The Paradox of Accessible Lending:
When Supply Is Constrained, Credit Easing Will Make Entry Level Homes Less Affordable

Written Statement before the Committee on Banking, Housing, and Urban Affairs
U.S. Senate

"Home = Life: The State of Housing in America"

Edward J. Pinto
Director, Housing Center
Resident Fellow
American Enterprise Institute

March 16, 2021

The views expressed in this testimony are those of the author alone and do not necessarily represent those of the American Enterprise Institute.

Hearing before Committee on Banking, Housing, and Urban Affairs
U.S. Senate

Submitted testimony by Edward J. Pinto, Director, Housing Center and resident fellow of the American Enterprise Institute.

Chairman Brown and Ranking Member Toomey, thank you for the opportunity to testify today.

This hearing could not be timelier, as today's environment presents many challenges:

- Burgeoning home purchase demand driven up by low interest rates and demographics.
- Home supply is at the lowest level on record, even lower for lower priced entry-level homes.
- The result is an overheated market with home prices up by 10-12% on a year-over-year basis, which is expected to last through the end of at least 2022.[1]
- A low-income housing policy that equates leverage and high default risk with affordability.
- For many of low-income buyers, homeownership has not been effective in building generational wealth.
- Since 2012 home prices have been increasingly unsupported by market fundamentals.
- Overly restrictive zoning and other land use regulations are largely responsible for the supply shortfall.
- Work from Home (WFH) households are taking advantage of the arbitrage opportunity presented by price distortions across geographies, largely created by zoning and land use restrictions.

Notwithstanding 70 years of federal efforts involving many trillions of dollars in program expenditures, tax benefits, and government guaranteed financing, neither the goal of making owner occupied and rental homes affordable for low income households nor the goal of achieving generational wealth for low-income homeowners have been met.

In 1921 the federal government began to implement zoning and land use policies designed to make it too expensive for racial and ethnic groups to buy homes or be able to afford to live in newly built homes and neighborhoods.

We are still living with zoning and land use policies developed and rigorously promoted by the federal government beginning in 1921. This effort was spearheaded by the U.S. Department of Commerce (hereafter "Commerce Department"), the Division of Building and Housing. The goal was to keep Blacks and immigrants from southern and central Europe in zoning districts segregated from whites. Zoning was used to create geographically separate districts where one-unit single-family detached housing was segregated from multifamily housing. Beginning in 1934 the newly formed Federal Housing Administration took over from the Commerce Department and went on to play a pivotal role in continuing the use of zoning to keep Blacks and immigrant groups in zoning districts segregated from whites. The lasting impact of the Commerce Department's and FHA's actions is clear. To this day the vast majority of residential land in major American cities is zoned exclusively for single-unit detached homes. These zoning and land use policies had at their core the driving up of the cost of building new

[1] Pulsenomics® conducts quarterly surveys of over 100 economists about future trends in home price appreciation. I have been the recipient of the Pulsenomics® Crystal Ball Award four times, including for each of the last 3 years.

homes in a determined and successful effort to price racial and ethnic groups out of newly built neighborhoods. These same policies were designed to keep multifamily housing in zones away from neighborhoods consisting of 1-unit, single-family detached structures.[2]

Given this history, it comes as no surprise that we have a broken housing ladder—the result of home prices rising much faster than incomes, which makes it harder and harder for aspiring homebuyers to climb onto the first rungs.

> The Paradox of Accessible Lending:
>
> *When supply is constrained, credit easing and extremely low interest rates are capitalized into higher home prices making entry level homes less affordable.*

The above mentioned policies have:

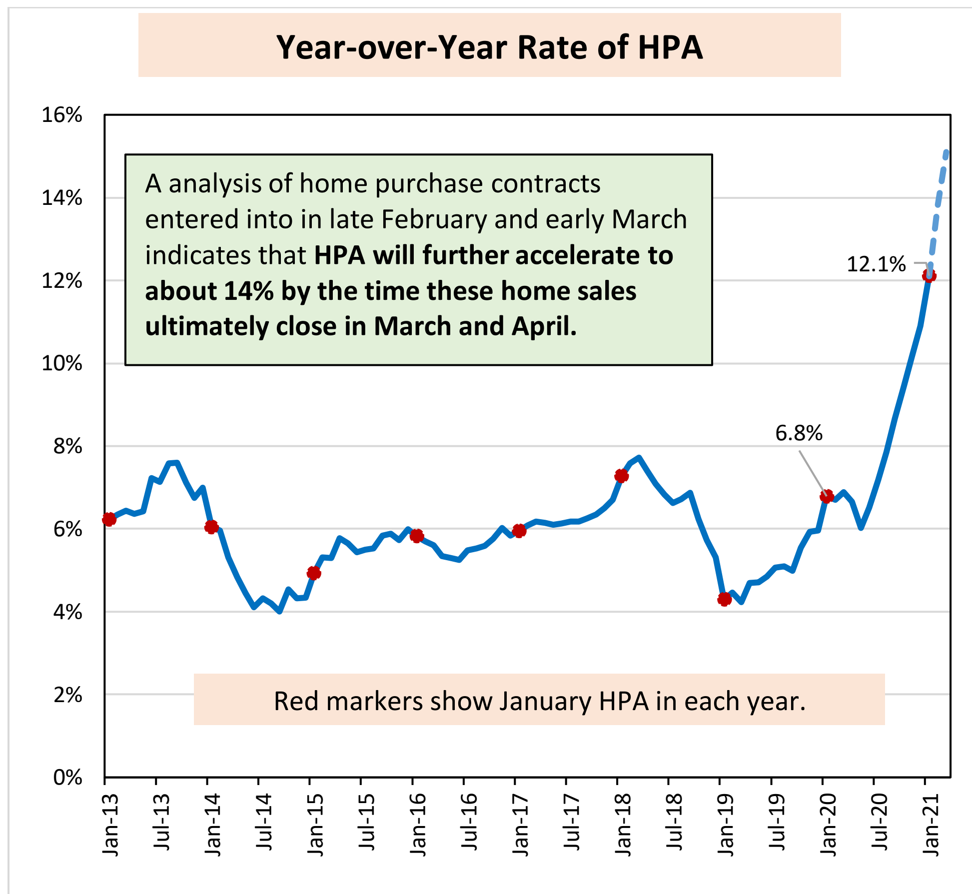
- Subjected low-income (LI) homebuyers to higher leverage, looser lending standards, unsustainable price boosts, greater home price volatility, and unknowing land speculation. When combined with limited generational wealth-building opportunities, LI households are ill equipped to handle these risks.
- Constrained lower cost supply by making it illegal in most cities to build 2-, 3-, 4-unit, and single-family attached homes (Light Touch Density) in 1-unit single-family detached neighborhoods. Since 1940 this has prohibited the construction of an estimated 8 million such housing units. This has kept housing markets from responding to demand by adding new supply.

Today we have an overheated housing marketplace.

This is the result of extremely low interest rates combined with the tightest supply in history. As a result year-over-year home price appreciation (HPA) is galloping ahead at the rate of 10-12% per year. Home purchase contracts entered into in late February and early March indicate that HPA will further accelerate to 13-14% by the time these home sales ultimately close in March and April.

---

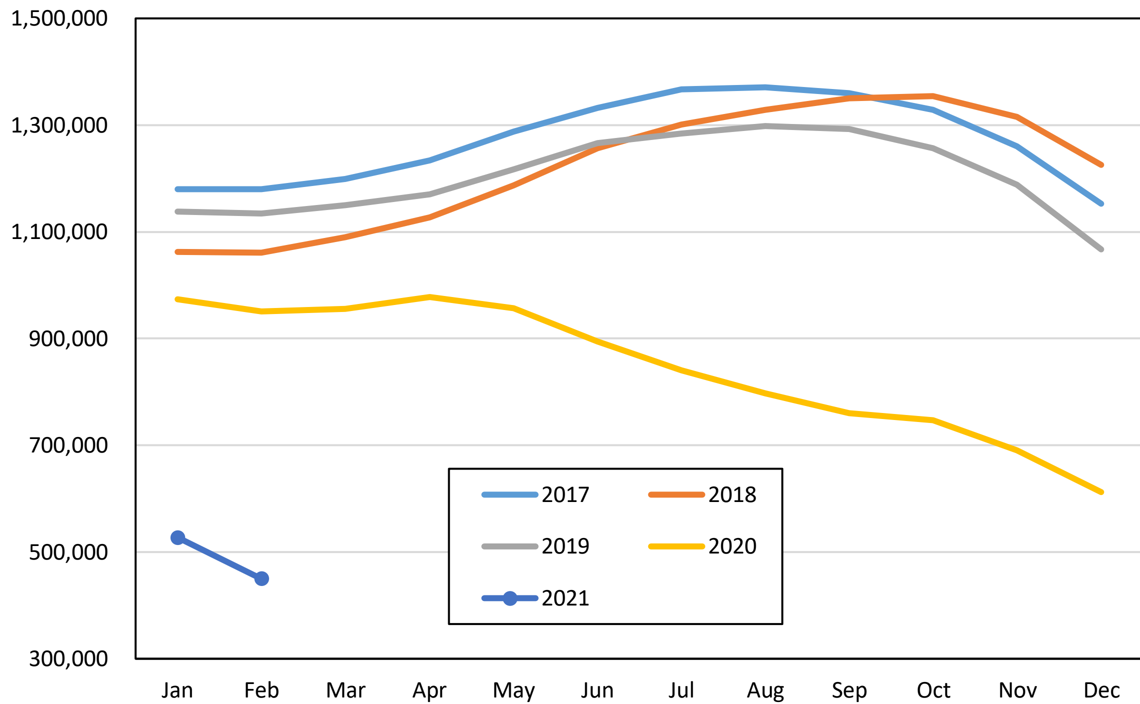
[2] A similar instance to zoning exists in the job market. In 1931 the Davis-Bacon Act was passed. It had as its purpose to keep Blacks from competing successfully for jobs that Whites wanted. The Davis-Bacon congressional debate was replete with references to "itinerant labor" or "cheap bootleg labor" or "labor lured from distant places" for "competition with white labor throughout the country." https://www.washingtonpost.com/archive/opinions/1995/02/05/davis-bacon-and-the-wages-of-racism/d63f9cc5-8c35-4033-b68a-992f015644e2/



