



MARCH 09, 2026

Dems Urge FHFA Director Pulte to Finally Take Action to Stop Institutional Investors from Pushing Households Out of Single-Family Homes

WASHINGTON, DC – After years of Democrats pushing to make homeownership more affordable and accessible for working individuals and first-time buyers, President Trump seemingly got on board this year.

On January 7, President Trump announced a major policy shift that he was **“immediately taking steps to ban large institutional investors from buying more single-family homes.”**

On January 20, 2026, President Trump signed an **executive order** stating: *“To preserve the supply of single-family homes for American families and increase the paths to homeownership, it is the policy of my Administration that large institutional investors should not buy single-family homes that could otherwise be purchased by families.”*

Now, U.S. Senators Jack Reed (D-RI), Jeff Merkley (D-OR), Sheldon Whitehouse (D-RI), Adam Schiff (D-CA) Ron Wyden (OR), and Tina Smith (D-MN) are calling on the Trump Administration to actually follow through and reform Fannie Mae and Freddie Mac’s note sale processes to prevent large institutional investors from exploiting struggling homeowners to cheaply acquire single-family homes. Fannie Mae and Freddie Mac use note sales to sell mortgages off their balance sheet. While note sales supposedly manage risk, these mortgages are primarily bought by institutional investors and most underlying homeowners eventually lose their home – transferring homeownership from families to large investors.

The six U.S. Senators **sent a letter to Federal Housing Finance Agency (FHFA) Director Bill Pulte noting:**

“Both Fannie Mae and Freddie Mac’s note sale processes clearly conflict with the President’s order. Under FHFA’s oversight, the GSEs transfer ownership of hundreds to thousands of delinquent and previously delinquent mortgages to bulk purchasers each year through note sales. While FHFA does not release data for every pool of Fannie Mae and Freddie Mac note sales, the data FHFA has made public shows that mortgages sold in note sales are predominately purchased by private equity firms and other institutional investors and that most homeowners eventually lose their home, with many homes turned over to those new mortgage holders. Indeed, FHFA’s public data shows that approximately 35% of properties foreclosed upon or voluntarily turned over to a lender after a Fannie Mae or Freddie Mac note sale ultimately are held by the mortgage purchaser for rental, sold to an investor, or sit on a lender’s books,” the Senators wrote.

The Senators are urging Director Pulte to make appropriate policy changes and take enforcement actions to comply with President Trump’s executive order and ensure that Fannie Mae and Freddie Mac are not contributing to a shift in single-family homeownership from households to large investors.

“Instead of enabling large investors to acquire single-family homes at the expense of struggling families, FHFA should use its broad authority as the GSE’s conservator and regulator to follow President Trump’s directive, require the GSEs to overhaul their note sale processes, and ensure single-family homes are owned by families, not corporations,” wrote the Senators, urging the FHFA Director order Fannie Mae and Freddie Mac to take five specific steps, including:

- Stop institutional investors from purchasing note sale pools;
- Mandate “first-look” note sale opportunities that give states, municipalities, and nonprofits the first chance to purchase note sale pools;
- Reduce avoidable foreclosures by excluding mortgages from note sales until all FHFA-required loss mitigation options have been exhausted;
- Require note sale purchasers provide quarterly data regarding treatment and outcomes for these loans;
- Conduct regular Community Impact Pools and Extended Timeline Pools, which target note sale pools to nonprofits and small investors.

Full **text of the letter** follows:

Dear Director Pulte:

We write to urge you to reform Fannie Mae and Freddie Mac’s note sale processes to ensure that they comply with President Trump’s January 20, 2026, Executive Order, “Stopping Wall Street from Competing with Main Street Homebuyers,” and do not move single-family homeownership from struggling Americans to wealthy institutional investors.

President Trump's executive order directed Federal agencies to ensure their programs help owner-occupants, not large investors, own single-family homes. Within this order, the President instructed FHFA to prevent Fannie Mae and Freddie Mac (the Government-Sponsored Enterprises – GSEs) from enabling institutional investors to acquire single-family homes over owner-occupants and from “disposing of Federal assets in a manner that transfers a single-family home to a large institutional investor.”

Both Fannie Mae and Freddie Mac's note sale processes clearly conflict with the President's order. Under FHFA's oversight, the GSEs transfer ownership of hundreds to thousands of delinquent and previously delinquent mortgages to bulk purchasers each year through note sales. While FHFA does not release data for every pool of Fannie Mae and Freddie Mac note sales, the data FHFA has made public shows that mortgages sold in note sales are predominately purchased by private equity firms and other institutional investors and that most homeowners eventually lose their home, with many homes turned over to those new mortgage holders. Indeed, FHFA's public data shows that approximately 35% of properties foreclosed upon or voluntarily turned over to a lender after a Fannie Mae or Freddie Mac note sale ultimately are held by the mortgage purchaser for rental, sold to an investor, or sit on a lender's books.

In other words, GSE note sales – which dispose of Federal assets – result in single-family mortgages and ultimately single-family homes becoming owned by large institutional investors. In fact, these note sales have transferred ownership of thousands of single-family homes to institutional investors. Instead of enabling large investors to acquire single-family homes at the expense of struggling families, FHFA should use its broad authority as the GSE's conservator and regulator to follow President Trump's directive, require the GSEs to overhaul their note sale processes, and ensure single-family homes are owned by families, not corporations.

Specifically, to prevent institutional investors from taking homes from American households and to help more struggling families remain in their homes, we request you order Fannie Mae and Freddie Mac to:

- Prohibit institutional investors from purchasing note sale pools;*
- Mandate “first-look” note sale opportunities that give states, municipalities, and nonprofits the first chance to purchase note sale pools;*
- Help households stay in their homes by excluding mortgages from note sales until all FHFA-required loss mitigation options have been exhausted and by requiring note sale purchasers to offer borrowers loss mitigation and payment relief options comparable to what GSE-backed servicers must provide to homeowners;*
- Require note sale purchasers provide quarterly data regarding treatment and outcomes for these loans, including loss mitigation data, post-foreclosure outcomes, charge-offs and resales of loans, and remaining loan term, foreclosure status, loan to value ratio, and other loan characteristics; and*
- Conduct regular Community Impact Pools and Extended Timeline Pools, which target note sale pools to nonprofits and small investors.*

Thank you for your attention to this important matter. We look forward to your prompt reply.

Sincerely,