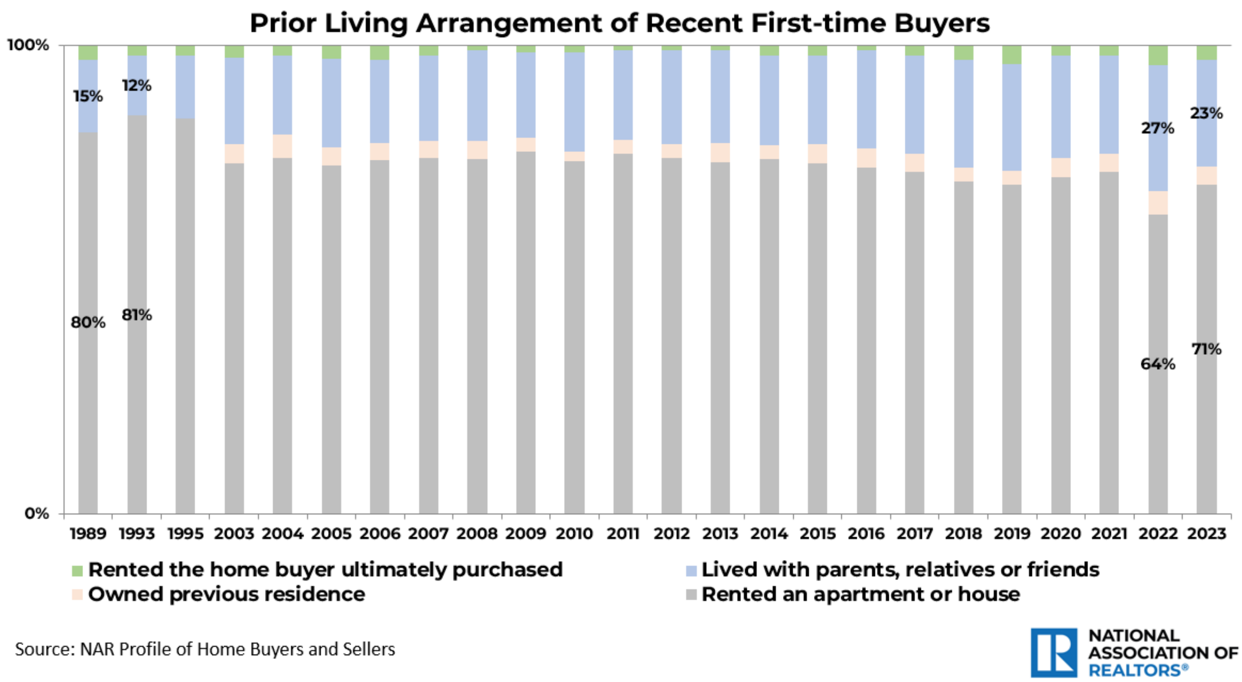
Financial Situation of Recent Home Buyers

Due to decreased housing affordability, the median household income of a home buyer in the 2023 *Profile of Home Buyers and Sellers* increased by $19,000 in one year, and the median household income of a first-time buyer increased by nearly $25,000 in one year.

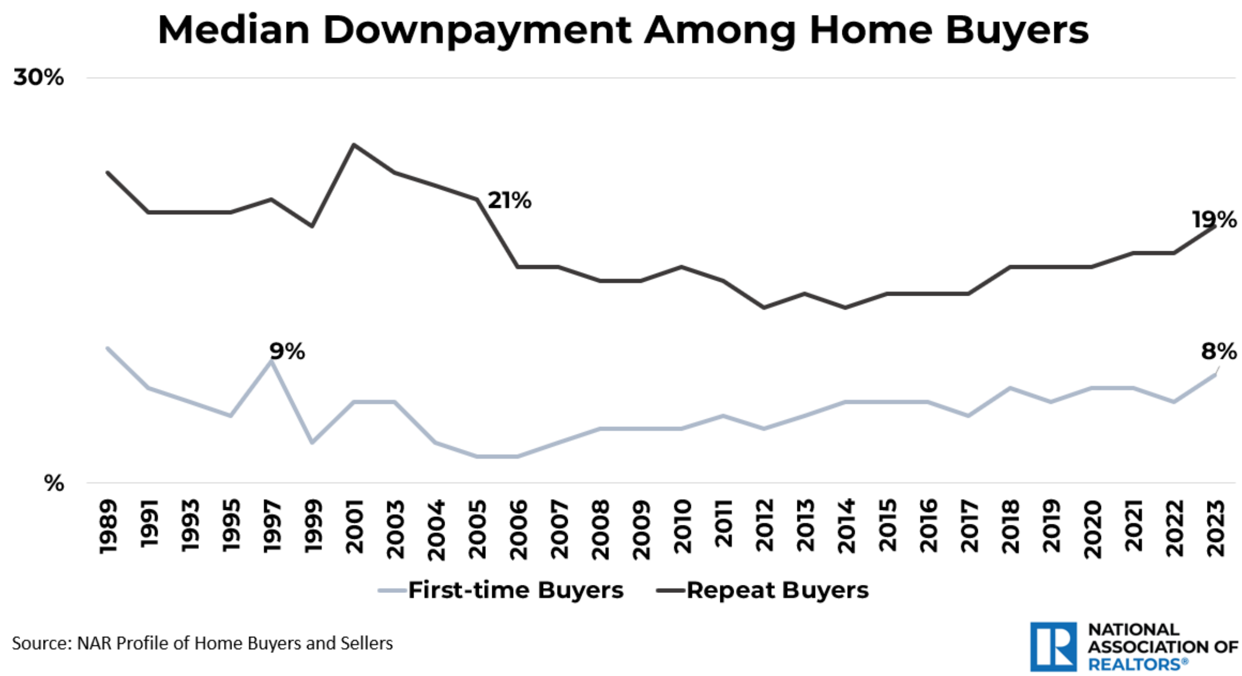


First-time home buyers were more likely to use retirement savings, stocks, and bonds for their downpayment than the previous year, 24% compared to 20% in 2022. Thus, the typical home buyer had both a higher household income and was likely wealthier than buyers in past years. Notably, 23% of recent first-time home buyers did use a generational transfer of wealth, such as a gift or loan, for their downpayment. This is the first year since data collection began in 1997 that using stocks, bonds, or other retirement savings exceeds family transfers of wealth.

In recent years, an elevated share of first-time buyers also moved directly from their family members' homes into homeownership. Half of these recent buyers did pay rent to their families, but NAR does not track if the rent paid is market value rent. This is a method to assist these first-time buyers in entering homeownership. In 1989, 15% of first-time buyers lived with family before purchasing a home. In 2023, 23% lived with family before purchasing a home.