Note: Data are for the entire country. Data for January 2020 are preliminary.
Source: AEI Housing Center, www.AEI.org/housing and Optimal Blue.

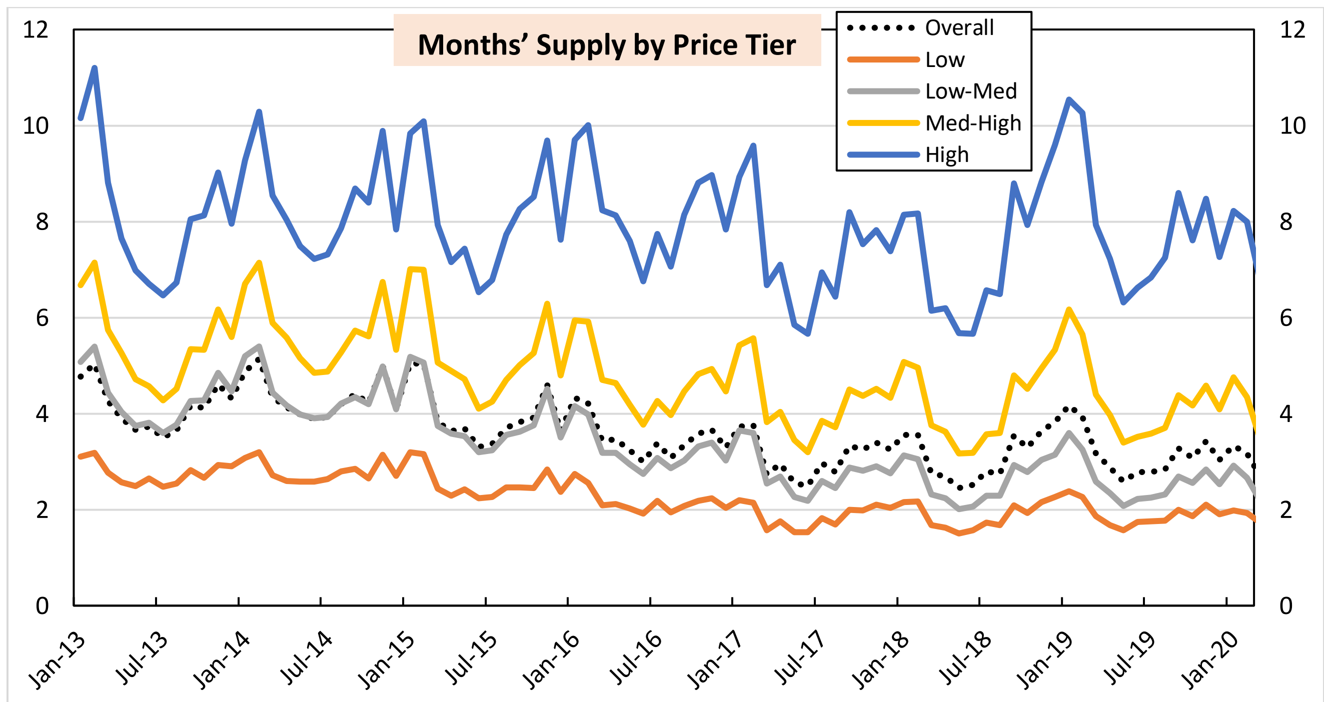
There is also an unprecedented lack of supply that is driving up home prices.

The ½ percentage point mortgage rate increase since the beginning of the year has only had a modest effect in slowing this unsustainable level of HPA. This is because supply has fallen dramatically in 2020 and continues to do so in 2021.



Source: Realtor.com and AEI Housing Center.

Starting with June 2020, months' supply levels started to drop sharply across all price tiers. Overall months' supply in December was at a rock bottom 2.0 months and, at 1.6 months for the low price tier.



Note: Months' supply measures how long it would take for the existing level of inventory to be sold off at the current sale's pace. While the listings data come from the MLS, the sales numbers come from the public records.
Source: Realtor.com, Zillow, and AEI Housing Center, www.AEI.org/housing.

For the foreseeable future, it will be difficult to replenish or add to supply because: (i) baby boomers are tending to stay put more, (ii) it takes time to acquire land, entitle, and complete new construction even in places like North Carolina and Texas, (iii) adding supply will face the usual difficulties in the Northeast and much of the West, and (iv) new construction supply has fallen from 5.0 months in January 2020 to 4.0 months (SA) in January 2021.

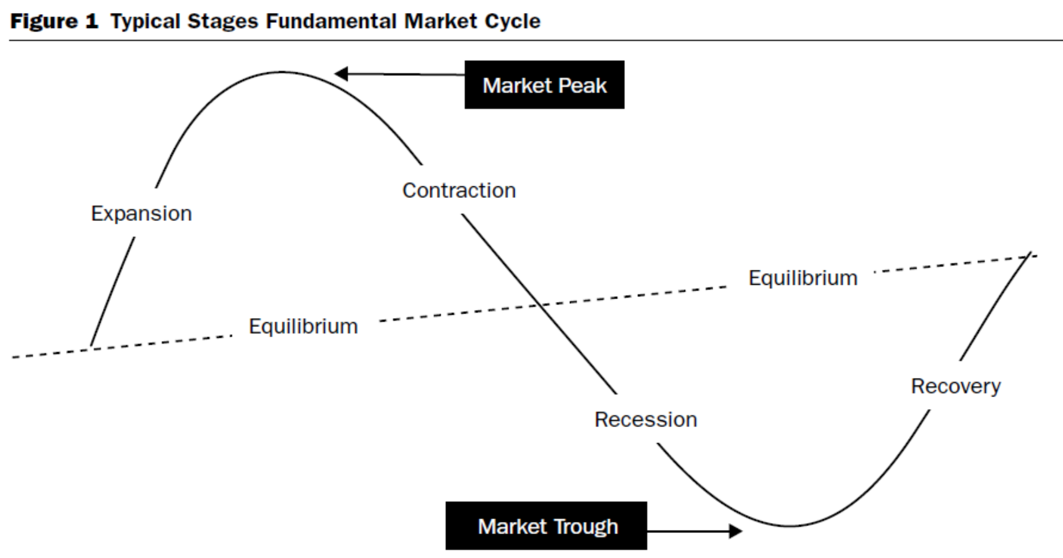
The market is far from equilibrium.

The Dictionary of Real Estate Appraisal, fifth edition, defines *market equilibrium* as:[3]

> The theoretical balance where demand and supply for a property, good, or service are equal. Over the long run, most markets move toward equilibrium, but a balance is seldom achieved for any period of time.

