



Congressional housing deal faces new hurdle as Trump pushes investor ban

The issue is another area in which the president's populist ideas are clashing with GOP free-market orthodoxy.



President Donald Trump has been pushing Congress to include some restriction or ban on the ability of institutional investors to purchase single-family homes. | Evan Vucci/AP

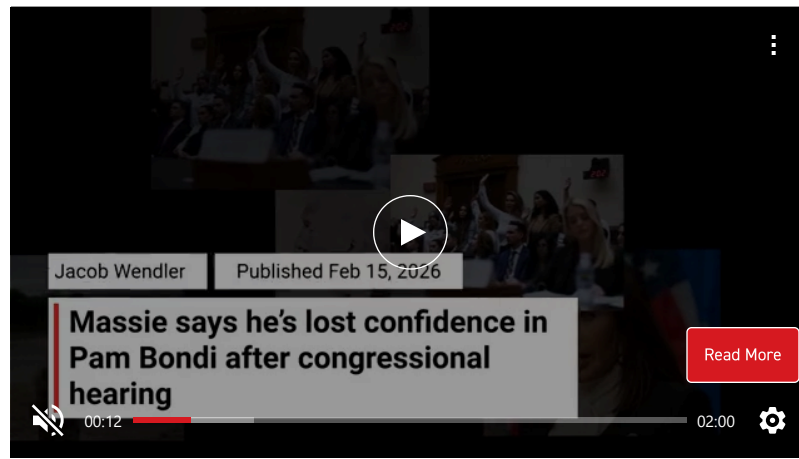
By KATHERINE HAPGOOD and MEGAN MESSERLY
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A major housing bill is the latest flash point between the White House and congressional Republicans, as the Trump administration presses skeptical GOP lawmakers to include a measure curbing large investors' purchases of single-family homes.

White House pressure is mounting as both chambers of Congress try to reach a deal in the coming weeks on legislation that aims to address a growing housing affordability crisis. The House passed its version on Monday and the Senate could put its legislation to a floor vote in the coming weeks. Both bills are overwhelmingly bipartisan but neither contain any language on institutional investors.

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And that's not the only hurdle. The Senate and House versions are not only each intricately negotiated, but have key differences that won't be easy to resolve such as different approaches to small bank deregulation, housing grant programs and other issues.

That leaves the legislation, which some consider the best hope for an election-year housing message, with a tough hill to climb before it reaches the president's desk. While the White House may be willing to show some flexibility over how the bill deals with institutional investors, a senior White House official, granted anonymity to discuss the president's thinking, said the issue needs to be addressed in some way.

"I don't think banning institutional investors is a good idea," said Rep. Troy Downing (R-Mont.), a member of the House Financial Services Committee. "I need to see exactly what language they were talking about if they're being specific about some certain practice."

The issue is yet another area in which the president's populist economic policy ideas are clashing with the free-market orthodoxy held by most congressional Republicans. Trump issued a January [executive order](#) to limit private equity firms' ability to purchase single-family homes and called on Congress to back the initiative. He's also pushed proposals to cap credit card interest rates and lower drug prices — similarly left-leaning proposals meant to show voters his efforts to address affordability concerns.

The president appealed to "younger Americans" — a key voting demographic largely being priced out of the housing market — when previewing his housing order in early January. "People live in homes, not corporations," Trump said in [a social media post](#).

"I think it will be hard to advise the president to sign something that does not include institutional investors, given this is his principal and singular housing priority," said the White House official.

Asked whether that means the president would be OK with something that fell short of a ban, the official added: "I said what I said."

House Financial Services Chair French Hill (R-Ark.) on Wednesday wouldn't comment on the ban favored by Trump, but said he's "in favor of looking at what the various language ideas are" from his members.

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Hill told reporters on Monday that he was waiting for the Treasury Department, as outlined in the president's executive order, to define a "large institutional investor" and "single-family home."

House Financial Services Housing and Insurance Subcommittee Chair Mike Flood (R-Neb.) similarly demurred. He said the committee would have a conversation about an institutional investor ban but wouldn't comment on the Trump proposal.

