

Jerry Howard ([00:08](#)):

Welcome to Housing Developments. I'm Jerry Howard.

Jim Tobin ([00:11](#)):

And I'm Jim Tobin. Hey Jerry.

Jerry Howard ([00:12](#)):

Hey Jim. Good to be with you again this week. An interesting day after the President's speech last night.

Jim Tobin ([00:18](#)):

Yeah.

Jerry Howard ([00:19](#)):

About infrastructure and housing.

Jim Tobin ([00:21](#)):

Yeah, it was an interesting speech, obviously taking a victory lap on what hopefully is the beginning of the end of the COVID pandemic. And talking about the vaccines, obviously NHB had a big role this week on promoting vaccines and making sure that our builders and our workers are vaccinated. But yeah, infrastructure. That is going to dominate the congressional agenda from here on out, whether it's about climate change, about workforce, whether it's about housing as infrastructure, whether it's about human infrastructure, it's going to be ... He set out a pretty ambitious agenda, and also he put the stake in the ground of how he's going to pay for it. There are certainly things that ... We've been talking about it for weeks now, but now they're kind of full out in the light. I think the real estate industry and home building are going to have our work cut out for us.

Jerry Howard ([01:16](#)):

I think you're right. We've got a guest here today that can help us explore that a little bit. I think it's a great privilege and a testament to the strength of the National Association of Home Builders that we're joined today by the Chairman of the Senate Banking, Housing and Urban Affairs Community, Senator Sherrod Brown of Ohio. Senator, welcome.

Senator Sherrod Brown ([01:40](#)):

Good to be with you guys again. Thanks.

Jerry Howard ([01:42](#)):

Senator, you and I spoke right after the election. It was an honor to receive a phone call from you. At that time, you said a couple things that really got me excited. The first was that if you had your way, you'd change the name of your committee to the Banking and Housing Committee, and then secondly, that you were very interested in perhaps doing a holistic look at American housing policy since it really hasn't been done in a long time. Could you comment on that?

Senator Sherrod Brown ([02:12](#)):

Yeah, sure. I actually, I think I said change it to Banking Housing or Housing and Banking, either way. But this committee is, for years, as you know, since 1970, been called the Banking, Housing, and Urban Affairs Committee, but around the Senate and the media, typically just call it Senate Banking. Unfortunately, that has led this committee to be all about Wall Street, a little about housing, and almost nothing about urban and rural affairs. My mission is how do we ... I want to front and center feature housing. Banking matters, of course, finance and housing matters, GSE reform matters, making sure that the mortgage system works, all that matters. But there just hasn't been that emphasis on housing.

Senator Sherrod Brown ([02:57](#)):

In fact, we did hearing about maybe six weeks after you and I talked that first time, Jerry, the first time recently. And the hearing was called the State of Housing in America. That's the first time this committee, for nine years, have done a Housing Committee hearing like that, just to study housing and look at the state of housing and what we can do. I have really set out, part of the reason I called you right after I became Chair, or was about to become Chair after the election, and I also called people like Phil Gramm, the former chair of this committee, whose politics are very different from mine. He's a very conservative guy from Texas, was Chair many years ago. I called Ben Bernanke, the Bush nominee to the federal reserve.

Senator Sherrod Brown ([03:43](#)):

I've talked to bank CEOs and community bank CEOs and credit ... I mean, I want all ideas on the table because we've got to figure out how to build more homes. We've got to figure out how to renovate homes that could sell in communities that could sell for \$60, \$70, \$80,000, in my zip code in Cleveland, and in Appalachia, Ohio, and all over. We need to build more new homes. I think everything should be on the table. I mean, I'm a progressive Democrat, but that doesn't matter here. What matters is we provide housing to people that need it in this country. Way more people need it than the supply we have.

Jerry Howard ([04:20](#)):

Oh, there's no question about that, Senator.

Jim Tobin ([04:22](#)):

Senator, you mentioned in the long list of issues that are going to come before you in the housing space, you mentioned GSE reform. That's something near and dear to our hearts. Obviously, we are now what, 13 years into conservatorship of the Fannie and Freddie. We have belonged and champions of a durable, lasting legislative solution to GSE reform. Given what FHFA has done in the past, what they're doing now, the uncertainty of the directors' tenure, pending a Supreme Court case. Where do you think that lasting, durable legislative fix comes in? Or is it comprehensive? Is it in pieces? What's your thought on GSE reform in [crosstalk 00:05:10]?

