



**NATIONAL
ASSOCIATION OF
REALTORS®**

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Introduction

Chairman Scott, Ranking Member Warren, Members of the Committee: Thank you for inviting me to testify at today's hearing on America's affordability agenda.

I am Kevin Brown, the 2026 President of the National Association of REALTORS® (NAR), where I have served in numerous leadership roles for many years, including as President of the California Association of REALTORS® and President of the Oakland Association of REALTORS® (now the Bridge Association of REALTORS®). I am also a Broker-Owner with Better Homes Realty Rockridge in Oakland, California, a firm I have built since 1977 alongside my father and brother, growing it from a residential brokerage into a business that today spans residential and commercial real estate, property management, and real estate investment.

Today I am testifying on behalf of more than 1.4 million members of NAR, representing every zip code in the United States, who thank you for the opportunity to present NAR's views on this crucial issue of housing affordability. NAR is America's largest trade association, and our members engage in all aspects of the residential and commercial real estate industries.

My commitment to housing access is personal, rooted in my family's own story. My parents, who grew up in Mississippi during Jim Crow, taught me that education and homeownership were the surest paths to a better life. When they set out to buy a home in the 1950s, redlining and discriminatory covenants forced them into a less desirable neighborhood. They persisted, and eventually built our family's first home themselves, paying cash out of a lifetime of hard-earned savings. That home, and the equity it built, gave my family a foothold in the middle class and the intergenerational wealth that has shaped my life and career ever since. I have spent my time in this industry, and in this association, working to make sure every American, no matter where they start, has that same chance to build a future for themselves and their families through homeownership.

The American Dream Is Slipping Away

Every day, REALTORS® across the country work with buyers who have done everything right. They've saved for years; they have stable jobs; and they have good credit. But despite this, we watch them struggle to find a home they can afford. We see teachers, nurses, and police officers priced out of the communities they serve. We help first-time homebuyers search for months, only to watch them get outbid by all-cash offers or find there's simply nothing available within their budget.

When we recently surveyed real estate firms across America, 56 percent identified housing affordability as their single biggest challenge—more than any other issue facing our industry.¹ This isn't anecdotal. It's not limited to a few hot markets. It's a systemic crisis that is locking an entire generation out of homeownership and threatening the foundation of middle-class wealth building in America. This is not a partisan issue. It's a generational one, and it's getting worse, not better. If we continue down this path, America risks becoming a nation where owning a home—the defining marker of stability and success—is reserved for the few, not the many.

¹ NAR, "[Real Estate Firms Cite Housing Affordability and Rising Costs as Biggest Challenges](#)," Nov. 19, 2025.

By the Numbers: How Bad Has the Housing Affordability Crisis Grown?

The supply of homes available to purchase has collapsed. According to NAR data, there were more homes available to purchase in 1995 than today, despite 76 million more Americans living in the country today (figure 1).

