



UNITED STATES SENATE  
**BUDGET COMMITTEE**  
RANKING MEMBER CHUCK GRASSLEY

**Prepared Remarks by Senator Chuck Grassley of Iowa  
Ranking Member, Senate Budget Committee  
Delivered on Grassley's Behalf by Senator Ron Johnson of Wisconsin  
Hearing titled, "A Blueprint for Prosperity: Expanding Housing Affordability"  
Wednesday, January 31, 2024**

Mr. Chairman,

I appreciate your calling today's hearing on housing affordability. In my 99 County Meetings, I regularly hear from Iowans about the lack of housing, especially at a price they can afford.

While affordable housing is in short supply in many communities, this isn't due to a shortage of federal housing programs.

Currently, there are more than 100 housing programs at the federal level costing hundreds of billions of dollars a year. This includes over 70 billion dollars in the Department of Housing and Urban Development (HUD)'s budget alone.

Billions more are provided in programs outside of HUD, including through USDA, the Department of Defense, and the Department of Veterans Affairs.

On top of these programs, the tax code includes incentives for home ownership and the construction of low-income housing. There are also government loan guarantees and government sponsored enterprises to support the housing credit market.

Despite this litany of programs, affordable housing concerns remain a perennial issue. In recent years, inflation, driven by reckless federal spending under the Biden administration, has made problems worse.

In 2021, the price of homes increased by the largest amount in the history of the Case Schiller National Home Price Index at 19.3 percent and home prices are up over 32 percent since Biden took office.

While good for home owners, except for increased property taxes, renters felt the pain with rental prices increasing by the third largest amount over the last 100 years in 2022. Rents are now over 19 percent higher than when Biden took office.

Before spending billions more on additional federal housing programs, we should take a good hard look at why existing programs have fallen short.

For decades, I've conducted oversight of HUD and local housing agencies, exposing widespread waste, fraud, and abuse. Too often, government overpays for poorly executed projects and a maze of housing programs creates inefficiencies and a lack of accountability.

I found that HUD does very little, if any, oversight of the housing authorities. So, they get away with lavish office spending on salaries, vehicles, parties and travel. All this while poor people wait in line, sometimes for years, for actual housing.

Of today's witnesses, Bill Slover knows this all too well from his time exposing waste, fraud and abuse in our housing programs right here in D.C.

While we should work to reform and improve our housing programs, the last thing American homebuyers need right now is more budget busting spending given our dire fiscal situation.

As the non-partisan Congressional Budget Office (CBO) recognizes, "higher debt tends to increase borrowing costs in both the public and private sectors by driving up interest rates."

Our current decades-high interest rates aren't only causing taxpayers to pay record amounts of interest on the national debt, but also making it harder to afford a mortgage.

This past fall, 30-year mortgage rates peaked at nearly 8 percent – a 20-year high.

Left unchecked, our rapidly rising national debt will continue to place upward pressure on interest rates – making the American dream of homeownership less attainable.

I understand the desire to do more to help working families obtain affordable housing. But that won't be achieved simply by throwing money at the problem. In fact, it may only make things worse.

We need to start by rooting out the enormous amount of fraud, waste and abuse.

I welcome all of today's witnesses.