The real estate cycle is stylistically described as follows:

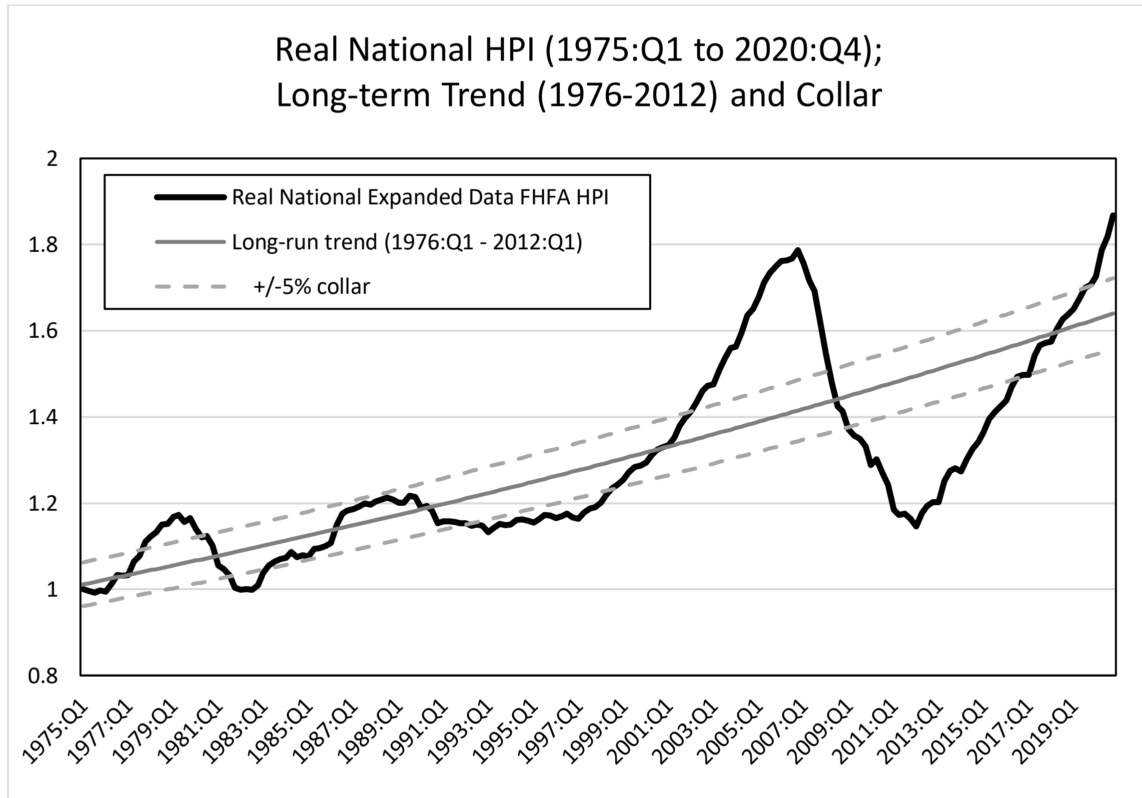
Figure 1 Typical Stages Fundamental Market Cycle



Source: Jorgensen and Fanning

[3] Jorgensen and Fanning, One Step Further—Implementing the Recommendations of Guide Note 12, The Appraisal Journal, Summer 2013

The Federal Housing Finance Agency has developed a measure of the current state of the housing market in terms of the long-term, real home price trend. As you can see, we are well above the long term trend.



Source: FHFA and AEI Housing Center

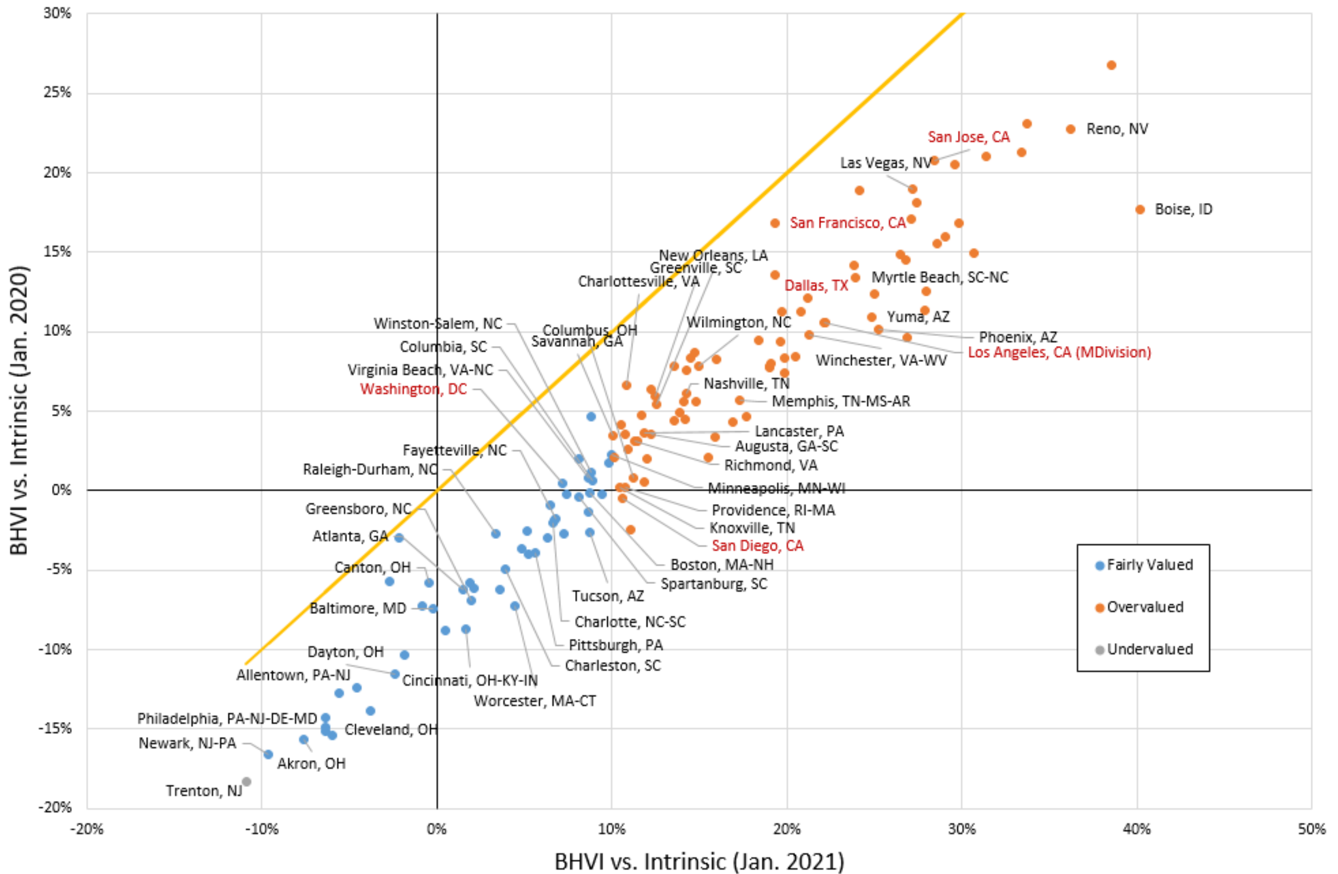
According to the John Burns Intrinsic Home Value Index (BHVI), which assumes a mortgage rate of 5%, about 61% of the largest metros are overvalued and only one (Trenton, NJ) is undervalued. The metro with the highest overvaluation is Sacramento, CA. Compared to a year ago, the Intrinsic Home Value Index has worsened across all metros tracked. While rates have moved up by ½ percentage point since the beginning of the year to 3.25%, a rise in rates to 5% could leave many metros seriously overvalued.

To illustrate why this is a potential problem, consider the monthly principal and interest payment for these two examples:

- $843 on a $250,000 home, with a $50,000 down payment and a $200,000 mortgage at a loan rate of 3%.
- $1557 on a $340,000 home with a $50,000 down payment and a $290,000 mortgage at a loan rate of 5% rate. This is an increase of 85% in the monthly payment. This assumes that by December 2022, home prices will be 35% higher than in December 2019.

The effect of a nearly doubled monthly payment would be to sharply reduce demand, which could quickly turn a roaring seller's market into a strong buyer's market. The resultant price declines would inflict the most harm on low-income and minority homeowners, as many are ill equipped to handle such price volatility.

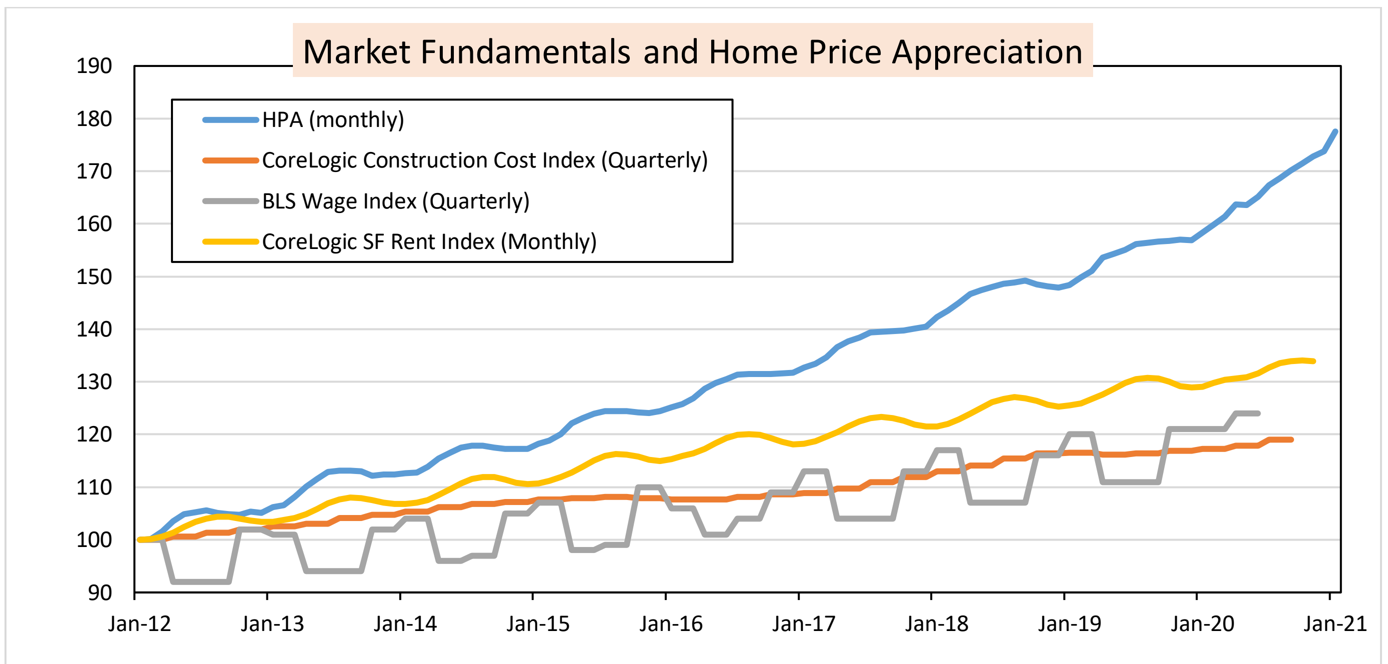
Burns Home Value Index (BHVI) vs. Home Intrinsic Value Assuming 5% Mortgage Rates



Note: Metros highlighted in red are not in states of Committee members.