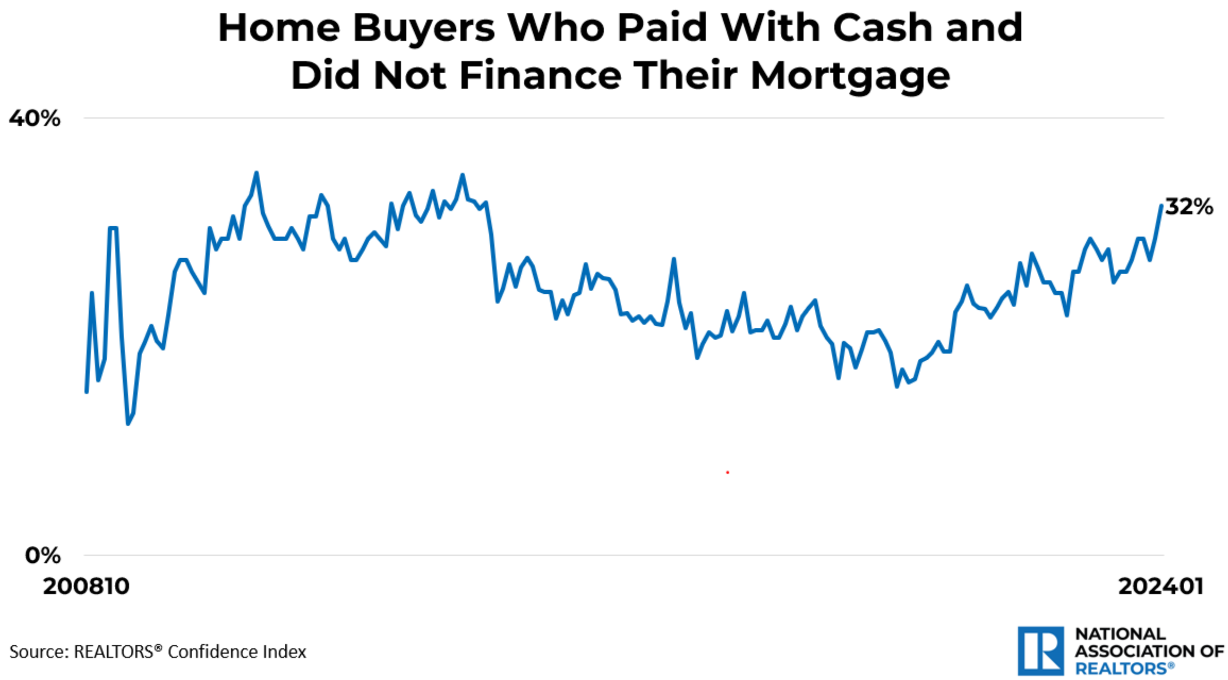


The downpayment of successful home buyers Is the highest in two decades. First-time buyers had a downpayment of 8%, and repeat buyers had a downpayment of 19%. Home buyers have higher incomes and may be able to save more. Home buyers also face a housing market with limited inventory and multiple offers. To have an offer accepted, home buyers may be offering higher downpayments. For repeat buyers, they have housing equity, which has grown with the rise in home prices and has allowed them to put down more money on their next property. Putting a larger down payment for a home is also a way to avoid the full impact of higher mortgage interest rates.

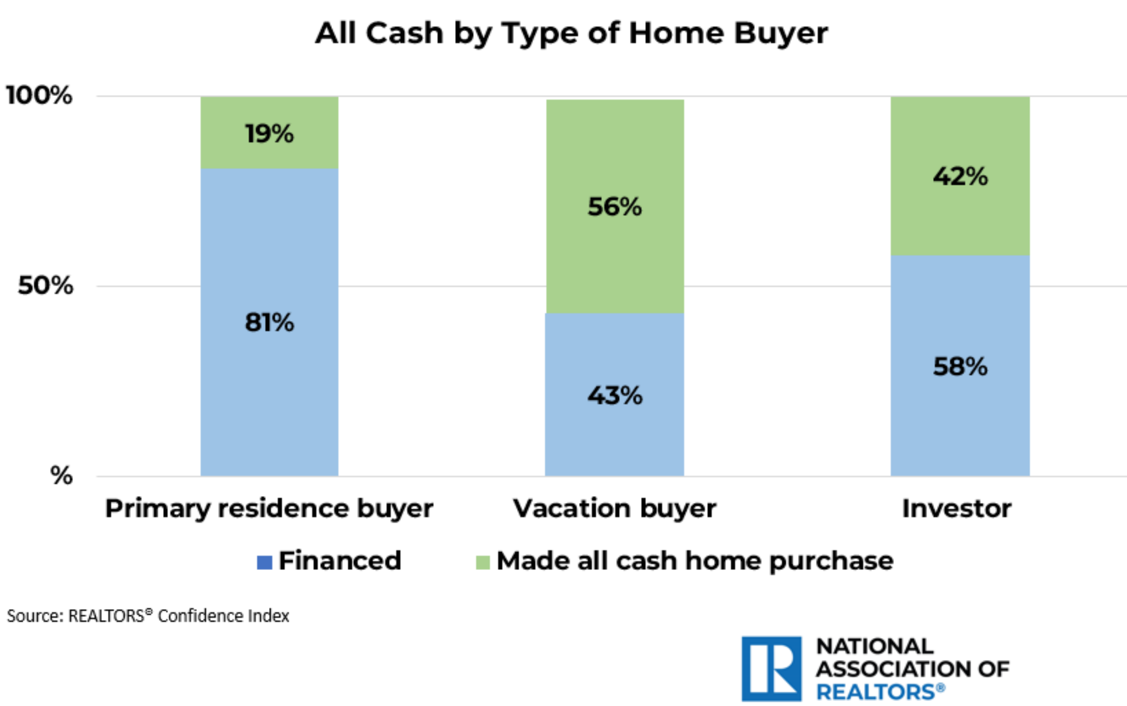


All-Cash Home Buyers

While mortgage interest rates have risen from all-time lows in recent years, all-cash buyers are growing, according to NAR's REALTORS® Confidence Index. All-cash home buyers have trended up significantly in recent months. Since October 2022, all-cash home buyers who did not finance their recent home purchase have accounted for more than one-quarter of the real estate market. In January 2024, all-cash buyers now account for 32% of home sales. The last time all-cash buyers stood this high was in June 2014.



Using data from the last six months of the *REALTORS® Confidence Index,* vacation home buyers, and investors are more likely to be using all cash. However, primary residence buyers are actively purchasing using all cash. Fifty-six percent of vacation home buyers, 42% of investors, and 19% of primary residence buyers did not finance their mortgage in the last six months.



According to the *Profile of Home Buyers and Sellers*, which is based solely on primary residence buyer data, in 2003, just 10% of repeat home buyers were able to make an all-cash home purchase. In 2023, 26% of repeat buyers were able to purchase without financing. This remains uncommon among first-time buyers; however, 6% of first-time buyers made an all-cash purchase in 2023 compared to 4% in 2003.

This is due to two factors: all-cash buyers who are also repeat buyers have earned a large amount of housing equity with home price gains. Additionally, all cash buyers are more likely to move longer distances, which is likely to be a more affordable location. For all cash primary residence buyers, they moved a median of 60 miles, with 29% moving 500 miles or more. In comparison, only 16% moved 500 miles or more among those who financed their home purchase, and the median distance moved was just 18 miles.