Senator Sherrod Brown ([05:09](#)):

I think it needs to be comprehensive. There's some principles I think we mainly agree on in both parties. I mean, it's complicated to get there. There are other priorities which seem to be ... As you know, Jim other priorities always get in the way. That's kind of the way things work around here.

Senator Sherrod Brown ([05:26](#)):

But I just had a call. I talked to Mark Calabria yesterday, the FHA Administrator. He doesn't know what his future is. He is fortunately ... I've got a conversation a week ago with a prominent mortgage banker in Ohio who was concerned about some of Calabria's rules on bringing people into the system and refis and all that. He thinks that his [inaudible 00:05:52] have really been skewed towards upper income mortgages and needs to be broader than that. Not to exclude upper income of course, but needs to reach a little deeper.

Senator Sherrod Brown ([06:05](#)):

That's why I talked to Calabria about that. He is sort of changing his position a little bit there, but what's important is we find a way that ... I like what you said about stability. One of GSE system, housing finance system, that's predictable and will last, that means preserving the 30-year fixed rate mortgage. That to me is essential for how we've done as well as we have building housing. It means maintaining equitable access for small lenders. That's really important. We need a federal backstop. I think of it as sort of regulating the GSEs as utilities, so they are, as you say Jim, predictable on longer term. It means maintaining our multifamily housing systems, too.

Senator Sherrod Brown ([06:51](#)):

I think we can do that. A number of people on the committee are starting to talk about it again, doing it bipartisanly. There were a couple of efforts, as you know, Jim, both of you do, Jerry, working on this half a decade ago. We've kind of put it aside. And I think that after we get through the first 200 days or so of the Biden administration and the new things he's trying to do to build the economy, not from Wall Street down, but from the middle-class out, I think then we can get serious about this.

Jim Tobin ([07:24](#)):

Well, we're standing ready to work with you when that time comes Senator.

Senator Sherrod Brown ([07:28](#)):

Good.

Jerry Howard ([07:29](#)):

Yeah, absolutely. Do you think that would be a part of a broader overall omnibus housing bill? Or do you think that would be a separate effort, Senator?

Senator Sherrod Brown ([07:39](#)):

Probably separate because ... but I mean, I'm open. The first step with Biden, with the new administration has been obviously dealing with COVID. The second step, at the same time, we can do more than one thing at once obviously, is how to build this economy. We're going to see, I talked to the Chair of the Federal Reserve regularly, Jay Powell. He's Trump nominee of the Federal Reserve. And I talked to secretary Bernanke, I'm sorry. I'm sorry. Secretary Yellen, who was former Chair under Obama and now is Treasury Secretary. They are both very optimistic about the pent-up demand in this economy causing and helping to bring, coupled with the new dollars that the Biden administration and the Senate and the House have put into this economy with the Relief Act and now the Infrastructure Bill, that that's going to mean several quarters or more. They don't limit it, several quarters or more of pretty strong economic growth.

Senator Sherrod Brown ([08:41](#)):

I want that economic ... the first part of housing, as you both know, has been the emergency rental assistance and the emergency foreclosure forbearance assistance to make sure people aren't evicted or because they lost their jobs with pandemic. That's our first order of business. After that, as the economy starts to grow, I think we need to ... Opportunity needs to meet whatever that term is. What is it? Opportunity needs ... I'm forgetting that term. But anyway, we need to be ready. Maybe it's preparation meets opportunity, whatever I'm trying to say. We need to be ready as this economy starts to take off, to make it easier and incentivize in all home building in a big way.

Jerry Howard ([09:27](#)):

Well, thank you for that, Senator. We totally agree. Let me ask you a question. Do you think that there'll be an extension of the eviction moratorium, first? And then secondly, what do you think, or is there a possibility that they can get the states to move quicker on getting the rental assistance out?