Note: The BHVI shows current price versus intrinsic value assuming 5% mortgage rate and tracks 131 U.S. metros. Yellow line is a 45-degree line. Above the line indicates an improving index relative to a year ago, below indicates a worsening index compared to a year ago.
Source: John Burns Real Estate Consulting and AEI Housing Center, www.AEI.org/housing.

This conclusion is supported by a wide and now increasing deviation between HPA and the market fundamentals of construction costs, wages and rents. Since 2012, home prices have appreciated at about 2-3 times the rate of these market fundamentals. Since fundamentals tend to correlate to intrinsic value, this level of deviation is unsustainable over the long run. While it is unknowable how much higher prices will rise or when the cycle will turn, the longer home prices deviate from fundamentals, the more painful will be the eventual correction. One again, this will be most painful for low-income and minority homeowners.



Note: Data are for the entire country. HPA data for January 2021 are preliminary. Wage data come from the Quarterly Census of Employment Wages (QCEW).
Source: CoreLogic, BLS, and AEI Housing Center, www.AEI.org/housing.

Work from Home (WFH) Is Contributing to Demand Shifts and Soaring HPA

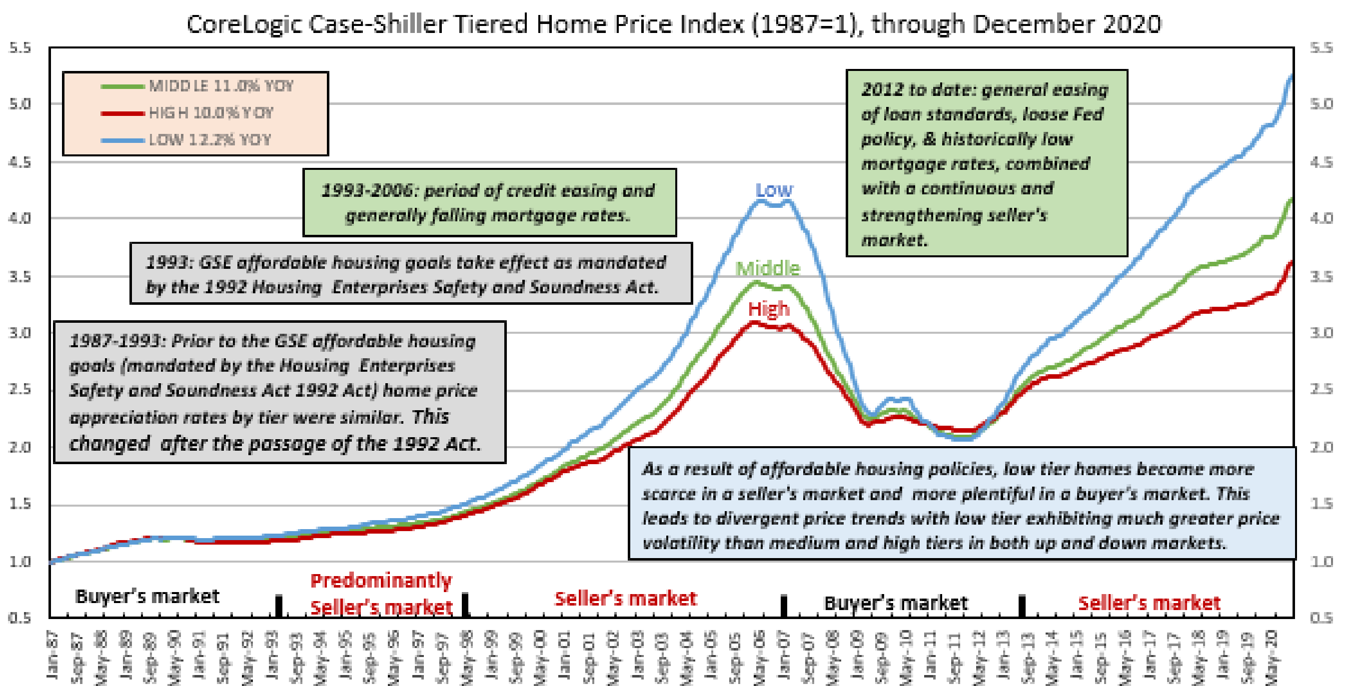
Helping fuel the HPA increase are Work from Home (WFH) households taking advantage of the arbitrage opportunity presented by price distortions across geographies. These distortions are largely due to overly restrictive zoning and other land use regulations which helped drive up home prices unevenly across the U.S. Take the examples of sample homes in San Francisco and San Jose vs. Sacramento and Phoenix (with photos below).

San Jose, CA	**Sacramento, CA**	**Phoenix, AZ**
Home cost: $602,000	**$430,000**	**$383,500**
Home size:		
4 bed, 2 bath, 1,392 sq. ft.	**4 bed, 3 bath, 2211 sq. ft.**	**5 bed, 3 bath, 2,527 sq. ft.**
Price per sq. ft.: $432	**$194**	**$152**

Spiraling home prices have been the consequence of ill-advised government policies and interventions.

First low-income (LI) homebuyers have been subjected to the inflationary effects of dangerous leverage and extremely low interest rates. This has been compounded by the federal government's racially based zoning and land use regime that was conceived and implemented 100 years ago. This regime continues in force today in thousands of state and local land use codes.

Since 1994 low tier home prices have risen 39% faster and had much greater price volatility than in high tier ones. Prior to 1994 the deviation in price trend by tier was much lower, as can be seen to the trend from 1987-1993. This has had a detrimental impact on many first-time or first generation home buyers who either need to take on more leverage to afford home ownership or are priced out of the market. Since 2007, this has resulted in millions of foreclosures.