Source: NAR *Profile of Home Buyers and Sellers*

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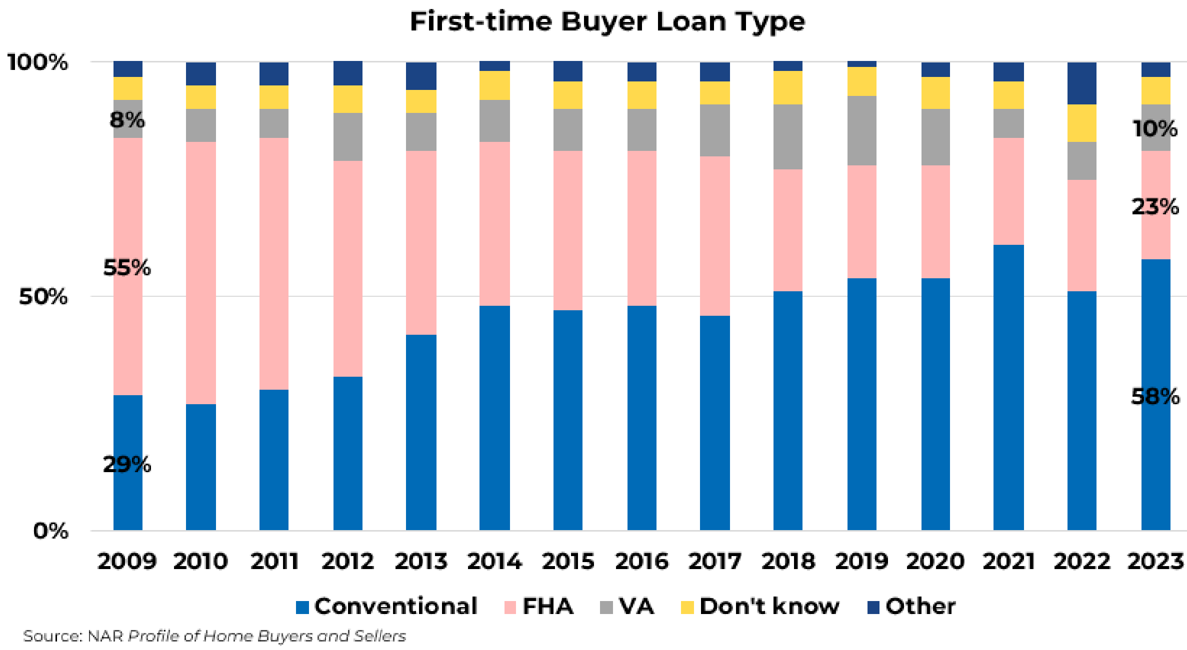
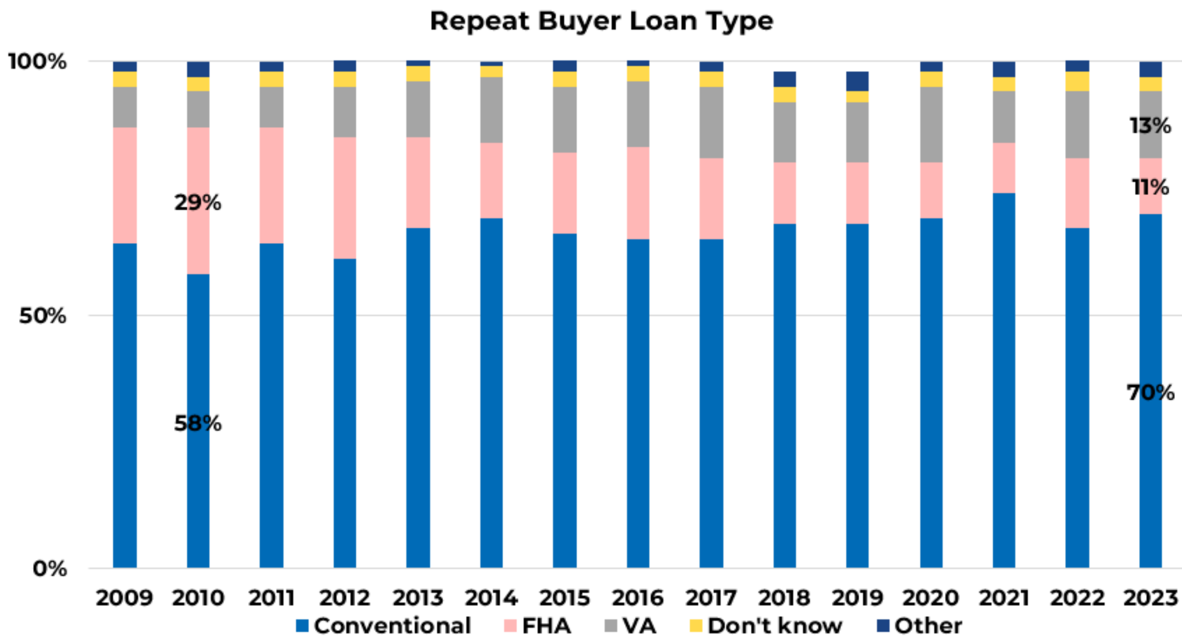
Financing the Home Purchase

Conventional financing is the most common type of loan product used according to the Profile of Home Buyers and Sellers. This is true of both first-time buyers and repeat buyers. Since 2009, the share of buyers who have used FHA financing has declined. In 2009, 55% of first-time buyers and 23% of repeat buyers used FHA financing. In the 2023 Profile, 23% of first-time buyers and 11% of repeat buyers used FHA financing. VA financing has fluctuated between 6% and 15% for first-time buyers and between 7% and 15% for repeat buyers.





Source: NAR *Profile of Home Buyers and Sellers*

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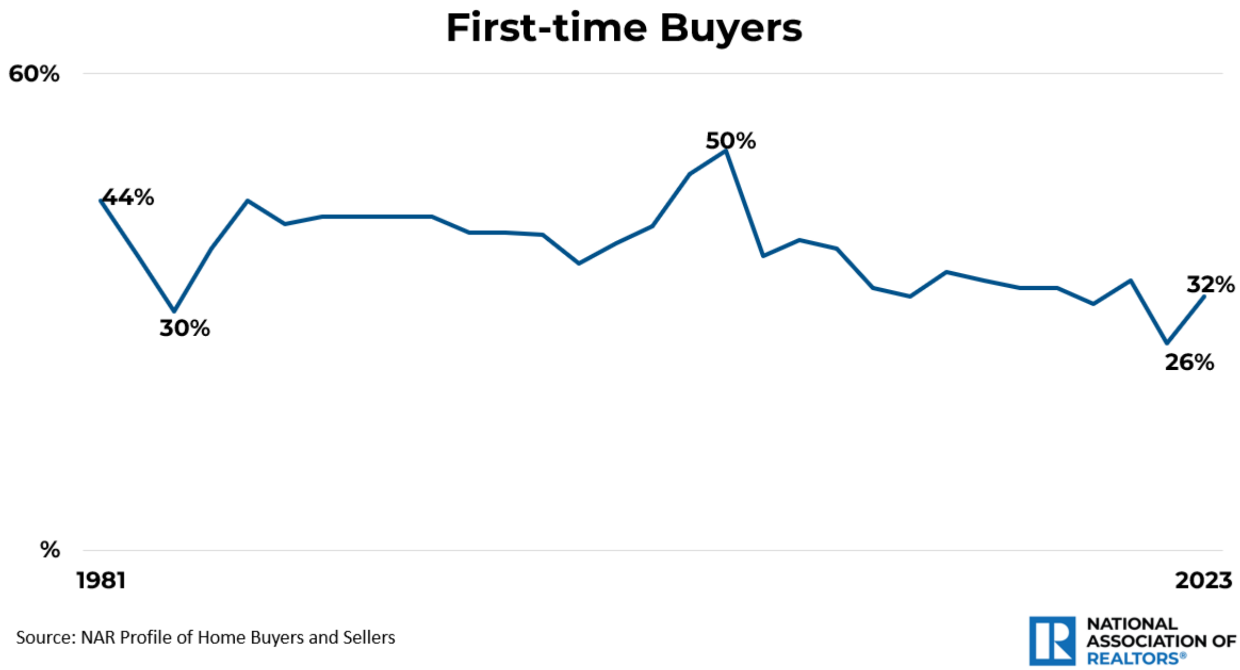
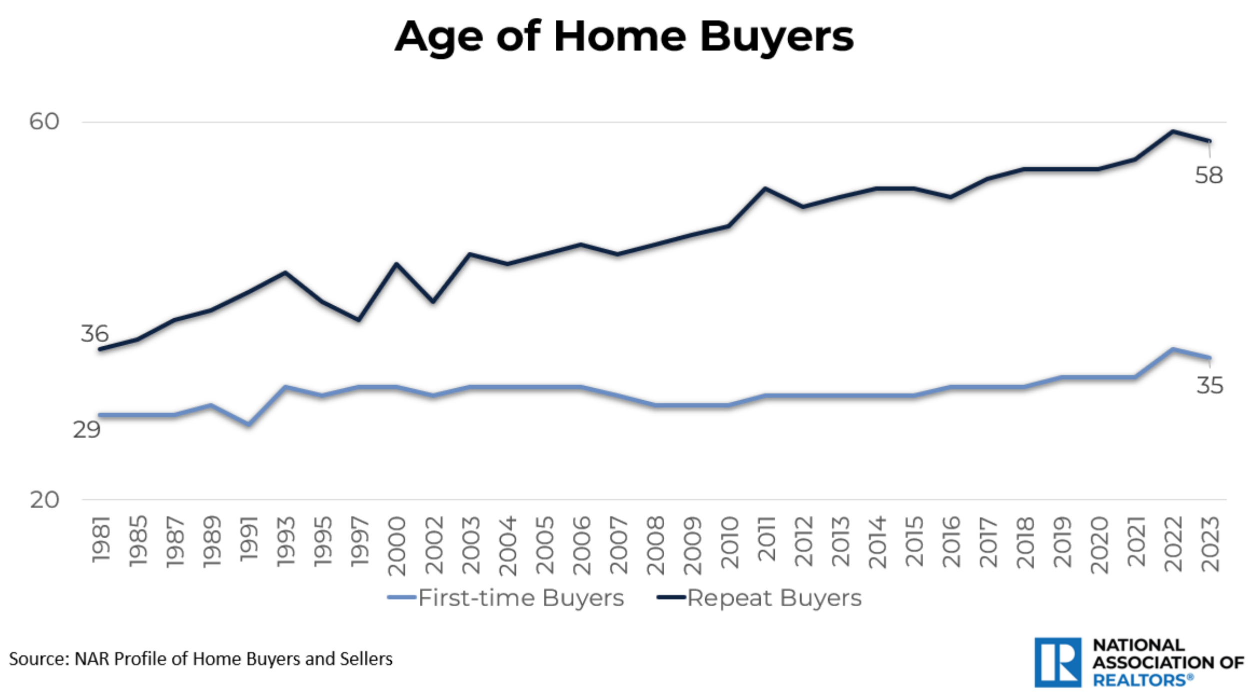
First-time Home Buyers

First-time home buyers face a multitude of headwinds: limited inventory, erosion of housing affordability, and difficulty saving for a downpayment (with high rent, student debt, car loans, and childcare costs). The 2022 *Profile of Home Buyers and Sellers* recorded the lowest share of first-time buyers since 1981 at 26%, while the historic average is 38%. The drop was likely due to all the reasons noted, as well as extreme competition in the market as interest rates were rising. With a slightly less competitive housing market, the *2023 Profile* showed first-time buyers on an annual basis increased to 32%, which remains well under the historical norm.