Senator Sherrod Brown ([09:47](#)):

Yeah, that's a really good ... that's the million dollar question. Now I spoke last night to Gene Sperling, who was the President's designee at the White House to disperse ... The one in charge of making sure these dollars end up where they should, not just rental assistance, but local governments and education and healthcare and everywhere else. He is focused, in part because I stay in touch with him closely. He's especially focused on the dollars for the emergency rental assistance and foreclosure assistance. He's unsure on whether or not the moratorium continues. I think it needs to continue if the money's not in place and out the way it needs to be, but we don't want it to be any longer than it needs to be. I mean, it's the kind of thing we want to make sure that we get help to people that landlords are ... I mean, landlords are hurting too, clearly.

Senator Sherrod Brown ([10:44](#)):

I think often of a retired couple in Toledo, Ohio, who they bought a duplex and on the one side they're living, or their Social Security and their rent payments. On the other side is there their tenant. That landlord, sometimes that homeowner, that senior senior citizen haven't had any revenue in many months, perhaps. We've got [inaudible 00:11:09] but it's partly, it's the feds getting into the states, and it's working with the states. I'm going to be really dogging that. Because I said to him yesterday, as I said to my staff, there's nothing more important in the Banking Housing Committee right now than to get those dollars out the door fairly and honestly, and honorably and efficiently for those who need it, for nobody else, but for those who earned it and need it and qualify for it, because we can't really do much else with housing until that gets fixed. Then at the same time, we're going to be looking at how do we incent more building of homes. But that's got to be fixed so landlords and tenants can get on with their lives, for sure.

Jim Tobin ([11:49](#)):

Chairman, I know your time is limited today and we're so thankful to have you with us. Maybe time for one more question. That's infrastructure. We saw President Biden's speech last night, really launching the campaign on the human infrastructure. We saw the physical infrastructure plan a couple of weeks ago. Tell me where housing fits into the overall infrastructure program and how do we move forward to make sure that housing affordability is in the forefront, but what's your role and how do you see the committee playing a role in the future, on the infrastructure conversation?

Senator Sherrod Brown ([12:27](#)):

Yeah, I mean, at first, you first accept the facts, people need to know the facts. There just aren't enough loans. Now there are not enough homes for ... I mean, one of my daughters is in the housing market right now, and she can't really ... She lives on the East Coast, one of them. The other daughters live in our state, in Columbus. They can't quite believe the price of housing and they're very middle-class, I mean, they're spending so much more than I would have imagined, [inaudible 00:12:58] where I live. But I mean, I know about that.

Senator Sherrod Brown ([13:01](#)):

But so I think we've got to really focus on how are we building more affordable housing for middle-class families. I think there's just not enough loans for low and moderate income people. I look at, and I mentioned this before, I think probably to you Jim, my wife and I live in zip code for 44105 in Cleveland. That zip code had more foreclosures than any zip code in the country back in 2007. There are a whole lot of homes in that zip code that people are scraping by, many of them were abandoned. Some of them were sold to outsiders that did whatever they did with them.

Senator Sherrod Brown ([13:38](#)):

A lot of those homes could be rehabilitated and there will be funds for some of that and then those homes could be sold. These numbers don't sound right to some people, but can be sold for \$50, \$60, \$70,000 a year. I mean, [inaudible \$50, \$60, \$70,000. And people would be paying less for their mortgage than they pay in their rent in many cases. Part of our focus needs to be there, part of our focus has to be new home construction. I want you as home builders play a role in all that. I mean, I know that new homes is your focus, but home renovation has got to be a part of this too, especially for moderate income people. I want to see infrastructure address that and so much more.

Jerry Howard ([14:21](#)):

Senator, thank you very much for those comments. I think you know that NAHB stands ready to work with you on all of these issues across the board. Before I let you go. I know you know the answer to this, and I just hope you'll be able to tell it tonight, the NFL draft, where do your Cleveland Browns go?

Senator Sherrod Brown ([14:41](#)):

Well, this won't surprise you. My answer will be that I hope even though it's the NFL draft, because it's in Cleveland, I hope that the Cleveland Indians can draft a lead-off hitter. I know I got the wrong sport, but my focus in this time of year is Cleveland Indians baseball. I don't even know the answer, but I do know that Cleveland baseball needs a center fielder, they need a first basemen, and they need a lead-off hitter. You're a Yankee fan. That's it. You're scary. It's [inaudible 00:15:10] to hear that.