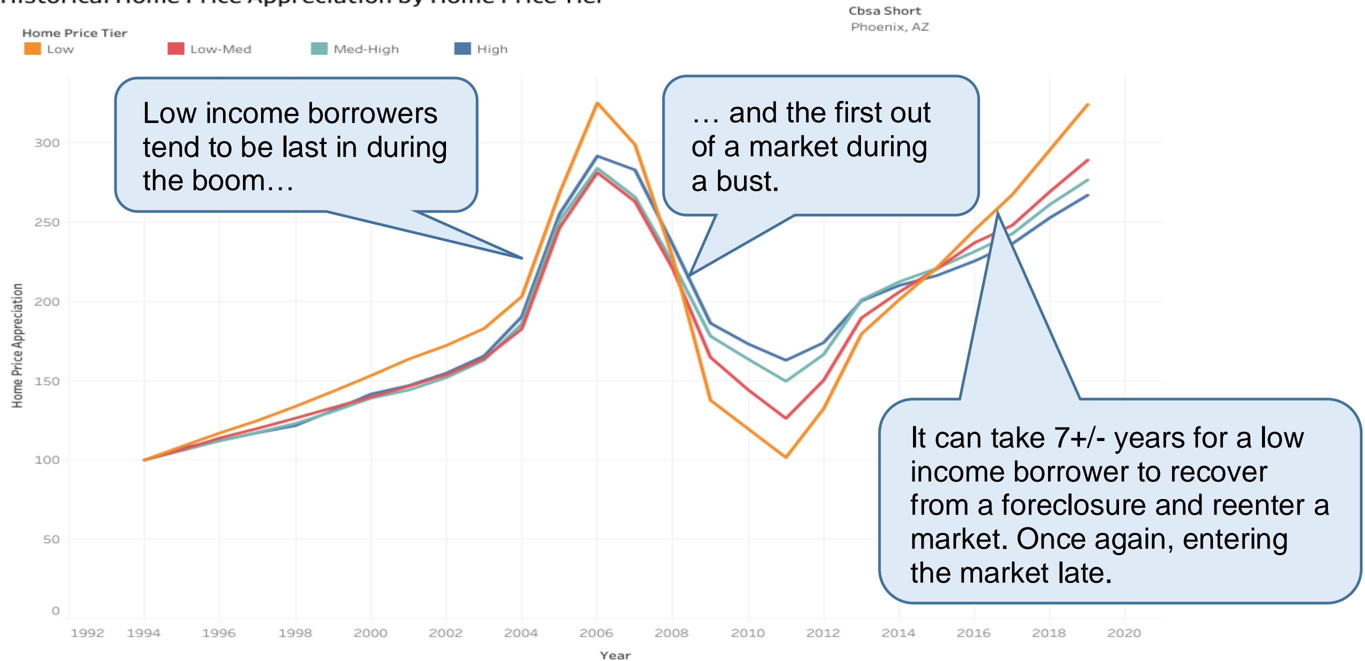


Tiers price breakouts are calculated by breaking up all sales for each period, so that there are the same number of sales, after accounting for exclusions, in each of the 3 tiers. 16 metros are used to derive the Tiered HPI: Boston, NYC, Chicago, DC, Denver, Las Vegas, Los Angeles, San Diego, San Francisco, Miami, Atlanta, Minneapolis, Phoenix, Portland, Seattle, and Tampa, with only 8 metros included at beginning of series. This number grows until 1993, when all 16 metros are reported.
*A seller's market: an economic situation in which supply is limited and sellers can ask for high prices.
**A buyer's market: an economic situation in which supply is abundant and buyers can demand low prices.
Source: CoreLogic Case-Shiller (Data: Dec-20, Pub: Mar-21), compiled by AEI Housing Center (www.AEI.org/housing).

The next four graphics and one map pertain to Phoenix, AZ and demonstrate how the impact of high leverage operates to the detriment of low income homebuyers.

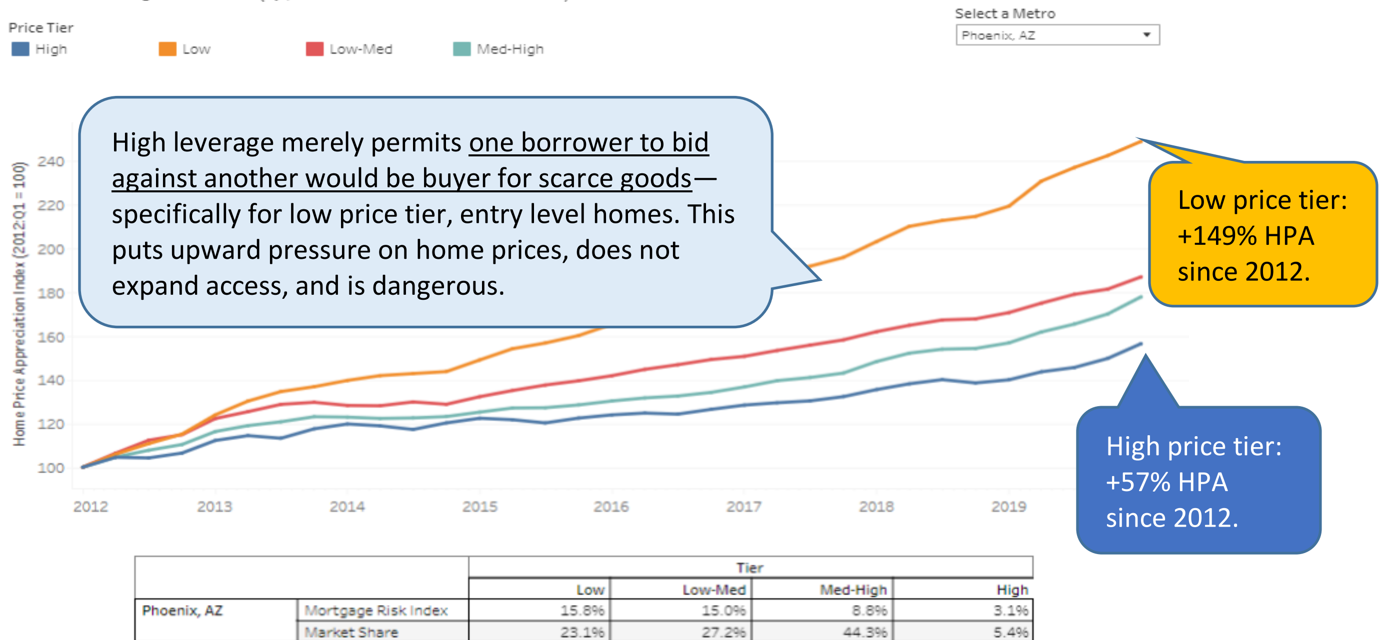
The first shows the extreme home price volatility (nominal dollars) homeowners with homes in the low price tier have experienced since 1994. An increase of 225%, followed by a decline of 70%, followed by an increase of 225%--all in a span of 26 years. Compounding this are multiple cash-out refinance

booms that have occurred over this time period. Many low-income and minority borrowers are ill equipped to handle price volatility of this magnitude.



Source: AEI Housing Center

The next graphic demonstrates that the rate of home price appreciation in Phoenix directly correlates with leverage as measured by the Mortgage Risk Index (MRI). The low price tier has the highest MRI (inset box) and the highest HPA (line graph).



		Tier			
		Low	Low-Med	Med-High	High
Phoenix, AZ	Mortgage Risk Index	15.8%	15.0%	8.8%	3.1%
	Market Share	23.1%	27.2%	44.3%	5.4%

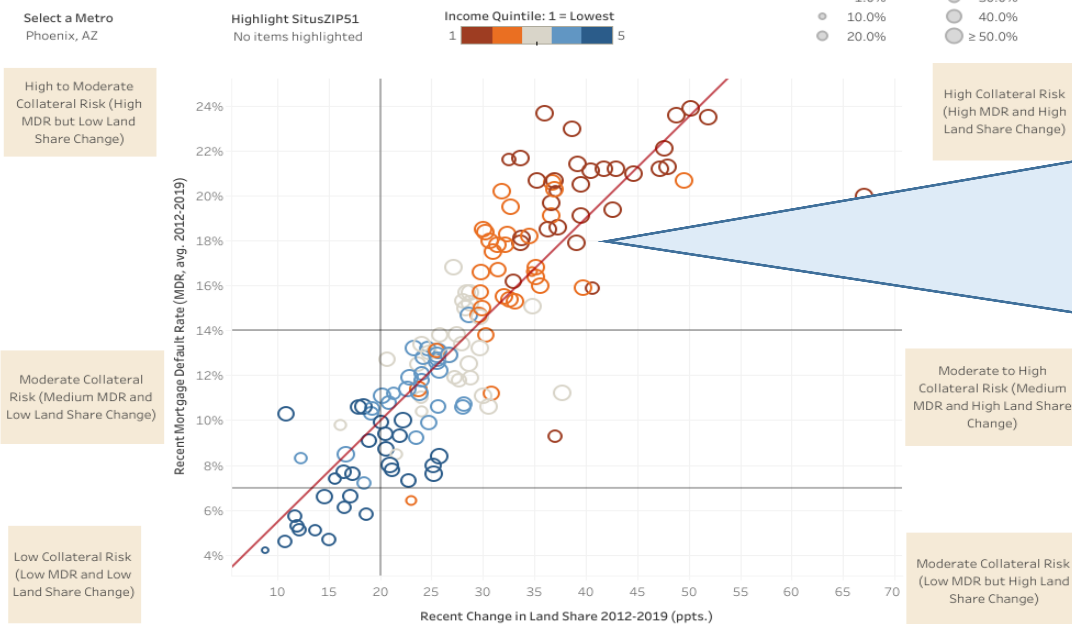
Source: AEI Housing Center

The next graphic demonstrates how high risk loans (y-axis) harm low-income buyers by worsening affordability and increasing foreclosure risk, while creating illusory wealth for recent buyers (x-axis). This illusion of wealth is due to the fact that almost all of the home price appreciation during a boom is the result of increasing land prices, which increases the share that land constitutes of overall value. Land is the volatile component of home value which consists of the structure and land. In short the structure tends to go up with inflation while outsized rates of home price appreciation are capitalized into land price. In the early graphic showing a price decline of 70%, it was the price of land that actually collapsed. Thus the low-income homeowners who purchased in the 2004-2007 were unknowingly speculating in land.

Relationship between Recent Change in Land Share, Recent Stressed and Historical Mortgage Default Rates (MDR) and Borrower Income

Data are for the largest 50 metros (by public record home sales 2012-2019).
Each dot represents one ZIP Code...

Historical Mortgage Default Rate (loans originated in 2006-2007, performance through 2018)



High risk lending (Y-axis) increases foreclosure risk and drives prices up, worsening affordability. This creates an illusion of wealth for recent buyers. In reality, it is levered speculation in land as evidenced by the high increase in land share (X-Axis). This effect is concentrated in zips with incomes in the 1st and 2nd

* Data with collateral risk ratings are for 148 out of 215 ZIP Codes in the Phoenix, AZ metro representing around 100% of sales in 2019.
The data on HPA (from 2012-2019) are for 149 ZIP Codes representing around 100% of sales.