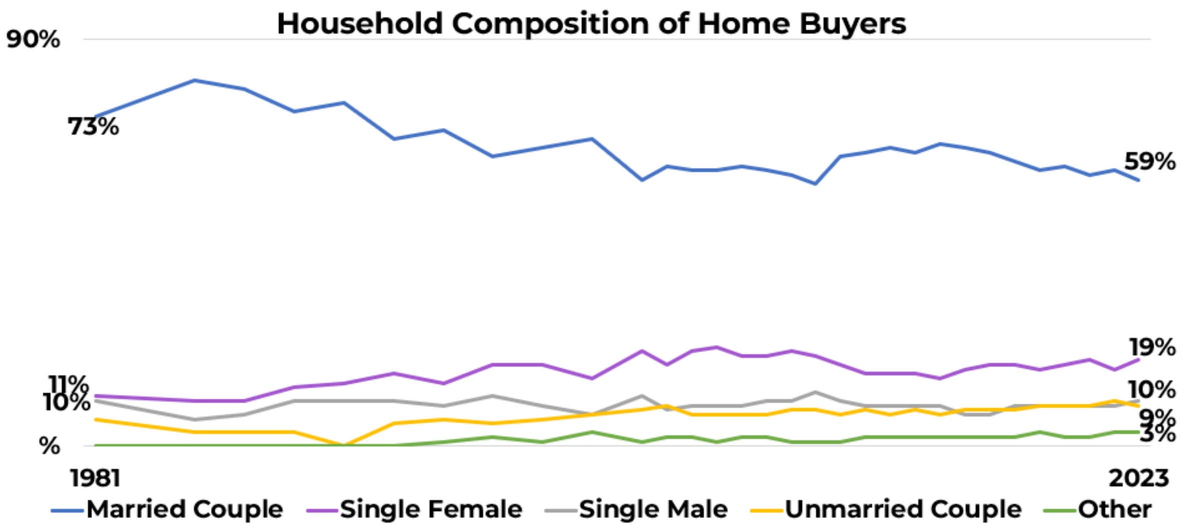


While there is a smaller share of first-time buyers, they are also older than they have been historically. In the 1980s, the typical first-time buyer was in their late 20s when they purchased a home. In *the 2022 Profile,* the typical first-time buyer was 36 years old. In the *2023 Profile,* the typical first-time buyer was 35 years old. Notably, the age of a repeat buyer has also increased. The age of a repeat buyer in 1981 was 36 years old compared to 58 years old today.



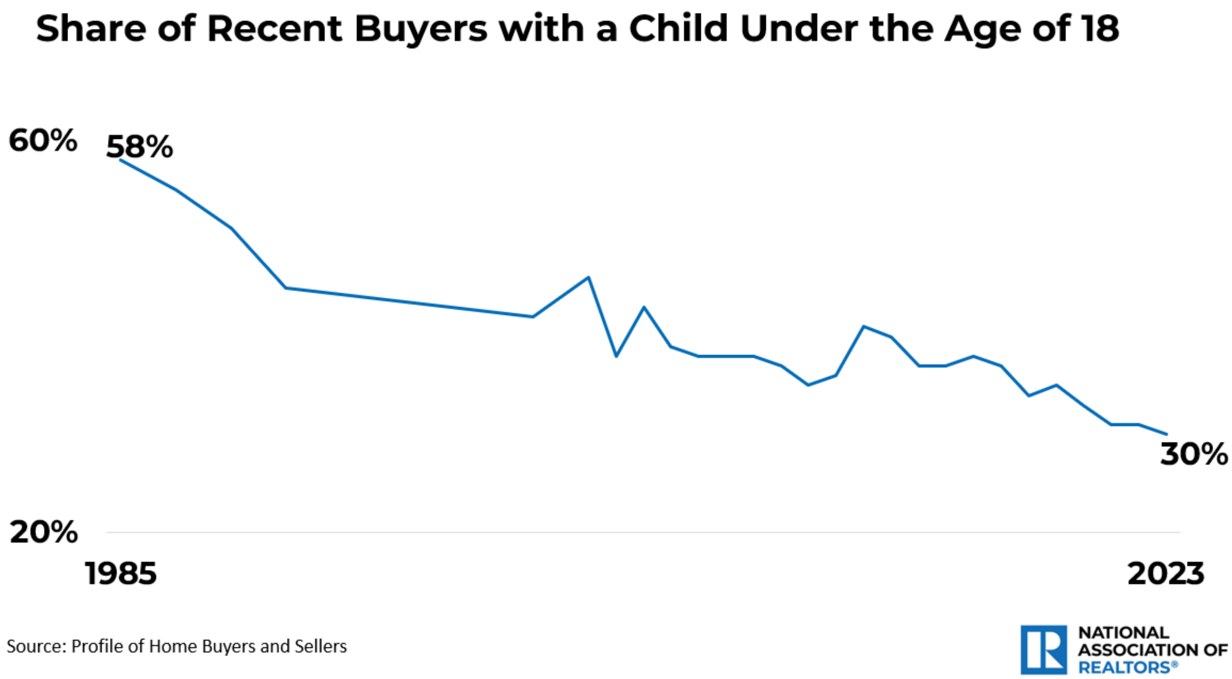
Demographic Changes of Home Buyers

Married couples in the housing market have declined to 59% of recent home buyers, while singles, especially single women, have risen. Overall, marriage rates have lowered from previous decades, and that demographic shift is reflected in today's housing market. The share of singles is 29% percent of the overall market, up from 21% in 1981, while married couples have declined to 59% from a high of 81% in the 1980s. This has implications regarding how housing affordability influences not only single buyers with single incomes but also the size of homes they may want or need.

