



**Statement for the Record**  
**House Financial Services Committee**  
**Housing and Insurance Subcommittee**  
**“Building Our Future: Increasing Housing Supply in America”**  
**March 4, 2025**

Dear Chairman Flood, Ranking Member Cleaver, and members of the subcommittee:

We write today to thank you for holding the hearing titled ‘Building Our Future: Increasing Housing Supply in America’, and appreciate the opportunity to submit a statement for the record.

Our organization, the National Community Stabilization Trust (NCST), is a national nonprofit that supports families and communities by restoring distressed single-family homes, strengthening neighborhoods, and increasing sustainable and affordable homeownership opportunities. NCST offers a multifaceted approach to revitalize vacant and defaulted properties, further best practices for community development across the nation, and advance federal policies to support affordable and equitable homeownership.

To ensure NCST’s policy recommendations are rooted in the practitioner perspective, we manage a nonprofit-led advocacy coalition called the Homeownership Alliance consisting of housing organizations and community development financial institutions (CDFIs) across the country.<sup>1</sup> The Alliance ensures NCST’s policy recommendations yield efficient delivery of affordable, owner-occupied units on the ground. Together, NCST and the Homeownership Alliance work to elevate the successes and pitfalls of federal homeownership policies, address the decreasing single-family housing stock that hinders potential homebuyers from entering the market, and advocate for enhanced resources to improve affordable homeownership opportunities for working families.<sup>2</sup>

### **Single-Family Housing Supply Shortage**

Today’s homebuyers and homebuilders are faced with an unprecedented economic landscape due to a historic lack of affordable supply. Record-high mortgage rates, increased construction and labor costs, and market volatility due to inconsistent trade policy declarations are all detriments to increasing the supply of housing. Entities seeking to add new single-family homes to the market at a price that families can afford are experiencing trepidation and uncertainty, limiting the scale of their work. Homebuyers face serious affordability concerns as 77% of households are unable to afford today’s new median-priced home, further exacerbated by the lack of affordable supply options.<sup>3</sup> In a recent report by the National Association of Realtors (NAR), the shortage of available affordable homes for middle-income homebuyers is drastic, with a missing 320,000 listings from the market at a value up to \$265,000.<sup>4</sup> A shrinking housing supply has constrained the

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<sup>1</sup> [Homeownership Alliance](#). (March 2025).

<sup>2</sup> In addition to our federal advocacy work, NCST focuses on how vacant, defaulted, and distressed homes can be rehabilitated to increase supply and thereby increase America’s homeownership rate. This is achieved through our collaboration with over 300 community buyers, as well as our creation of the Homeownership Alliance. NCST develops innovative methods to stabilize communities by ensuring distressed units are rehabilitated, brought into the market, and sold at an affordable price point to prospective lower- and middle-income homeowners.

<sup>3</sup> [National Association of Home Builders](#). (March 2025).

<sup>4</sup> [Housing Affordability & Supply Report](#). (June 2023). National Association of Realtors.

opportunities available to those seeking to build wealth through homeownership because there simply are not enough units.

A lack of patient, flexible capital for affordable housing also plays into this issue, as many of the existing federal resources are not adequately designed to support single-family homes. Many of these programs could benefit from simple, no-cost regulatory reforms to ensure the public dollars flow efficiently, make an impact on the ground, and are executed due to their statutory purpose. It is important to note that programmatic reform does very little to support supply without programmatic investment, and we call on Congress to provide sufficient funding for federal programs that support affordable housing development under both the Department of Housing and Urban Development (such as HOME, CDBG and SHOP) and the Department of Treasury (such as the CDFI Fund).

### **Importance of a Nonprofit Delivery System**

It is NCST's fundamental belief that robust engagement with on-the-ground, mission-driven practitioners is a central component in increasing homeownership. Many nonprofit housing organizations revitalize the nation's dormant housing stock through acquiring and rehabilitating distressed assets, and their commitment to affordability increases opportunities for families to own their own homes versus relying on market forces alone. Embracing a nonprofit delivery system as a method to responsibly rehabilitate and resell distressed properties guarantees these units are kept in the hands of owner-occupants. Additionally, nonprofit developers expertly navigate the complex housing finance space to add to the number of newly-constructed homes to the market - while selling the homes at an affordable price as is their mission.