1995 versus 2025 Housing Landscape

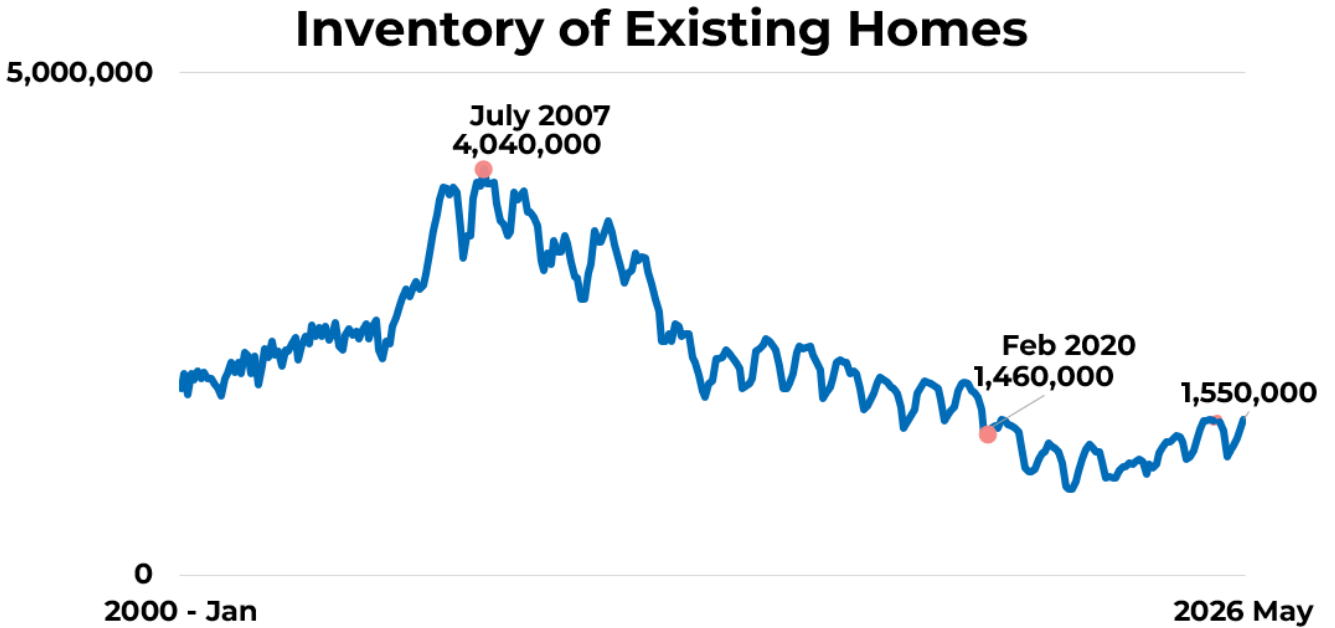
	1995	2025
Annual existing-home sales	3.85	4.06 million
U.S. Population	266.6 million	342.6
Single-family inventory (December)	1.58 million	1.18 million
Median annual existing-home sales price	\$114,600 (\$241k inflation adjusted)	\$414,400

Source: NAR Existing-Home Sales www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales
U.S. Census: <https://www.census.gov/popclock/>



Figure 1

Today, inventory sits at just 1.55 million due to persistent underbuilding since the Great Recession (figure 2). Even before the pandemic, in February 2020, inventory had already fallen to 1.46 million homes. This isn't a temporary disruption. It's a long-term structural shortage that has been building for years.



Source: NAR Existing-Home Sales
www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales



Figure 2

Housing construction peaked in 2005 at over 2 million starts, then plummeted during the Great Recession, bottoming out in 2009 at just 550,000.² While we have since recovered to building roughly 1.4 million homes annually, we experienced 15 years of severe underproduction. The result is a shortage of 4.7 million homes nationwide.³ We are trying to house a growing population with a shrinking supply of available homes. The result is predictable: Prices and rents have skyrocketed, competition for homes remains intense in many markets, and millions of buyers simply cannot find an affordable home to buy.

Indeed, even while the number of current home sales remains low, prices continue to climb. In the first quarter of 2026, home prices rose in 71 percent of metro markets nationwide, with the national median existing single-family home price reaching \$404,300.⁴ Middle-income households continue to face the largest supply gap. Buyers earning around \$75,000 can currently afford homes priced up to about \$261,140. Homes priced below this point currently account for only about 23% of listings nationally, compared with about 44% in a balanced market. This represents an effective shortage of about 311,000 listings within reach of these buyers.⁵ To purchase the median priced home in the U.S., with 20% down, the median household income needed is now \$105,648.

² NAR, [“Metro Areas Producing More Housing Than Their Historical Average,”](#) June 18, 2024.

³ Id.

⁴ NAR, [“Home Prices Increased in 77% of Metro Areas in Third Quarter of 2025,”](#) Nov. 6, 2025.

⁵ NAR, [Housing Mismatch Report](#), May 2026

The good news is that in markets where robust new construction has occurred, primarily in southern states, we are seeing price declines and renewed affordability.⁶ This proves that increasing supply works. But we need it everywhere, not just in a few regions.