Senator Sherrod Brown ([15:10](#)):

I hate the Yankees so much. I grew up an hour and a half from Cleveland. There were only 8 teams in those days, in the late fifties, early sixties, I guess 10 then later. And I never saw the Yankees play because my dad didn't want Mickey Mantle to get 15 cents out of his stick. I never saw the Yankees until my friends and I could drive, when I was in high school. That's how much I hate the Yankees.

Jerry Howard ([15:35](#)):

Well, I'm sorry to hear that Senator. But I hope we can still work together on housing.

Senator Sherrod Brown ([15:40](#)):

We can, as long as you don't bring that up again.

Jim Tobin ([15:42](#)):

You got us Yankee fans back with that swarm of gnats you put around Joba Chamberlain out [crosstalk 00:15:46].

Senator Sherrod Brown ([15:46](#)):

Yeah. That was a great ... Derek Jeter looked like he was fighting off a shark attack. Just a bunch of little gnats. They're still making excuses about that game.

Jim Tobin ([15:54](#)):

That's right.

Senator Sherrod Brown ([15:55](#)):

Thanks Jim.

Jim Tobin ([15:56](#)):

Thank you.

Jerry Howard ([15:56](#)):

Thanks Senator.

Senator Sherrod Brown ([15:57](#)):

Jerry.

Jerry Howard ([15:58](#)):

Bye-bye.

Senator Sherrod Brown ([15:58](#)):

See you.

Jerry Howard ([16:00](#)):

So Jim, there you have it. Senator Brown has some great ideas and clearly wants to lead the committee. What are your thoughts?

Jim Tobin ([16:08](#)):

Well, boy, I mean, he hit all the high points for us. Obviously, housing, number one, is a priority for him as chairman of the committee. That's music to our ears. He said that at the top of the interview. Housing as infrastructure, talking about building housing for all Americans. I thought that was great. Especially middle income Americans and middle income families, but also making sure we take care of the low end. He hit on GSE reform. Boy, when was the last time ... And he mentioned a decade ago that we've

heard bipartisan support for generic principles on housing finance reform. Again, things have fallen on our wheelhouse.

Jim Tobin ([16:48](#)):

I'm excited to work with him. He is a champion and was one of the leading champions on rental assistance, which has been slow to get out the door by the administration. But nonetheless, he knows that and he is focused on that. I thought another thing that maybe wouldn't expect to come out of the Senator is that he hopes that the eviction moratorium, that it will be temporary and will end at some point, if this money gets out the door. A lot of optimism from Senator Brown.

Jerry Howard ([17:17](#)):

Yeah. There sure was. Our Ohio members know this better than some of the other listeners out there. Senator Brown said it himself a couple of times. He's a very progressive Democrat. There's no question that if we get into GSE reform or a comprehensive assessment of American housing policy, that he will take a different perspective than most of our members. On the other hand, as I think you could tell, this is a straight-talking guy who you can do business with. He has his strong principles, but he understands how to legislate and how to compromise. I think there's reason for optimism.

Jim Tobin ([17:56](#)):

Yeah. And look, that's where NHB plays its best role, and housing policy does best when policies are made down the middle in a bipartisan fashion. I mean, we can, and already have proof, when I was on Capitol Hill with Chuck Falcon and Jerry Connor a couple of weeks ago, meeting with his counterpart Senator Pat Toomey from Pennsylvania on GSE reform. He has his own principles. They're not too far off from Senator Brown's. So NHB's role as a peacemaker, so to speak, I think you said speaks volumes about NHB continuing to be a source of bipartisan strength, and that we can work on both sides of the aisle. So yeah, it was a great interview and I'm glad he gave us some time. It was great.

Jerry Howard ([18:42](#)):

It was terrific. So to our listeners, I say, we look forward to talking to you again next week. Remember, please subscribe to Housing Developments. From Washington, DC I'm Jerry Howard.

Jim Tobin ([18:55](#)):

And I'm Jim Tobin.

Jerry Howard ([18:56](#)):

Bye bye.