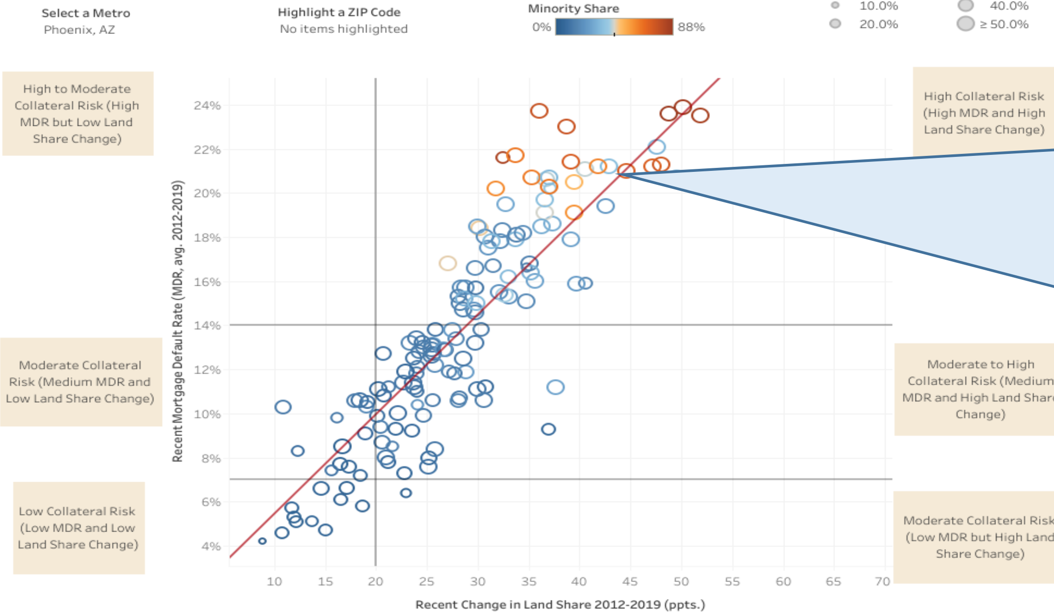
Source: AEI Housing Center

The next Phoenix graphic points out how home buyers of color are disproportionally harmed by worsening affordability, increased foreclosure risk, and the price volatility resulting from increasing land share. These homebuyers are unknowingly speculating in land, which means that they will be the first to lose their homes when the home price cycle turns. This outcome is a Fair Housing Act violation.

Relationship between Recent Change in Land Share, Recent Stressed and Historical Mortgage Default Rates (MDR) and Minority Share

Data are for the largest 50 metros (by public record home sales 2012-2019).
Each dot represents one ZIP Code.
Dark red line is the trend line between Recent Stressed Mortgage Default Rate and Recent Change in Land Share.

Historical Mortgage Default Rate (loans originated in 2006-2007, performance through 2018)



High risk lending (Y-axis) increases foreclosure risk and drives prices up, worsening affordability. This creates an illusion of wealth for recent buyers. In reality, it is levered speculation in land as evidenced by the high increase in land share (X-Axis). This effect is even more concentrated in zips with high minority shares.

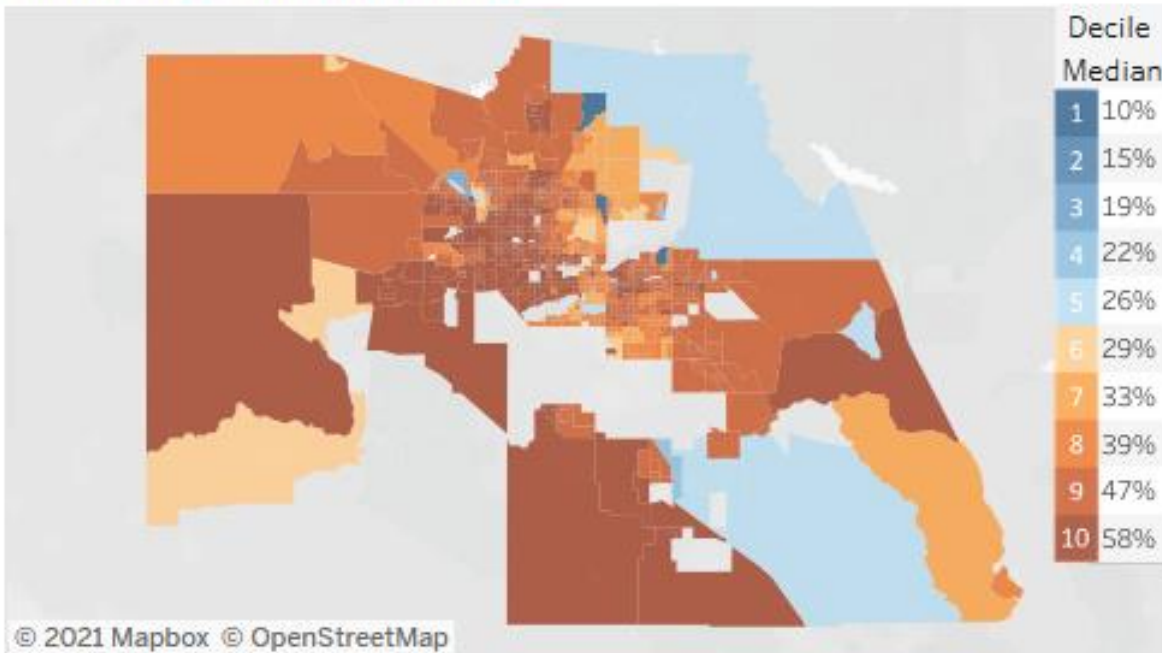
* Data with collateral risk ratings are for 148 out of 215 ZIP Codes in the Phoenix, AZ metro representing around 100% of sales in 2019.
The data on HPA (from 2012-2019) are for 149 ZIP Codes representing around 100% of sales.

** Minority is defined as Black or Hispanic.

Source: AEI Housing Center

The map below for Phoenix shows the cumulative Mortgage Default Rate for loans originated in 2006-2007. In the run up to the Great Recession, credit easing in the form of high leverage and excessively low interest rates, both promoted by federal policies, led to excessively high foreclosure rates and the loss of equity and savings by a high proportion of low-income and minority households. The map color key shows that the preponderance of census tracts had median home loan default rates of 33% to 58%. This means that for every 100 home purchase loans originated in 2006-2007, 33 to 58 homeowners lost their home. Many of the most severely hit census tracts were filled with homes occupied by low-income and minority households.

Historical Mortgage Default Rate
(MDR, loans originated in 2006-2007, performance through 2018)
Coloring based on **National** Deciles

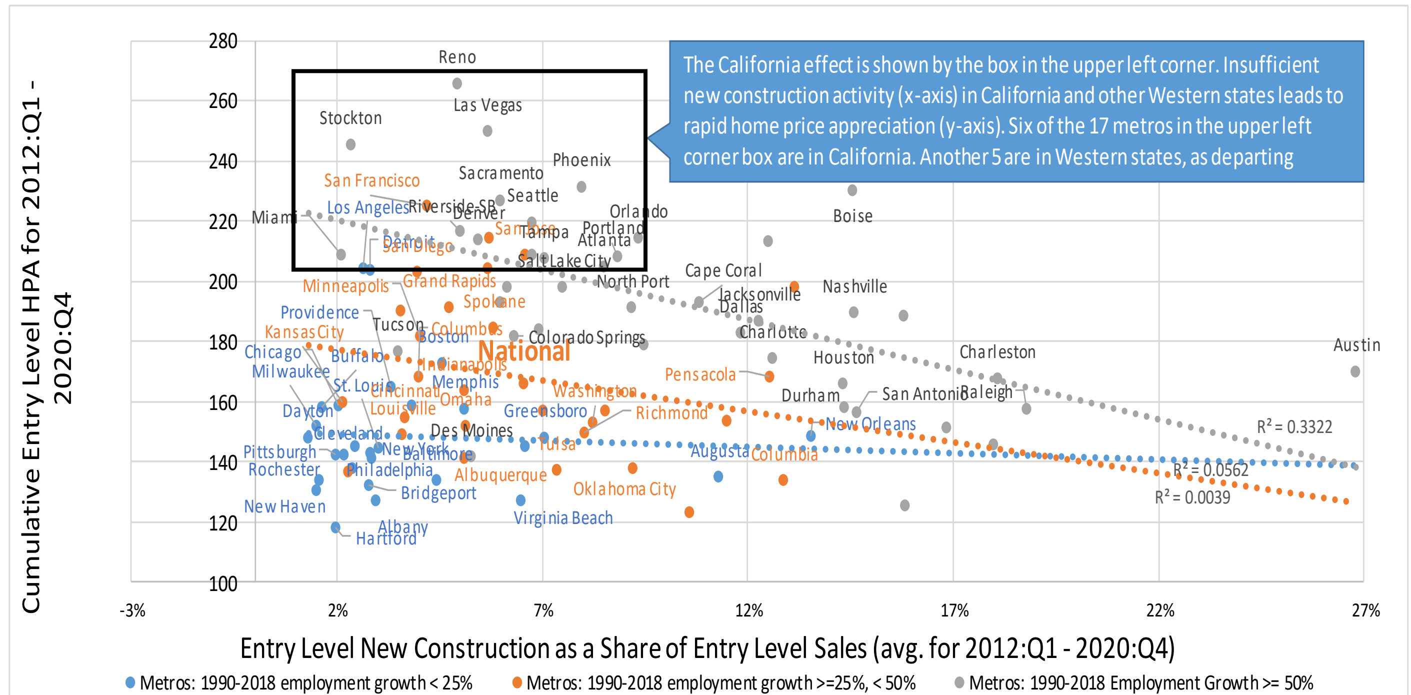


Note: The map is a census tract map of the Phoenix CBSA.
Source: AEI Housing Center

Measuring the impact that the level of new construction has on entry-level new supply and home prices.