Housing nonprofits have their finger on the pulse of the economic challenges faced by everyday Americans, and can expertly leverage federal funds, pair public dollars with private investment, and weave around the ever-changing regulatory environment to ensure development resources are put to their statutorily-intended uses. In fact, some members of the Homeownership Alliance have cited instances of potential, and in some cases successful, collaboration between mission-based nonprofits and private investors. Adding to our waning housing supply in communities across the nation will require a wide variety of financing tools; as the subcommittee determines legislative priorities to reform existing housing programs to maximize efficiency, ease of nonprofit participation must be a priority.

Supporting mission-driven developers as key contributors to supply for homebuyers will ensure an increase of affordable units for working families. Nonprofit organizations, including NCST's community buyers and members of the Homeownership Alliance, are best equipped to respond to community needs. Willing investor partners can provide the sale of properties to expand the portfolio of units available for sale at affordable rates. This unlocks more supply opportunities for owner-occupancy, as well as responsibly-managed rental units while charting a path for homeownership. Congress can support these efforts by providing flexible capital to nonprofit developers,<sup>5</sup> incentivizing these partnerships wherein a for-profit entity empowers a nonprofit's mission, and designing national programs based on proven local models.

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<sup>5</sup> NCST and the Homeownership Alliance commend the release of the [Housing Production - Financial Assistance](#) program through the CDFI Fund and strongly encourage the continued support and funding to maximize its impact. This \$100 million in affordable housing supply resources is a critical tool for developers seeking to finance the production of much-needed affordable homeownership opportunities. As the demand for affordable homeownership continues to grow, sustaining and expanding this program will be essential to ensuring that even more low- to moderate-income individuals obtain affordable homeownership.

## The Neighborhood Homes Investment Act

Congress can also support affordable supply by passing the Neighborhood Homes Investment Act.<sup>6</sup> This bipartisan legislation would create a tax credit to build or rehabilitate 500,000 owner-occupied homes over a decade. NCST supports the Neighborhood Homes Investment Act as a way to bridge the valuation gap faced by many communities where the price of the home is lower than the cost to construct or rehabilitate. With this mission in mind, NCST co-leads the Neighborhood Homes Coalition, a collective advocacy effort aimed at advancing the Neighborhood Homes Investment Act to passage.<sup>7</sup>

If signed into law, the Neighborhood Homes Investment Act would create a first-of-its-kind federal tax credit that is solely focused on increasing affordable homeownership through incentivizing single-family development. The subcommittee rightly points out that the lack of single-family housing is especially pronounced. A Neighborhood Homes tax credit would address this issue by covering the gap between the cost of building or renovating homes and the price at which they can be sold to working families. This makes renovation and new home construction possible in a way that does not exist under our nation's current economic conditions. The Neighborhood Homes Investment Act creates jobs, stabilizes communities, and provides a much-needed resource for developers to access in order to ensure single-family homes are built and purchased at an affordable pricepoint.

## NCST's Expansion of Affordable Owner-occupied Supply

*Acquisition Bridge Fund.* One avenue to create new homeowners is through NCST's launch of the Acquisition Bridge Fund (ABF). This initiative provides early mission-based bridge capital to support home seekers who have been pre-approved for conventional or portfolio mortgage financing for a home purchase. This bridge capital helps home seekers operate competitively in limited-supply markets with cash buyers, including large institutional investors. Eligible properties include single-family properties with a purchase price at or below \$250,000. Ensuring affordability for these homebuyers is crucial, particularly as home prices remain out of reach for many families, resulting in a below-average homeownership rate.<sup>8</sup>

ABF is structured as a revolving fund using philanthropic investments to help homebuyers access early, flexible capital to purchase residential properties and compete with cash investors. Eligible ABF homebuyer clients can access this resource by working with NCST to identify an eligible property for the program, after which NCST acquires the property on the homebuyer's behalf utilizing ABF interim capital for the initial purchase. This structure allows the homebuyer to secure their preferred property quickly and subsequently finance their purchase of the property from NCST with the assistance of a lender.

*Developing Affordable Starter Homes (DASH) Fund.* NCST has also taken on a lending initiative to better support small, emerging developers seeking to revitalize distressed communities. The DASH Fund<sup>9</sup> provides flexible, well-priced capital to small entrepreneurs who acquire, renovate, and re-sell single-family homes to

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<sup>6</sup> [H.R.3940](#).