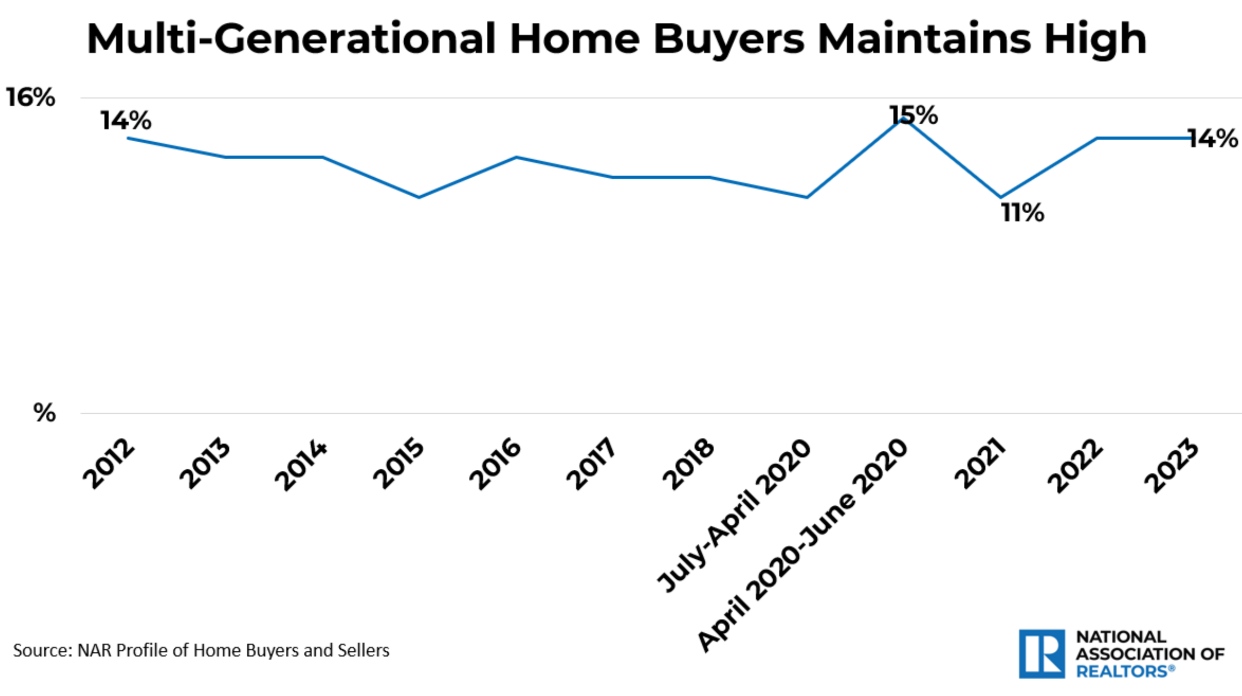


Source: NAR Profile of Home Buyers and Sellers

Another notable demographic change is the share of buyers who have children under 18 in the home. The share dropped to a historic low of 30% of buyers from a high of 58% in 1985. This shift is likely due to a higher share of older repeat buyers (58 as a median age this year), an overall drop in birth rates, and people having children later in life. This change does mean a difference in neighborhood amenities and could potentially change how often a buyer moves, e.g., if they would move with a growing family or as an empty nester.



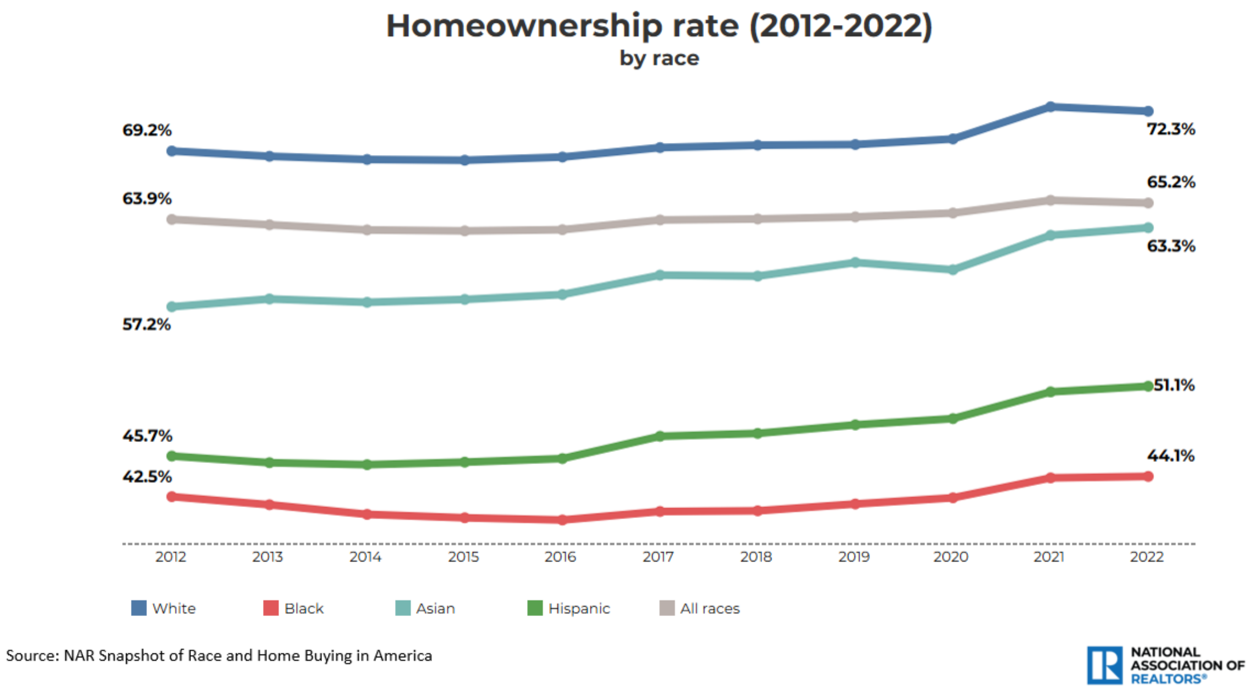
Fourteen percent of all home buyers are purchasing a multi-generational home. This could house an elderly relative, adult children over 18, or families of other makeups for cost savings and to buy a larger home. After the COVID-19 pandemic, families want to support each other. The top reason to sell and purchase a new home is to move closer to friends and family; for some, they find living with one another the best way to achieve this.



Race and Ethnicity of Home Buyers and Homeowners

The *Snapshot of Race and Home Buying in America* report discusses notable differences in access to homeownership and home buying. While the homeownership rate has risen for each racial and ethnic group, there remains a 28.2% percentage difference in the homeownership rate for white and Black/African American households. In the last ten years, the gains in the homeownership rate for Hispanic/Latino households translate into the highest homeownership rate and a gain of 3.2 million households. For Asian households, this is also the highest homeownership rate seen and means a gain of 1.5 million homeowner households. For Black households, this is a gain of 950,000 households in the last ten years, and for white households, a gain of 65,000 new homeowners.

Homeownership Trends by Race in the Last Decade



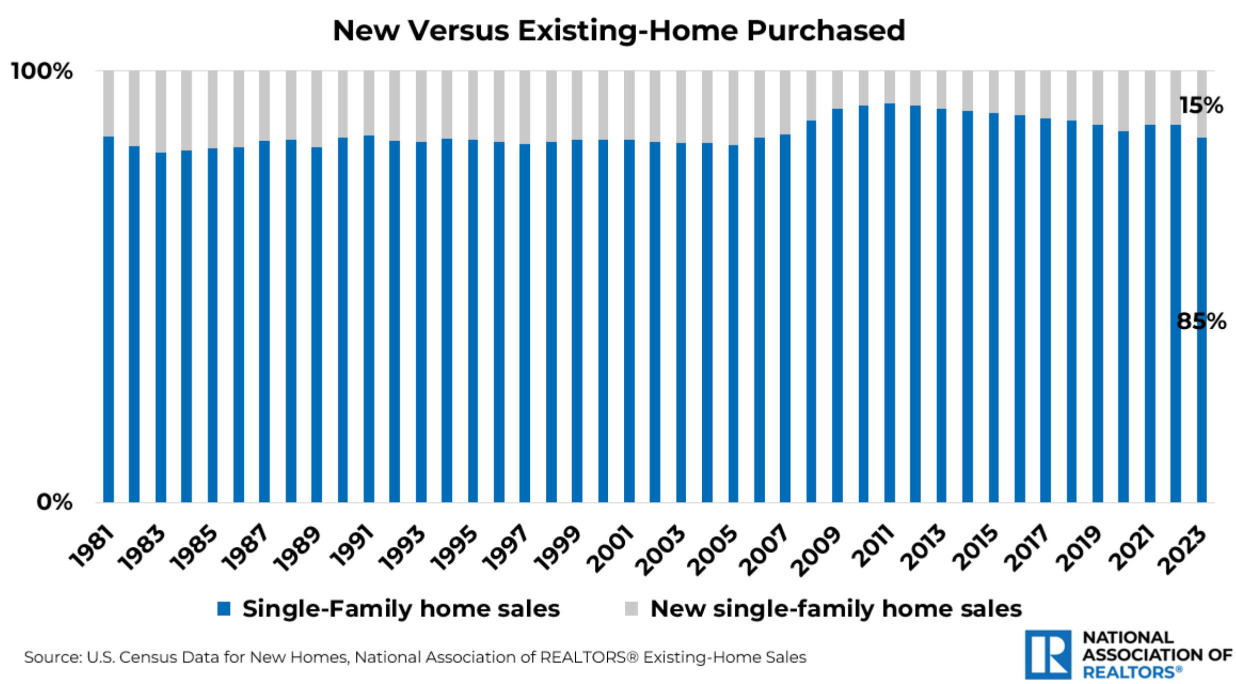
Within state-level data, there is considerable variation. The homeownership rate for white Americans varied from 47% to 83% across the country. Among 51 states, including the District of Columbia, 34 states had a homeownership rate for white Americans higher than 72.3% – the national rate - in 2022. The homeownership rate for Black Americans varied from 19% to 57% across the country. Among 51 states, including the District of Columbia, 16 states had a homeownership rate for Black Americans higher than 44.1% - the national rate- in 2022. The homeownership rate for Asian Americans varied from 28% to 74% across the country. Among 51 states, including the District of Columbia, 27 states had a homeownership rate for Asian Americans higher than 63.3% - the national rate - in 2022. The homeownership rate for Hispanic Americans varied from 28% to 71% across the country. Among 51 states, including the District of Columbia, 31 states had a homeownership rate for Hispanic Americans higher than 51.1% - the national rate - in 2022.