The persistent shortage of housing is fundamentally changing who can become a homeowner. According to our latest data, the share of first-time home buyers has dropped to a record low of 21 percent of all purchasers.⁷ The historical norm before the Great Recession was that first-time buyers represented 40 percent of the market. Now, read that again: 40 years old. An entire generation is waiting more than a decade longer than their parents did to achieve homeownership, and many may never get there at all.

The racial homeownership gap remains extreme, with 72.4 percent of White households owning a home versus just 44.7 percent for Black households and 51 percent for Hispanic households.⁸ The next generation of homebuyers is more diverse, and higher prices today are making it even harder to close racial homeownership gaps.

The housing affordability crisis affects the entire housing continuum, not just homeownership. The shortage is both driving up home prices and pushing rental costs to record highs, making it harder for families to save for a down payment. Renters are caught in a vicious cycle: they can't afford to buy because home prices are too high, and they also can't save for a down payment because rent is consuming too much of their income. According to NAR data, 31 percent of first-time homebuyers reported that the most difficult step of their home buying process was saving for the down payment, compared to only 6 percent for repeat buyers, and 49 percent cited high rent as an expense that delayed saving for a down payment or home purchase.⁹

When young people are forced to wait until middle age to buy their first home, they lose years of wealth building. A 10-year delay in buying a typical first home can mean losing more than \$150,000 in potential equity growth¹⁰—equity that could have funded a new business, their children's education or their own retirement. They also miss years of stability and community roots that homeownership provides. This isn't just delaying the American Dream. For millions of families, it's denying it entirely.

How Can We Continue to Address the Housing Affordability Crisis?

We are fortunate Congress is now taking meaningful action.

I want to thank Chairman Scott, Ranking Member Warren, and the Members of this Committee for your tireless bipartisan leadership on the *21st Century ROAD to Housing Act*, the most significant federal housing legislation in decades.

The bill reforms federal housing programs, such as the HOME Investment Partnerships Program and the Community Development Block Grant, to be more flexible and effective. For instance, the bill will allow CDBG funds to be used for new housing construction—something current law generally does not permit—and would make it easier for HOME funds to support homeownership activities. It modernizes financing for manufactured and modular housing, as well as rural housing and updates FHA multifamily loan limits to reflect today's market. It

⁶ Id.

⁷ NAR, "[First-Time Home Buyer Share Falls to Historic Low of 21%, Median Age Rises to 40](#)," Nov. 4, 2025.

⁸ NAR, [Snapshot of Racer and Home Buying in America](#), March 2025

⁹ NAR, [2025 Profile of Home Buyers and Sellers](#), Nov. 2025.

¹⁰ NAR, "[First-Time Home Buyer Share Falls to Historic Low of 21%, Median Age Rises to 40](#)," Nov. 4, 2025.

streamlines federal environmental review and requires better coordination across agencies so that they're breaking down silos that we know get in the way of good policy and progress.

On the state and local side, it provides resources and incentives—not mandates—to help communities actually build and preserve homes. The *Housing Supply Frameworks Act*, included in the legislative package, requires HUD to work with stakeholders to develop guidelines and best practices for addressing zoning policies that block housing production. A \$200 million Innovation Fund would reward communities that cut red tape and reform zoning. The bill includes funding to develop pre-reviewed design libraries for ADUs, duplexes, and townhouses that can help streamline permitting. The bill would also create planning grants to support affordable housing strategies at every level of government, and a home renovation pilot to help families preserve the homes they already own.

With the House and Senate now in agreement, we look forward to this legislation being signed into law. Housing affordability touches almost all Americans in complex, multifaceted ways, and we need Congress to keep its foot on the pedal with that same bipartisan energy.

It will be critical for Congress to take additional steps to promote affordability because, in the meantime, some state and local politicians are adopting what they believe are quick fixes but in reality, are making the problems worse. I have observed this firsthand in California. Communities facing housing shortages and resulting affordability challenges are understandably looking for immediate solutions. However, policies that suppress housing production or discourage investment, such as rent control, can reduce supply over time and worsen affordability challenges.

