

**STATEMENT OF
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SECRETARY
OF
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
BEFORE THE
COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN
DEVELOPMENT,
AND RELATED AGENCIES
UNITED STATES SENATE
PRESIDENT TRUMP'S FISCAL YEAR 2026 BUDGET**

June 11, 2025

Chairman Hyde-Smith, Ranking Member Gillibrand, and distinguished Members of the Subcommittee:

Thank you for the opportunity to testify today in support of President Trump's 2026 Budget for the United States Department of Housing and Urban Development.

We have a small window of opportunity to usher in the Golden Age of Homeownership. And the clock is ticking.

As of April, the **national median home price** is 414,000 dollars. Up from more than 341,000 dollars in April of 2021—marking a huge increase of more than 21 percent.

And the average **30-year fixed mortgage rate** is almost 7 percent, nearly double the rate in 2019.

The numbers don't lie: It became significantly harder to own a home due to the policies of the Biden administration.

Simply put, we need a new playbook.

The President's Fiscal Year 2026 Budget **is** that playbook.

It requests forty-three point five billion dollars for the Department. But more than that, it represents the clear balance between funding mission critical programs and much-needed fiscal restraint.

It carries out President Trump's Day One Presidential Memorandum to decrease the cost and increase the supply of affordable housing.

And it reflects excellence, accountability, and purpose.

This budget supports HUD's mission to serve rural, tribal and urban communities. Much of that work is already underway.

And I want to emphasize this: We will maximize whatever funds Congress gives us, whether it's 10 billion dollars or just 10 dollars.

At HUD, we are taking inventory of every program and process. We started this mission on day one and are continuing to take inventory each and every day. What we have found is a rental assistance system full of waste, fraud, and abuse; inefficiencies and bloated administrative costs; deteriorating public housing units; and a rent structure that punishes work and marriage among residents. Simply put, it is a broken system that has deviated from its original and intended purpose – to temporarily help Americans in need.

I want to focus on that word: “Temporary.” HUD assistance is not supposed to be permanent. It’s supposed to be a treadway, which is “a temporary, tactical pontoon bridge designed for use by the military to cross water obstacles. It’s a modular system made of sections that can be assembled quickly to form a bridge, allowing the passage of heavy vehicles and equipment.”

So HUD rental assistance is meant to be a temporary station for people in need in the same way a treadway facilitates the crossing of an obstacle. Military engineers remove the treadway after successfully crossing.

We are taking steps to return HUD to its mission and to fix structural flaws.

We are consolidating our **40 plus** departmental management systems into **one, common** platform and implementing processes to ensure accountability throughout our **60 plus grant** programs so funding goes where – and to whom – it is intended for.

At the same time, we are eliminating radical political agendas and wasteful spending.

We identified **260 million dollars** in savings for the American people, cancelled **4 million dollars** in DEI contracts, and recovered an additional **1 point 9 billion dollars** from inactive contracts that should have been closed out under the Biden administration.

We have seen that pouring more money into programs, without thinking of long-term and sustainable solutions, has not and will not solve the issues of housing affordability and homelessness.

We want to be lean and mean, not bloated and bureaucratic.

We are also working to undo harmful rules and regulations, including the Obama-Biden-era Affirmatively Furthering Fair Housing rule.

This mandate effectively turned HUD into a national zoning board, amounting to one of the greatest top-down intrusions ever undertaken by Washington.

It forced local authorities to implement a 100-question grading tool and undertake complicated demographic analyses of their residents and housing stock to target suburbs and reshape them as part of a misguided scheme of social engineering. It was an attack on the American, suburban dream and, really, the American family.

While cutting red tape is an important part of the equation, so is increasing the supply of land to build more housing.

The Department of Interior oversees more than 500 million acres of federal land, including areas suitable for residential use.

We are working with Secretary Doug Burgum to identify underutilized federal land suitable for affordable housing development, while still protecting our public lands, parks and other important spaces.

As part of this partnership, we will work with governors and local leaders to better steward our public resources.

Finally, we are enforcing the rule of law at HUD and cutting off the taxpayer funded subsidization of HUD programs for illegal aliens, particularly when it comes to HUD-funded housing or HUD-backed mortgages.

But HUD is about **more** than housing.

Congress has provided HUD funding to support disaster recovery. But oftentimes, we found that **paperwork** was getting in the way of helping **people**.

So, we did something about it. We streamlined and simplified the disaster recovery process with an updated universal notice that incorporated over 700 stakeholder comments, and fully aligns with the President's Executive Orders.

For our tribal communities, we announced **2 point 2 million dollars** under the expansion of the Tribal HUD-VASH program to address veteran homelessness.

And for our rural communities, especially ones with growing populations, we convened stakeholder roundtables and discussed solutions for more workforce housing so people can work where they live and live where they work.

The impact of our policies underscores how we are returning HUD to its intended purpose-- serving everyday Americans through localized solutions.

The President's Budget continues this local-first approach by limiting the size, scope and spending of Federal programs.

It is transformational and fundamentally changes how the government works **for the better**.

It proposes a state-based formula grant which would encourage states to have skin in the game for the funding and design of their own rental assistance programs without heavy-handed interference from Washington. The block grant process will also empower states to be more thoughtful and precise in their distribution and spending of taxpayer dollars.

HUD currently manages approximately **30,000 program awardees or recipients**, so there's no wonder the system is plagued by so much redundancy and abuse. Empowering states through the reimagined grant system would cut down on this administrative burden, help them do what the federal government has failed to do, and better serve the American people while maintaining necessary assistance for the elderly and disabled.

Importantly, the Budget also maintains HUD's commitment to promoting economic independence by adopting a compassionate, common-sense, and historically bipartisan conversation around reforms like time limits that will encourage able-bodied residents to move up and out of assisted housing.

Finally, it thoughtfully addresses our nation's homelessness crisis by welcoming efforts from faith-based service providers and supporting comprehensive **localized** solutions that acknowledge addressing homelessness goes far beyond housing.

Overall, the President's Budget would save billions of taxpayer dollars that can play an important role in balancing our nation's budget.

The 2026 HUD Budget Request will allow HUD to operate at a standard of excellence as part of the President's Golden Age and I am proud to support it.