Hurdles to homeownership are notable, such as the share of renter households who can afford to purchase a home. In some states, this number is in the single digits. Access to credit continues to be a hurdle, especially for Black and Hispanic potential buyers who have higher denial rates for mortgages compared to white borrowers. The most common reasons for mortgage denial were debt-to-income ratio, low credit scores, and not enough money in reserves. Notably, there is no data available on unsuccessful home buyers and the reason for loan denials.

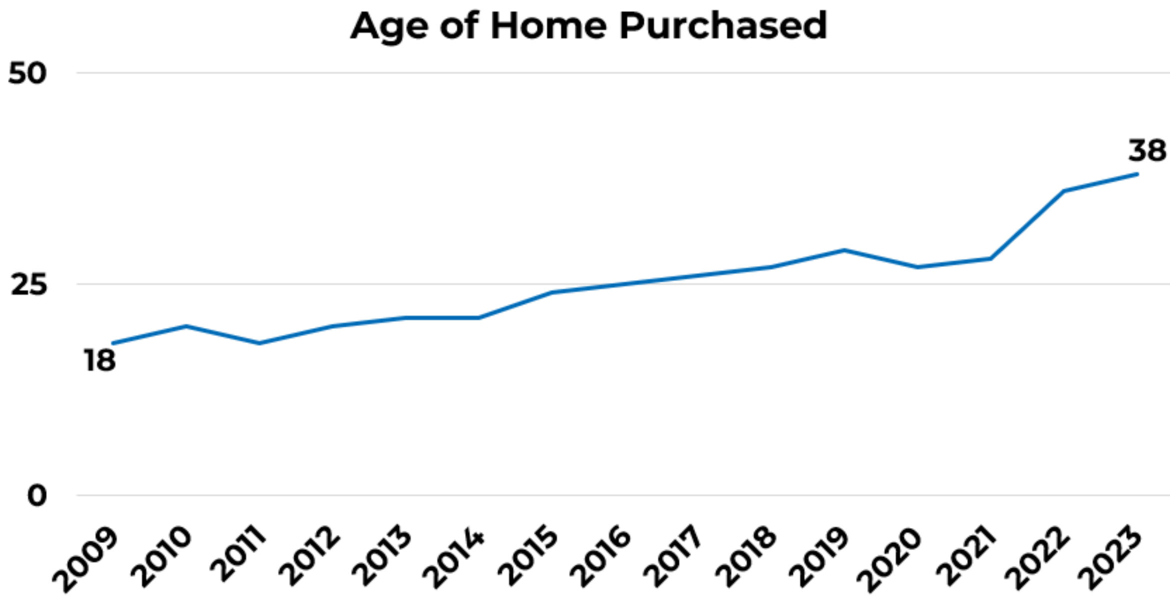
Among successful buyers, more than half of Black/African-American, Asian/Pacific Islander, and Hispanic/Latino buyers are first-time buyers. Among successful Black/African American buyers, there are notable differences in comparison to other buyers; 41% have student debt and have a median amount of student debt of $46,000. In comparison, 22% of Asian/Pacific Islander and 29% of Hispanic/Latino home buyers held student debt and their median amount of debt was $32,000 and $33,300, respectively. Additionally, Black/African-American home buyers purchased a home with the lowest household income and the highest share of single-income earners. These factors all have compounding effects when coupled with housing affordability.

Home Product Purchased

Due to the underproduction of new homes, most housing consumers purchase an existing home. Looking at only single-family homes from Census and NAR's Existing-Home Sales, in 2023, 15% of new single-family homes were sold compared to 85% of existing homes.



There has been an increase in the age of the home purchased. This is likely caused by several factors: the age of the housing stock is older due to a decline in building, and older homes may need upgrades, which may make them more affordable. This is one way home buyers have entered into the market. In 2009, the typical home purchased was 18 years old. In 2023, the typical home purchased was 38 years old.



Source: NAR *Profile of Home Buyers and Sellers*

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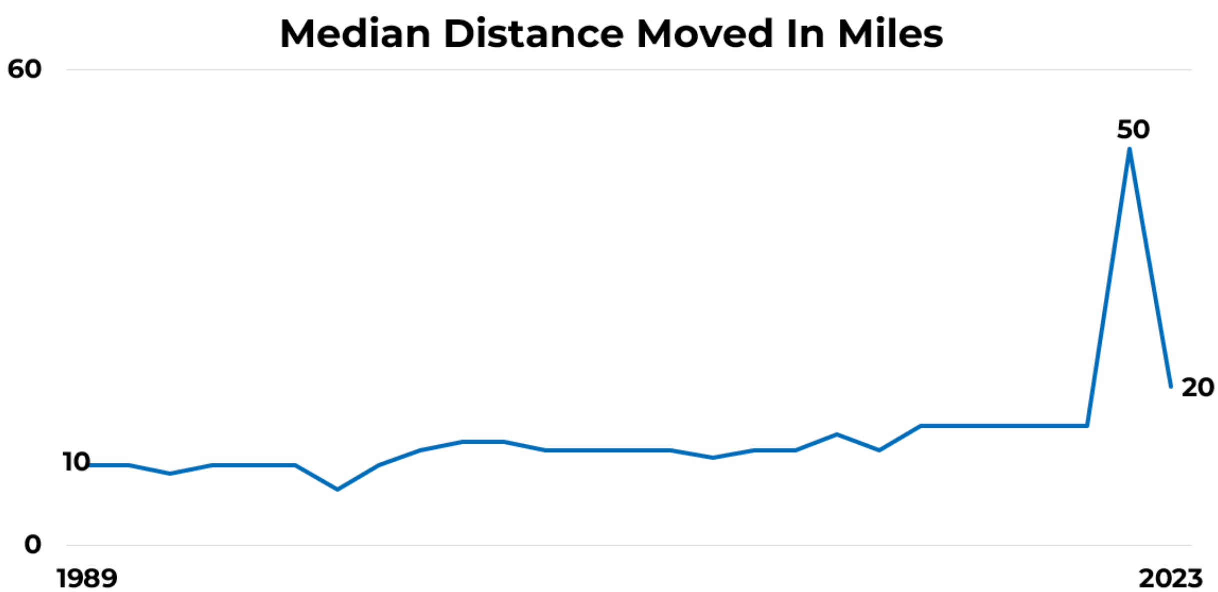
Distance moved and location have returned to pre-COVID 19 trends. Historically, buyers moved just 10 to 15 miles from 1989 to 2021. In 2022, the typical miles moved jumped to a high of 50 miles. The trend seems to be reverting to historical norms but is now at a still-elevated 20 miles. Buyers last year were also more likely to seek small towns and rural areas. While the trend is still elevated this year, there is a move back to suburban areas.