NAR has emphasized that these policies weaken incentives for developers and property owners to build new housing or reinvest in existing properties, ultimately reducing overall investment in housing supply. Over time, these approaches can also limit access to quality housing by constraining resources needed for maintenance, improvements, and modernization, while in some cases prompting housing providers to exit the market altogether. Policymakers should prioritize approaches that increase housing production and preserve existing housing stock, focusing on long-term solutions that expand supply and improve affordability rather than those that risk exacerbating shortages

One area of recent success is that of the work on Opportunity Zones, an important, market-based tool to help address the housing shortage by attracting private investment into underserved communities. By helping close financing gaps and supporting new development and redevelopment projects, Opportunity Zones have boosted housing supply, expanded access to housing options, and contributed to improved affordability over time.

The *21st Century ROAD to Housing Act* comes just in time to mount real solutions, but there are other important steps that we can take on a federal level to help Americans achieve the dream of homeownership. Below, we outline areas Congress can further explore to help with housing supply and affordability.

I. We need new financing tools and incentives to build more housing, especially starter homes

While improving affordability will require that we build homes across all price points and housing types, Congress should prioritize creating and improving financing tools and incentives that support lower-cost housing, including starter homes, factory-built housing, and missing-middle housing such as townhomes and condominiums, which have often faced financing challenges. Congress should also consider expanding the role of the Federal Home Loan Banks in supporting housing production, including through mechanisms that reduce construction lending risk and attract additional private capital to homebuilding.

As Congress considers the future of Fannie Mae and Freddie Mac, any proceeds the federal government receives from a sale—including from its warrants in the government-sponsored enterprises—should be reinvested in housing supply and affordability initiatives. Additional policies, such as tax incentives to address construction labor shortages and to convert underutilized commercial properties into residential housing, can further expand the nation's housing stock and bring down home prices and rents.

II. We must unlock current inventory

While increasing housing production is essential, Congress should also focus on helping more existing homes reach the market. Too many homeowners today face financial and regulatory barriers that discourage them from moving, reducing available inventory and increasing competition for the homes that remain.

Current tax policy, for example, can penalize long-time homeowners who have accumulated significant equity and want to move. When a homeowner sells their primary residence, they face capital gains taxes on appreciation above \$250,000 for individuals or \$500,000 for married couples. While once generous, these amounts have remained unchanged for nearly three decades, despite significant home price inflation. For long-time homeowners in appreciating markets, this tax liability can be substantial enough to discourage them from selling, limiting housing inventory and creating more competition and higher prices for first-time homebuyers. Congress should consider increasing the capital gains exclusion and indexing it for future inflation, smart reforms that will remove this disincentive for homeowners to sell, opening up inventory for prospective buyers and helping to stabilize the housing market. NAR supports S. 3332, the More Homes on the Market Act, a bipartisan bill that would update the capital gains exclusion thresholds for the first time in nearly 30 years. The legislation proposes to double the exclusion to \$500,000 for individuals and \$1 million for married couples and adjust the caps to reflect future inflation.

Also in the tax arena, Congress can add to the inventory of homes for sale by enacting tax incentives to encourage owners of rental dwellings to sell them to owner-occupants. These incentives could include lower capital gains rates, lower depreciation recapture, or other tax reductions to sellers who create homeowners by converting a rental unit to one that is owner-occupied.

Congress should also modernize condominium financing rules. FHA-insured loans are a critical tool for first-time and low-downpayment buyers, but outdated FHA regulations unnecessarily limit which homes these buyers can purchase. FHA condominium restrictions exclude many otherwise suitable properties from FHA financing, particularly in urban areas where condos may be the most accessible homeownership option. While these rules were designed to protect both borrowers and the safety and soundness of the FHA Mutual Mortgage Insurance Fund, they now have the unintended effect of shrinking the inventory available to the buyers who need the most options. We have repeatedly heard from our members that these rules are causing transactions to fall through for both FHA borrowers and homeowners, leaving affordable homes sitting on the market. Congress should work to modernize FHA's condo rules to expand homeownership opportunities for borrowers while maintaining appropriate protections.