As the scatter plot below demonstrates, there an inverse relationship between new construction's share of entry-level sales and entry-level home price appreciation. This inverse relationship is strongest for metros with well above average employment growth over 1990-2020 (the metros and dotted trend line colored black).

Cumulative Entry Level Home Price Appreciation, Entry Level New Construction Sales and Employment Growth

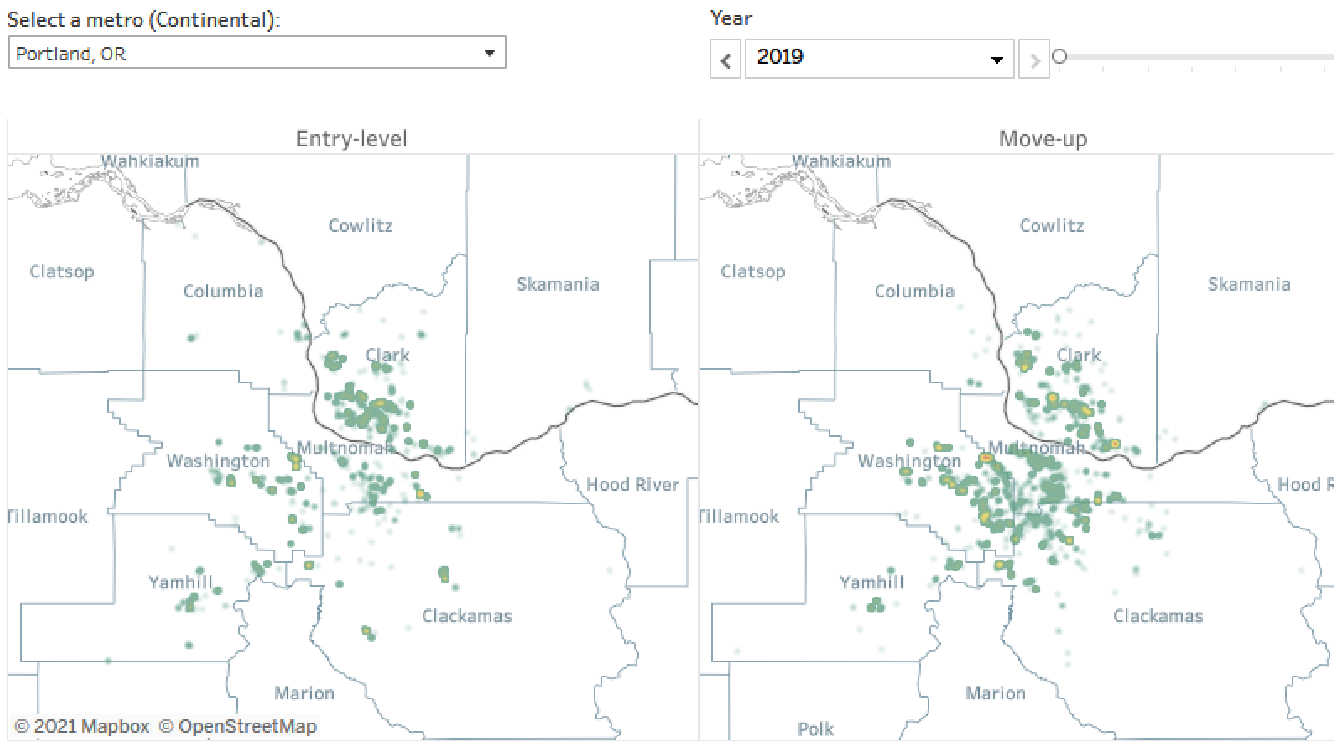


Source: BEA and AEI Housing Center

The legacy of errant federal zoning policies continue to impact housing supply in metros across the country.

The next series of maps will demonstrate this using the Portland and Seattle new construction markets.

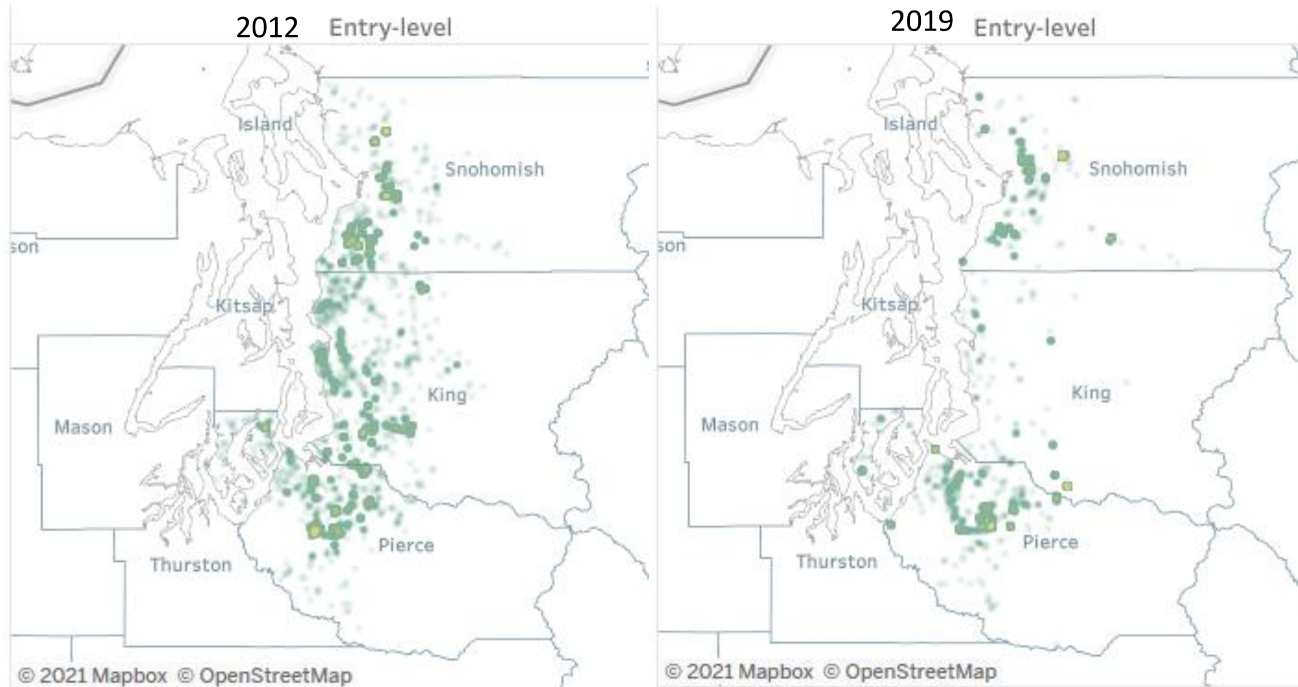
The Portland, OR metro area, which is split between Oregon and Washington, provides a great natural experiment. It is generally thought that new home construction is driven by the “5 Ls”: Labor, Lot (prices), Laws on land use, Lumber (prices), and Lending for construction and development. The cost of labor and lumber are presumably the same on the Oregon and Washington side of the Portland metro, as is the availability of construction and development lending, in both states. Yet in the heat maps below showing new construction, one sees quite different results between the Oregon and Washington sides of the Portland metro. The Washington side has much more entry-level new construction than the Oregon side. This must be due to just 2 Ls: differing lot prices (land cost), along with differing land use laws, and how they are administered.



Source: AEI Housing Center

The Seattle metro provides another excellent example of how entry-level supply has been limited by zoning and land use requirements. The 2012 heat map shows that entry-level new construction was fairly evenly spread across the three counties that made up the Seattle metro area. Yet by 2019, entry-level new construction had virtually vanished from King County (down 77% from 2012 and home to Seattle city), and had declined much less in the counties of Snohomish (down 38% from 2012) and Pierce (down 14% from 2012).

Heat Map of Entry-Level New Construction Sales in the Seattle Metro: 2012 and 2019



Source: AEI Housing Center

We must not repeat the mistakes of the past, which have made housing less, not more affordable:

- Relaxing underwriting requirements in an overheated housing market (many times since 1954).
- Reducing FHA's mortgage insurance premiums in an overheated housing market (2015).[4]
- Providing first-time buyer down payment assistance in an overheated housing market (being discussed in 2020).
- Forgiving student loan debt during an overheated housing market would increase first time buyer buying power and increase demand, which would result in higher home prices (being discussed in 2020.
- There have been at least 42 major congressional enactments of Federal rental housing and community development programs from 1932 to 2008 (see Appendix A).[5] All promised to address pressing problems of the day.
    - Consider the Housing Act of 1949 which set a national housing goal to be realized as soon as feasible "of a decent home and suitable living environment for every American family" or the Housing and Urban Development Act of 1968 which called for "implementation of a 10-year plan for the elimination of all substandard housing."