Source: NAR Profile of Home Buyers and Sellers

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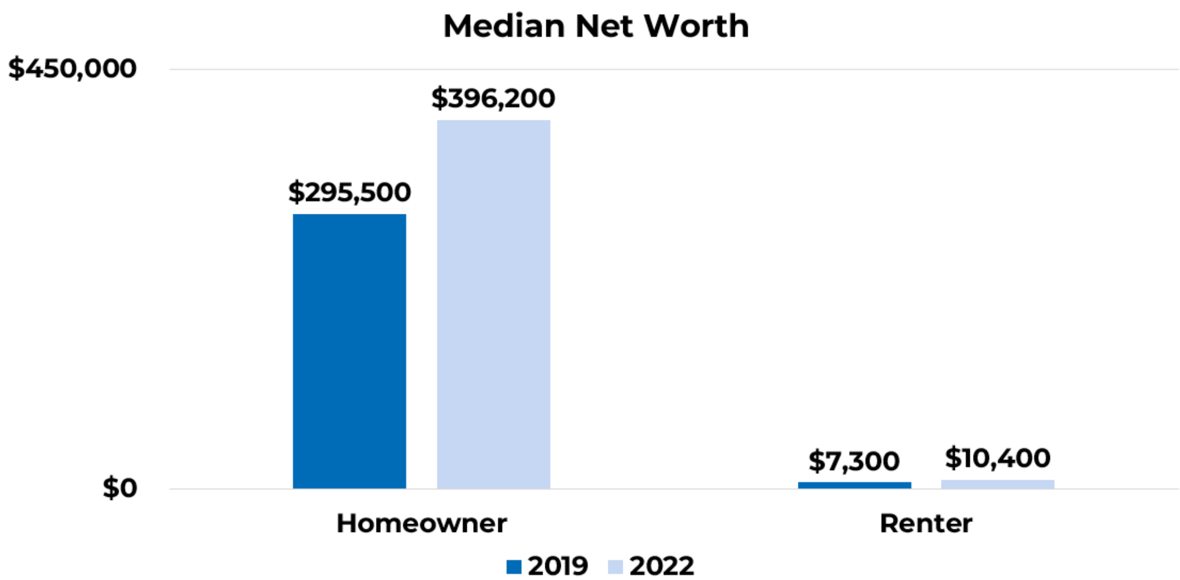
Financial and Social Benefits of Homeownership

While it is hard to obtain homeownership, the typical homeowner has seen the benefits of the rise in home prices. The typical net worth of a homeowner, reported by the Board of Governors of the Federal Reserve, was $396,200 in 2022, compared to $10,400 for a renter. Thus, the wealth held by homeowners is 40 times that of a renter. The typical homeowner gained $100,700 in net worth over the course of three years. Housing wealth can be used to help children attend college, pay for remodeling costs on the home, in retirement, or even help their own children achieve the dream of homeownership. Homeownership also comes with a number of social benefits, such as educational achievement, civic participation, health benefits, property maintenance, and improvement.



Source: Board of Governors of the Federal Reserve System, The 2022 Survey of Consumer Finances

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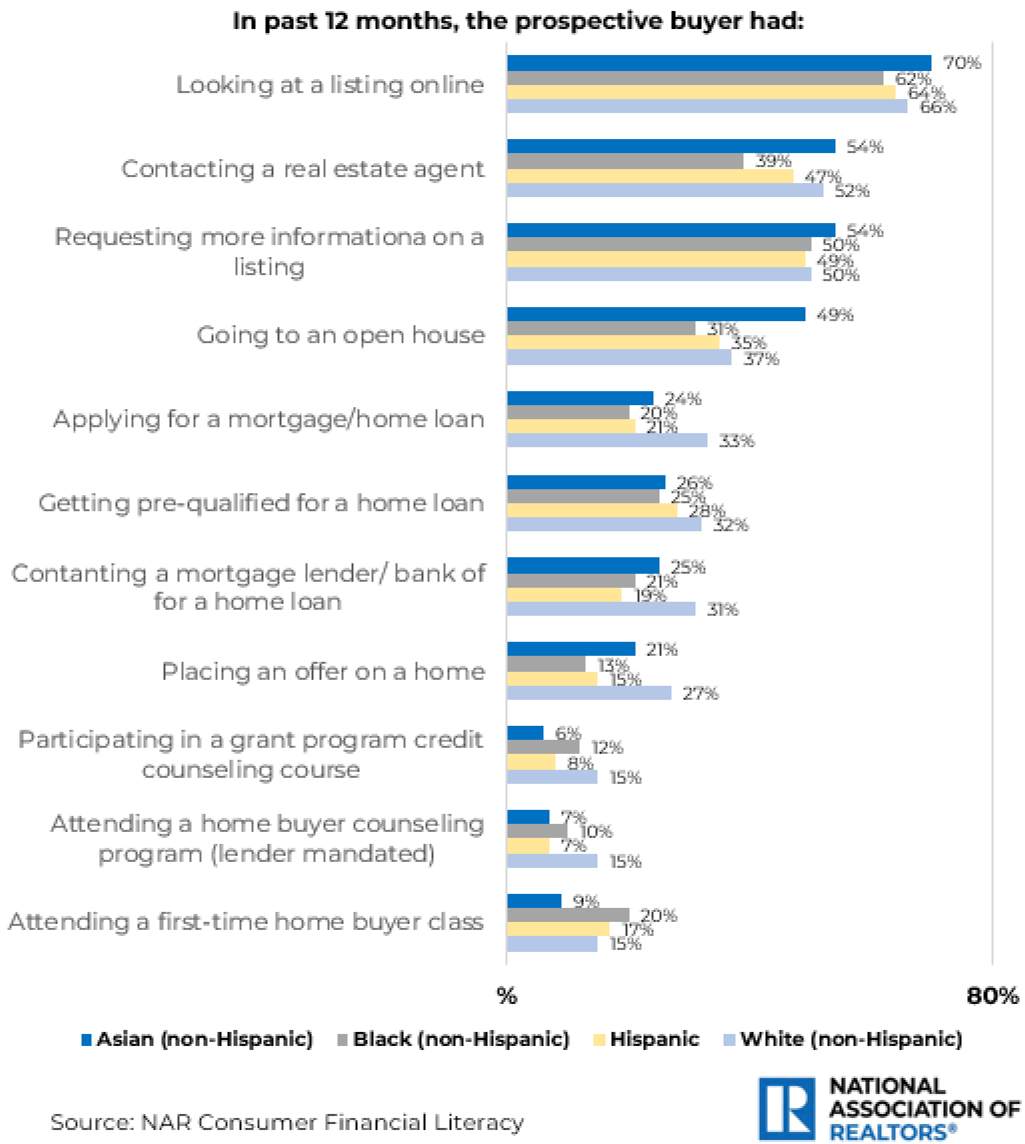
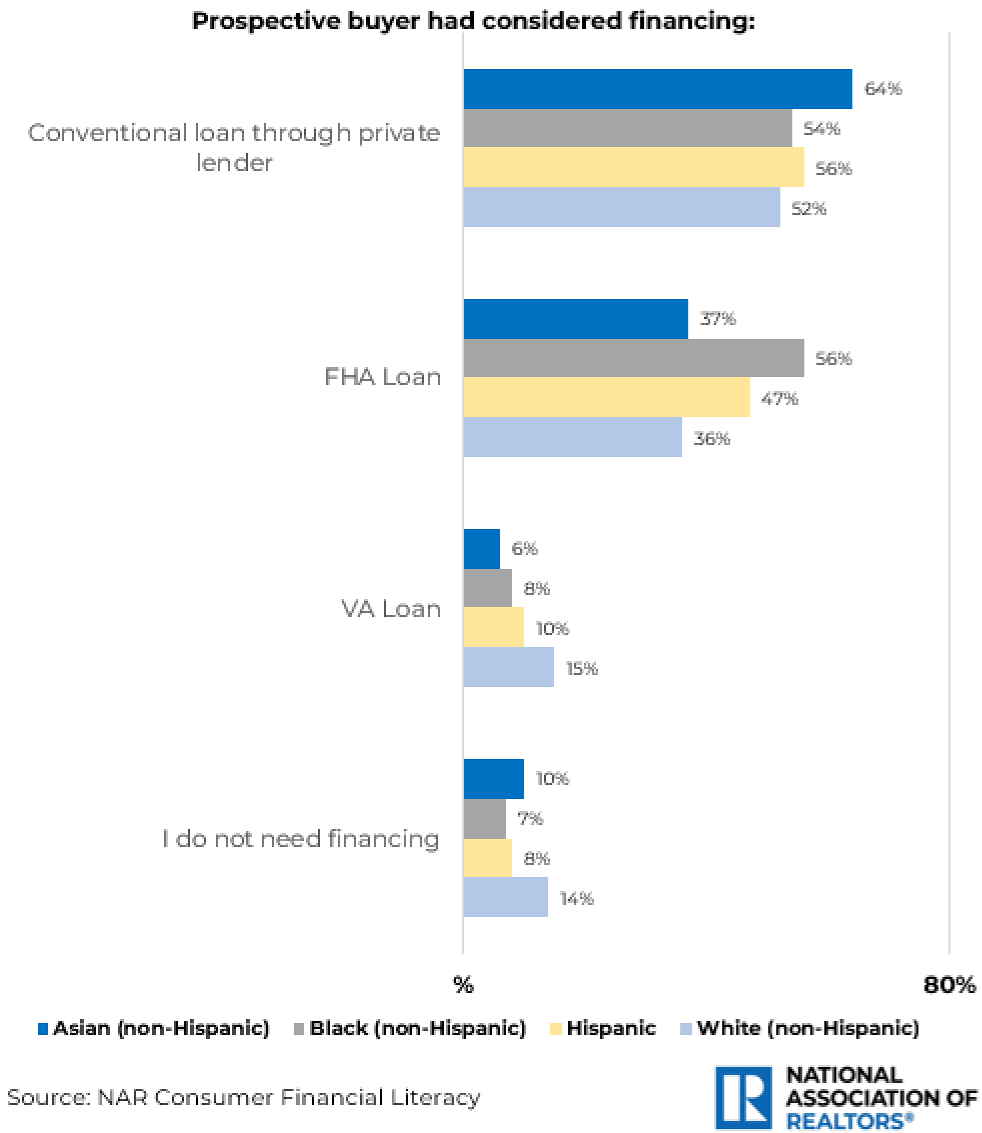
Consumer Financial Literacy