In addition, policymakers should improve mortgage assumability. Many first-time owners are stuck with low 3% rate mortgages and entry-level homes. FHA and VA mortgages can be assumed by new buyers, which provides a window for first-time buyers to finance their purchase with a low-rate mortgage. Making it easier for qualified buyers to assume FHA and VA mortgages with lower interest rates would provide immediate affordability relief without requiring new federal resources. However, cumbersome requirements and artificial caps on lenders' fees prevent greater usage of assumable mortgages. Streamlining assumption

processes and raising these caps on lenders' fees can unlock an affordable mortgage product and stock that already exists in the market. To help close the equity gap homebuyers often face when assuming a mortgage, lenders, private mortgage insurers and reinsurers, and potentially the GSEs, could play a key role by developing new second lien mortgages that in conjunction with the assumable mortgage will ultimately help lower borrower costs, unlock ownership for many credit worthy borrowers, and inject private capital into a broader segment of the first-time homebuyer segment.

III. We Need to Help Families Access Homeownership

Even as we work to increase inventory and build more homes, many families continue to face significant barriers to homeownership. Congress should strengthen the tools that help first-time and underserved buyers save, qualify for, and sustain homeownership.

One important step is expanding tax-advantaged savings opportunities for first-time homebuyers. Allowing prospective buyers and their families to save for down payments and closing costs through dedicated savings vehicles would help more households prepare for homeownership. Congress should also explore greater flexibility for the use of retirement accounts and other tax-favored savings programs to allow more of such funds to be used to purchase a first home.

Downpayment assistance can help those who are ready for homeownership and can afford a mortgage but may lack the means for a large downpayment up front, especially in high-cost areas. Despite the prevalence of downpayment assistance programs, many borrowers are unaware of the programs available to them. Congress could encourage both lenders and the GSEs to make borrowers aware of programs in their areas.

Shared-equity models, when designed with appropriate consumer protections, can also provide additional pathways into homeownership while helping families build wealth over time. In a shared equity program, a first-time buyer partners with a local housing authority, a non-profit, federal government, or for-profit, to purchase a home together. The homebuyer only mortgages their portion of the property and faces a much lower monthly payment. There is no second loan for the borrower to repay, and the investor simply shares a portion of the appreciation of the home upon sale.

Congress should also examine the impact of Loan-Level Price Adjustments (LLPAs) on first-time and moderate-income borrowers. LLPAs are risk-based fees charged on many conventional mortgages purchased by Fannie Mae and Freddie Mac. While risk-based pricing plays an important role in maintaining a safe and sound housing finance system, policymakers should continue to evaluate whether current fee structures unnecessarily increase costs for creditworthy borrowers who are already struggling with elevated home prices and mortgage rates. Reducing barriers to affordable mortgage credit can help more home-ready households achieve homeownership.

Access to credit remains another significant challenge. Many first-time buyers have problems qualifying for a loan due to a lack of a credit score or from a thin file score, which can lead to higher costs. Credit scoring reform, including the acceptance of new credit scoring models and the inclusion of more data points for analysis (such as rental payment history, utility payments, telecom payments, etc.), has made small steps, but broader adoption will bring more mortgage ready first-time buyers to the table. We have been encouraged by the recent work from FHFA, Fannie Mae, and Freddie Mac, as well as FHA, to accept new credit scoring models, an important update that is long overdue. But we believe Congress should monitor the rollout and updates to ensure that borrowers are being served and that the intention of the updates is fulfilled. We also encourage Congress to monitor the adoption of new models

by both lenders and secondary market participants and take efforts to increase broad acceptance.

At the same time, strong enforcement of fair housing and fair lending laws remains essential to ensuring all qualified buyers have equal access to housing opportunities. According to NAR research, African-American, Hispanic, and Asian-American buyers significantly more likely to be first-time buyers, and Hispanics are the fastest-growing segment of new homebuyers. Black and Hispanic buyers face discrimination in mortgage markets that shuts them out of credit opportunities, while discrimination in the real estate market can foreclose opportunities or derail transactions. Strong enforcement by the federal government, state and local civil rights agencies, and local fair housing centers helps protect the housing rights of the more diverse buyers of the future. NAR advocates for full funding of these programs and is concerned by recent cuts.