We know why these mistakes and failures happen. Government involvement in lending sets in motion political pressures for increasingly risky lending, such as "affordable loans" to constituent groups. The

[4] Davis, Oliner, Peter, and Pinto, *The impact of federal housing policy on housing demand and homeownership: Evidence from a quasi-experiment,* http://www.aei.org/wp-content/uploads/2018/01/Oliner-homeownership-WP-Update.pdf?x91208
[5] Sources: Edson, Affordable Housing— An Intimate History, 2010 and the Congressional Research Service, A Chronology of Housing Legislation and Selected Executive Actions, 1892-2003, https://www.gpo.gov/fdsys/pkg/CPRT-108HPRT92629/html/CPRT-108HPRT92629.htm

liberalization of credit terms creates demand pressure which easily becomes capitalized into higher prices when undertaken in a market with constrained or inelastic supply. The actual beneficiaries of these price inflating policies tend to be existing homeowners, real estate brokers, builders, building labor, the suppliers of building materials, and speculators

Besides driving home prices higher, these policy choices would risk putting minority and first time home buyers in homes with high leverage and when they might not be quite ready. A dip in the market would wipe out both earned and paper equity and the possibility of creating generational wealth. It would also have a deleterious impact on credit scores, thereby delaying market reentry.

How to sustainably build generational wealth for low income households through home ownership?

This Committee is appropriately focused on policies that will foster generational wealth for the low-income and minority homebuyers. Further, awareness is growing that for many of these buyers, homeownership has not been effective in building generational wealth.

Considerations and steps that might be taken foster generational wealth for the low-income and minority homebuyers and add housing supply include:

- One should buy a home one can comfortably afford, with a 20-year term to minimize risk of default and pay off principal more rapidly.
- A shorter term loan builds generational wealth.
    - The earlier pay-off date provides access to additional cash flow to pay children's post-high school education, and fund retirement
- Any financial assistance provided should build wealth using a 20-year loan, not subsidize debt using a 30-year term loan.
    - The 20-year term reduces default incidence and limits the subsidy from being capitalized into higher prices.
    - Assistance should be narrowly targeted to lower income, first generation homebuyers, who as a group have historically had greater difficulty accumulating generational wealth.
    - Helps address the need to sustainably expand the credit box so as to grow home ownership opportunities, especially for minorities.
- Understand that the market distortions continue to emanate from the federal government's role in establishing a greatly flawed zoning and land use regime in 1921. This determined and successful effort was designed to drive up of the cost of building new homes so as to price racial and ethnic groups out of newly built neighborhoods. And these same policies were designed to keep multifamily housing in zones away from neighborhoods consisting of 1-unit, single-family detached structures.
- Understand that reversing the effects of these 100 years old policies will take decades. Here are sensible steps that state and local government should take include:
    - Increasing supply and reducing income stratification through the legalization of Light Touch Density, that is make 2, 3, and 4 unit and single-family attached housing legal in 1-unit single-family detached neighborhoods.
    - Allowing extra rooms in homes to be rented out.
    - Promoting walkable neighborhoods with a mix of residential and commercial properties.

- Increase the density allowed for single-family and multifamily zoning, including expanding by-right multifamily zoned areas.
- Allowing manufactured homes in areas zoned primarily for single-family residential homes.
- Allowing multifamily development in retail, office, and light manufacturing zones.
- Allowing single-room occupancy development wherever multifamily housing is allowed.
- Reducing minimum lot size.
- Reducing the number of buildings protected by historic preservation.
- Increasing the allowable floor area ratio in multifamily housing areas.
- Streamlining or shortening permitting processes and timelines, including through one-stop and parallel-process permitting.
- Eliminating or reducing off-street parking requirements.
- Reducing impact and utility investment fees.
- Allowing prefabricated construction.
- Reducing or eliminating minimum unit square footage requirements.
- Allowing the conversion of office units to apartments.
- Allowing the subdivision of single-family homes into duplexes.
- Allowing accessory dwelling units, including detached accessory dwelling units, on all lots with single-family homes.
- Legalizing home-based businesses.

Appendix A: Federal rental housing and community development programs enacted since 1932[6]

1932: Emergency Relief and Construction Act - the government's first major involvement in the housing field,

1933: National Industrial Recovery Act - Section 202 established the Public Works Administration, which was authorized to build or finance public housing,

1934: National Housing Act established the FHA (including Section 207 Multifamily Insurance)

1934: National Housing Act authorized National Mortgage Associations (pursuant to this authority, the Federal National Mortgage Association was chartered on February 10, 1938, as a subsidiary of the Reconstruction Finance Corporation),

1937: United States Housing Act established Public Housing Authority,

1942: Section 608 authorized FHA mortgage insurance for rental housing for war workers,

1949: Housing Act – set national housing goal--realization as soon as feasible of the goal of a decent home and suitable living environment for every American family,

1949: Housing Act – Title I authorized Slum Clearance and Urban Redevelopment, also authorized a major expansion of public housing program including a shift to a focus on high-rise buildings,

1949: Housing Act – added Section 515 authorizing rural housing assistance,

1950: Housing Act amended Section 213 expanding cooperative housing mortgage insurance program, 1954: Housing Act added Section 220 for the prevention and rehabilitation of slums

1954: Housing Act added Section 221 to provide FHA mortgage insurance for low-cost housing for families displaced as the result of governmental action,

1959: Housing Act added Section 202 authorizing direct Federal loans for elderly rental housing,

1965: Housing and Urban Development Act added Section 23, a new program of rent supplement payments,

1966: Demonstration Cities and Metropolitan Development Act authorized Model Cities Program,

1968: Housing and Urban Development Act added Section 236 a new program of rental housing assistance for lower-income families,

1968: Housing and Urban Development Act created GNMA and FNMA as separate entities,

1968: Housing and Urban Development Act created Title IV--the New Communities Act,

1968: Housing and Urban Development Act created Title V which authorized the Urban Renewal Neighborhood Development Program,

1968: Housing and Urban Development Act created Title XVI--Housing Goals and Housing Reports (implementation of a 10-year plan for the elimination of all substandard housing and the realization of the 1949 national housing goal),

1968: Housing and Urban Development Act added new rural housing interest- reduction programs,

---

[6] Sources: Edson, Affordable Housing— An Intimate History, 2010 and the Congressional Research Service, A Chronology of Housing Legislation and Selected Executive Actions, 1892-2003, https://www.gpo.gov/fdsys/pkg/CPRT-108HPRT92629/html/CPRT-108HPRT92629.htm

1969: Tax Reform Act added favored tax treatment for affordable housing projects,

1970: Emergency Home Finance Act authorized creation of Federal Home Loan Mortgage Corporation, 1970: Housing and Urban Development Act authorized Experimental Housing Allowance,

1970: Housing and Urban Development Act authorized Prevention of Housing Abandonment Programs,

1974: Housing and Community Development Act authorized Section 8 new construction and existing programs,

1974: Housing and Community Development Act created Community Development Block Grant program

1977: Housing and Community Development Act created Urban Development Action Grant Program,

1977: Housing and Community Development Act created Community Reinvestment Act,

1978: Housing and Community Development Amendments authorized Housing Assistance Programs providing further assistance (now known as the ``Flexible Subsidy'' program) for financially-troubled rental projects assisted by Sections 221(d)(3) or Section 236 mortgage-interest reduction programs or Rent Supplement payments,

1980: Housing and Community Development Act added a new Section 14 to the United States Housing Act of 1937 to provide a Comprehensive Improvement Assistance Program for existing public housing, 1983: Housing and Urban-Rural Recovery Act authorized experimental rental assistance in the form of a voucher,

1983: Housing and Urban-Rural Recovery Act established Rental Housing Rehabilitation and Development Grant Program,

1983: Housing and Urban-Rural Recovery Act authorized Housing Development Action Grant Program,

1986: Tax Reform Act authorized the Low Income Housing Tax Credit Program,

1987: Stewart B. McKinney Homeless Assistance Act,

1987: Housing and Community Development Act included Emergency Low Income Preservation Act, 1989: Financial Institutions Reform, Recovery, and Enforcement Act authorized Federal Home Loan Bank System Community Investment and Affordable Housing Programs,

1990: Cranston-Gonzalez National Affordable Housing Act enacted HOME Investment Partnerships Act, 1992: Federal Housing Enterprises Financial Safety and Soundness Act established GSE Affordable Housing Goals,

1994: Riegle Community Development and Regulatory Improvement Act established the Community Development Financial Institutions Fund,

2008: Housing and Economic Recovery Act establishes the Housing Trust Fund.

2008: Housing and Economic Recovery Act establishes the Housing Trust Fund.