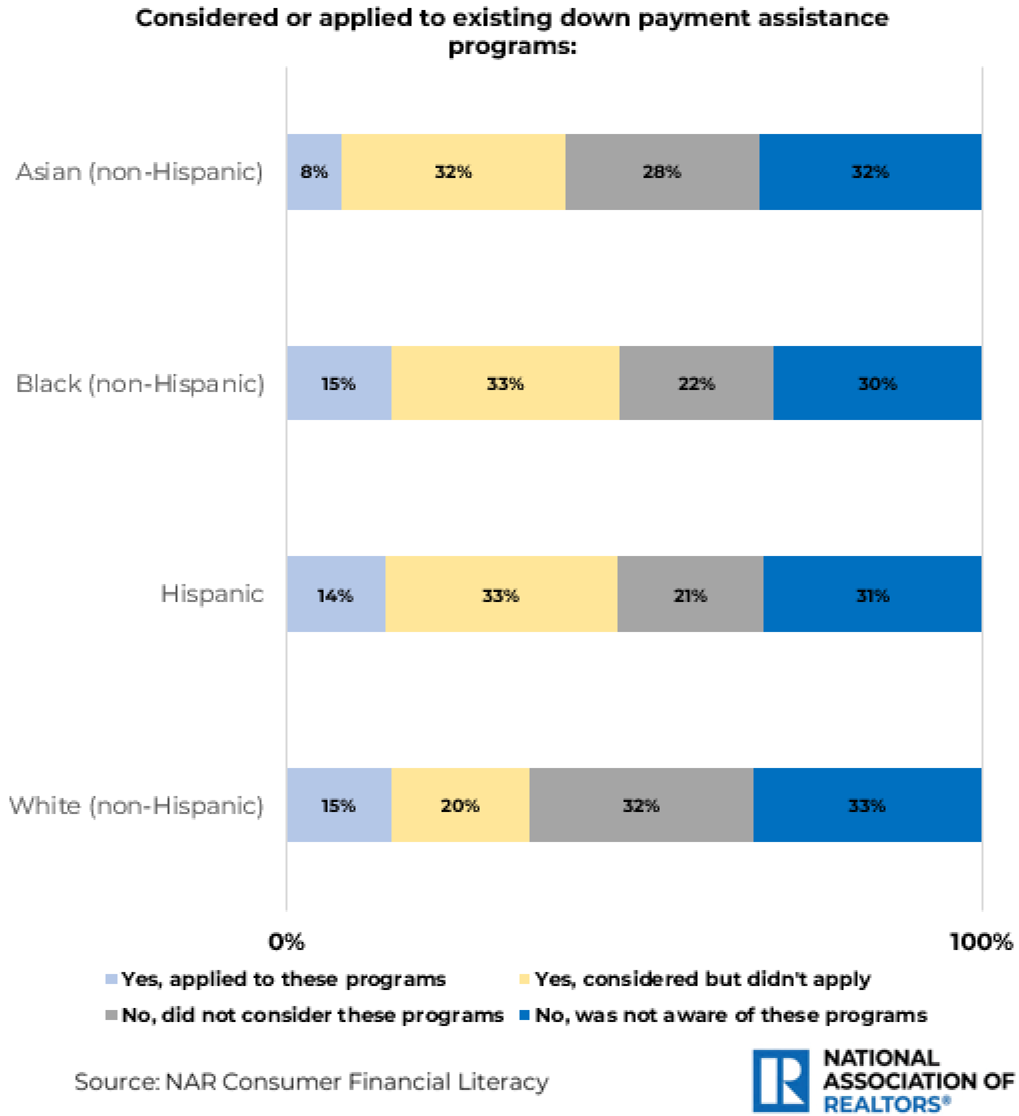
Not everyone is aware of the financial benefits of homeownership. For many, the financial benefits of and potential pathway into homeownership are unknown. For prospective home buyers, taking a grant program course, attending a home buying counseling program, or a first-time buyer class is not as common. In comparison, most prospective buyers search online or reach out to a real estate agent.



Most potential home buyers considered conventional financing. Black and Hispanic prospective buyers were more likely to consider FHA loans than other racial groups. While some prospective buyers did not feel they qualified for FHA or VA loans, among those who did qualify, the top reason they didn't consider the loan products was a lack of understanding.



The plurality of respondents in each racial and ethnic group were unaware of low downpayment programs (approximately one-third in each group.) The smallest share in each group had applied to down payment assistance programs.



Conclusion

The landscape of who is purchasing homes has evolved considerably with limited housing inventory and decreased housing affordability. The demand for the American Dream of homeownership is clear. Home buyers today are willing to face a housing market with multiple bids, make financial sacrifices, and be creative as they strive for a place to call their own.

Legislative Solutions

REALTORS ® strive to ensure all Americans have the opportunity to achieve homeownership, which is the centerpiece of the American Dream and the pathway to economic well-being and intergenerational wealth-building. However, a historic 50-year record shortage of affordable homes available for purchase has severely limited access to the residential real estate market. Even relatively modest steps taken now to expand homeownership will unleash tremendous economic activity.

Below is a list of top priorities that we believe could benefit potential homebuyers:

- **The More Homes on the Market Act (H.R. 1321):** Incentivizes more long-term owners to sell their homes by increasing the maximum amount of capital gains a homeowner can exclude on the sale of a principal residence and annually adjusting it for inflation.

- **The Neighborhood Homes Investment Act (H.R. 3940/S. 657):** Attracts private investment for building and rehabilitating owner-occupied homes.

- **The Choice in Affordable Housing Act (H.R. 4606/S. 32):** Creates incentives for housing provider participation in the Department of Housing and Urban Development's (HUD) Housing Choice Voucher (HCV) program.

- **The SAFER Banking Act (H.R. 2891/S. 2860):** Permits financial institutions to offer services to cannabis businesses in states where it is legal.

- **The Credit Access and Inclusion Act (H.R. 3418/S. 1654):** Expands credit reporting for Americans with limited credit histories by encouraging the inclusion of common bills like rent or utility payments.

- **The Affordable Housing Credit Improvement Act (H.R. 3238/S. 1557)** or legislative provisions to expand the Low-Income Housing Tax Credit and encourage investment in creating and preserving affordable housing.

- **The Yes in My Backyard (YIMBY) Act (H.R. 3507/S. 1688):** Encourages communities to build affordable housing through the Community Development Block Grant (CDBG) program.

  The Homebuyer Privacy Protection Act (H.R. 7297/S. 3502): Curbs the abusive use of mortgage credit "trigger leads" in all but a limited set of circumstances.

- Incentivize homeownership by increasing the $10,000 cap on the state and local tax (SALT) deduction and eliminate the penalty for married taxpayers filing jointly, who have the same minimum deduction as single filers.

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