<sup>7</sup> [Neighborhood Homes Investment Act](#). Neighborhood Homes Coalition.

<sup>8</sup> The National Association of Realtors found that first-time [homebuyers made up a historic low of just 24% of all homebuyers in 2024](#), (2024). National Association of Realtors.

<sup>9</sup> [Dash Fund](#), (2024). NCST.

owner-occupants in neighborhoods suffering from disinvestment. By supporting these developers through flexible financing and project management, DASH helps to accelerate the production of quality, affordable units made available for both low- and moderate-income households.

To ensure DASH yields the intended outcome of affordable owner-occupancy, completed rehabilitation projects are limited to a maximum sales price of no more than \$350,000 to preserve affordability. The small developer receiving the funds is required to commit to homeownership as the intended outcome, and the program is designed to support a broad group of eligible developers by providing small balance loans, as opposed to a handful of developers conducting this work with larger credit lines.

NCST has partnered with the Neighborhood Impact Investment Fund and Baltimore City Department of Housing & Community Development to launch DASH in Baltimore. We support any Congressional efforts to replicate this program at a larger scale, allowing CDFIs and lenders greater ability to support small, mission-driven developers in their crucial work of rehabilitating and developing dormant supply.

*First Look.* NCST's flagship property acquisition program, First Look,<sup>10</sup> delivers real estate-owned (REO) and auction inventory to nonprofits with affordable homeownership as their central mission. First Look gives local community buyers the opportunity to obtain properties in their market areas before the units are marketed more broadly. In many cases, REO properties can be acquired at a discount to assist the financial feasibility for nonprofit buyers to rehabilitate these properties for new homeowners.

Our First Look approach has proven to be a best practice in making more single-family homes available to eligible households and nonprofits, as opposed to large investors. Over the past 15 years, this method has produced over 28,000 transactions totaling over \$1.8 billion and has provided over \$325 million in savings to our community buyers.<sup>11</sup> Our success and experience led NCST to be a natural partner to HUD for the National HUD First Look Program<sup>12</sup> and facilitated FHA First Look REO sales from 2011 to 2016. In 2022, the FHA issued a mortgagee letter<sup>13</sup> improving the program's Claims Without Conveyance of Title (CWCOT) process as a means to expand affordable housing supply. This regulatory action allowed a 30-day exclusive period, giving buyers (owner-occupants, HUD-approved nonprofits, and government entities) an opportunity to bid on foreclosed properties ahead of investors. NCST views this as a welcome first step and continues to engage with the Department on additional recommendations<sup>14</sup> to improve community outcomes amid the sale of distressed assets.

Specifically, in order to expand the pool of certified buyers and ensure these properties end up in the hands of responsible entities with a mission of community revitalization, NCST has called on HUD to establish a Certified Buyer Program, managed by a qualified and experienced third-party provider on behalf of HUD, solely for CWCOT First Look eligibility. The Preserving Homes and Communities Act of 2024, introduced by Senator Jack Reed (D-RI), would codify such a program into law, permitting well-equipped nonprofit entities, such as NCST, to carry out activities related to approval and monitoring under CWCOT.<sup>15</sup>

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<sup>10</sup> [Property Acquisition](#), (2024). NCST.

<sup>11</sup> [About](#), (2024), NCST.

<sup>12</sup> [FHA First Look Sales Method for NSP Grantees](#), (2024). Department of Housing and Urban Development.

<sup>13</sup> [Mortgagee Letter 2022-08](#), (May 2022). Department of Housing and Urban Development.

<sup>14</sup> [NCST's Response to ML 2022-08](#), (June 2022). NCST.

<sup>15</sup> [S.3784](#).



For over a decade, we have collaborated with our broad pool of buyers purchasing distressed assets and returning them to productive use in communities. Not only does this legislation have the potential to unlock new affordable supply for aspiring homeowners, but it would prioritize economic mobility for American families over corporate investor interests. As such, we urge Congress to take swift action in reintroducing and passing the Preserving Homes and Communities Act.

NCST appreciates the opportunity to submit a statement for the hearing record, and stands ready to further collaborate with the subcommittee on any of the items articulated herein. We thank the subcommittee for prioritizing the importance of affordable homeownership through increasing housing supply.

Sincerely,

The National Community Stabilization Trust (NCST)