A spokesperson for Senate Banking Chair Tim Scott (R-S.C.) said the senator is discussing ideas related to housing affordability and would not characterize his position.

Other Republicans stressed they may be open to something that doesn't go too far in restricting investors.

"I want to make sure it doesn't step on toes about being able to make your own decisions, being able to invest as you see fit," House Small Business Chair Roger Williams (R-Texas) told POLITICO. "But the concept is right, because we can price people out of the market and then there's nothing for them to buy."

"I don't love the federal government banning me from being free," Rep. Scott Perry (R-Pa.) said last month at a hearing on housing affordability. "If we want to change tax policy to encourage individual home ownership and then not encourage institutional investing or at least make them pay extra for institutional investing, that's something I think we ought to have a conversation about."

Sen. Pete Ricketts (R-Neb.), a member of the Senate Banking Committee is also taking a wait-and-see approach.

"I understand where the president is going on that," Ricketts said. "I think we have to take a look at the details and see what the implications are."

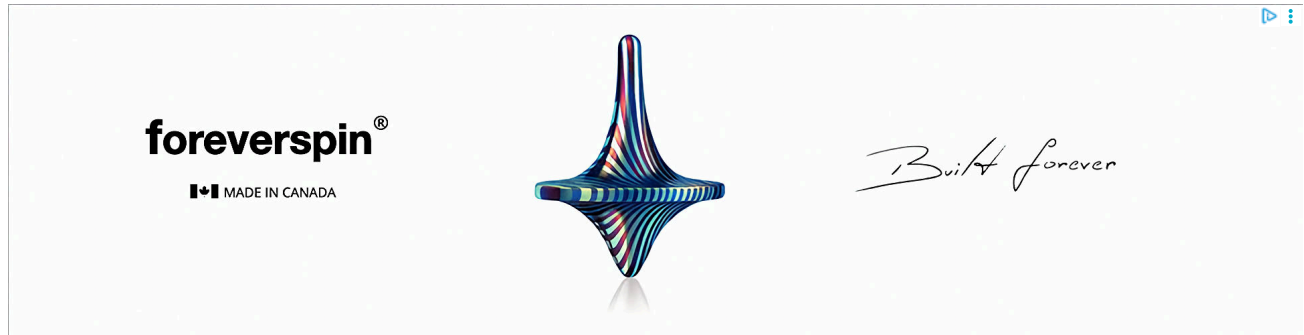
Others say a measure on institutional investors may be better left out of the current housing package but considered in future policy efforts.

"In our next package, I think we're going to look at those proposals and more," said Rep. Mike Haridopolos (R-Fla.), a House Financial Services member. "There's a lot of things that we kind of left on the side because we didn't think they would get that overwhelming support."

The White House, meanwhile, is trying to ensure the president's proposal makes it into the housing bills that are currently under consideration.

"We've had various senior officials working on it. We're in various dialogues with both chairmen [Hill and Scott] as well as leadership in both chambers to work towards seeing something realized on this front," the White House official said.

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Treasury Secretary Scott Bessent made an appearance at a Senate GOP retreat on Wednesday advocating for a ban on institutional investors purchasing single-family homes. The White House this week also issued a so-called statement of administration policy on the House bill saying the legislative package "lacks other presidential priorities, particularly a ban on the purchase of single-family homes by large institutional investors."

There are two House Republican proposals so far. One from Rep. Mary Miller (R-Ill.) [would prohibit](#) certain large-scale companies from purchasing single-family residences. Another introduced by Rep. Marlin Stutzman (R-Ind.) [largely follows the executive order](#) by blocking large institutional investors from receiving government support, including through Fannie Mae and Freddie Mac, when buying single-family homes and similarly includes an exception for certain build-to-rent properties constructed as rental communities.

In the upper chamber, Sen. Bernie Moreno (R-Ohio) said Thursday he would put forward legislation codifying Trump's executive order "soon", although no legislation has yet been formally introduced.

Moreno added that he was going to get Hill's team involved and that House Republicans would "love it."

The administration has not voiced a preference for either the House or Senate's version of the legislation and is instead looking for "a product that most closely hews with the White House's perspective," the White House official said.

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