Finally, housing counseling is an essential tool that helps keep homeownership affordable and sustainable long after the closing table. Buyers who go through pre-purchase counseling are less likely to fall into delinquency or foreclosure once they own a home, and homeowners who turn to counseling when they hit financial trouble are almost three times more likely to get a loan modification and 70 percent less likely to default on it than those who go without.¹¹ NAR supports preserving HUD's housing counseling infrastructure and the nationwide network of HUD-approved counseling agencies that deliver this independent, expert guidance to consumers before and after they close, as well as incentive-based approaches, such as reduced mortgage insurance premiums for borrowers who complete counseling, that make homeownership more accessible without creating mandatory barriers or unaffordable costs for first-time buyers. NAR is concerned with HUD's recent changes to the Housing Counseling Program that would effectively limit agencies' ability to offer pre-purchase and foreclosure counseling and is now working to ensure the full range of services, before and after closing, remains available to any buyer who needs it.

REALTORS® Are Already Empowering Communities

NAR and our state and local associations are working to empower communities to address these barriers. Through grant programs that support smart growth policies and neighborhood revitalization, we help our members partner with state and local governments on housing solutions. Our state and local associations provide tools and resources to advance pro-housing policies in their communities, from advancing zoning reforms to streamlining permitting processes. NAR has also joined forces with the National League of Cities, the American Planning Association, the National Association of Home Builders, and the Mortgage Bankers Association to create the Housing Supply Accelerator Playbook, a menu of options that local communities can tailor to expand housing supply.¹² Building on this momentum, NAR and partners recently launched America's Housing Comeback, a national initiative that elevates this work by bringing together local elected officials, planners, builders, and REALTORS® to accelerate implementation on the ground. The Comeback serves as a unifying platform to scale proven solutions, strengthen federal-local collaboration, and help communities translate the Playbook's recommendations into real, measurable progress on housing supply. Our members are putting these solutions into action.

Missoula Organization of REALTORS® played a key role in advancing and securing adoption of critical zoning code updates that lower barriers to much-needed housing development.

¹¹ U.S. Department of Housing and Urban Development, Office of Policy Development and Research: [Housing Counseling Works: 2023 Update](#).

¹² National League of Cities & American Planning Association, [Housing Supply Accelerator Playbook](#), 2024.

Utah REALTORS® secured passage of priority legislation to boost housing supply by developing excess state-owned infill parcels where infrastructure already exists. And in Oklahoma, Oklahoma City REALTORS® championed an urban core Accessory Dwelling Unit (ADU) ordinance that allows ADUs by-right reducing cost, complexity, and red tape for homeowners and builders.¹³

REALTORS® have a direct stake in solving this crisis. Our business depends on a healthy housing market where consumers can buy and sell homes. But more fundamentally, we believe in what homeownership represents: stability, wealth building, and community investment. That's why we're not simply waiting for federal action. We're working in our own communities to expand supply and improve affordability. But local action alone cannot close a 4.7 million home shortage. Federal leadership is essential.

Conclusion

The housing affordability crisis demands solutions at every level of government. The bipartisan legislation and policy ideas we've outlined today address critical barriers, from cutting federal red tape and state and local regulatory constraints to better financing for innovative housing types. These are practical solutions to expand supply and restore affordability.

NAR and our members stand ready to work with Congress to deliver real, lasting solutions. We bring unmatched nationwide reach, on-the-ground market expertise, and deep partnerships with the local communities who are prepared to build, invest, and act. The challenges ahead demand sustained focus and collaboration, but the opportunity to meaningfully expand housing supply and restore affordability has never been more within reach.

Thank you for holding this hearing and for your continued commitment and focus on housing supply, affordability, and solving this housing crisis we have before us. I welcome your questions.

¹³ NAR, [REALTOR® Party Success Stories](#), accessed Nov. 22, 2025.