

POLICY BRIEF: Increasing Housing Supply for First-Time Buyers

Policy Directions to Expand the Supply of Homes Average Americans Can Afford

Top Recommendations

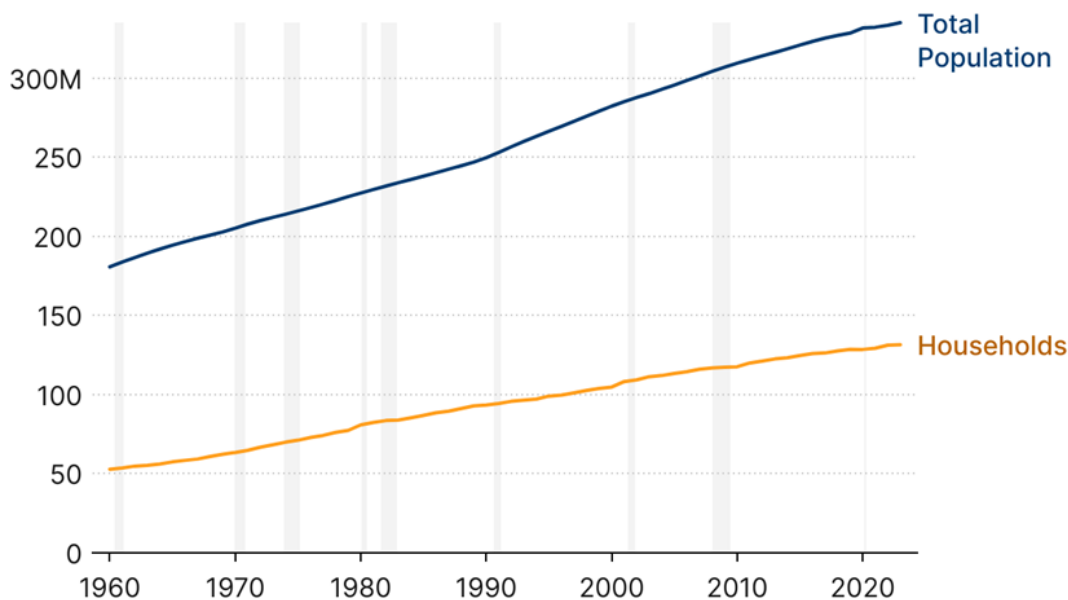
- Require ROI assessments and federal approval for any state or local mandate that adds requirements beyond the International Residential Code (IRC).
- Cap total permitting, approval and inspection costs.

These reforms would protect affordability and consumer choice by stopping the legislating of building codes, while also driving down the costs of permitting and approval, ensuring that any requirement beyond established safety standards must be justified by measurable return and approved through a federal waiver.

The Homeownership Challenge

Across the country, there is broad agreement: The United States faces a homeownership affordability crisis that is pushing the American dream further out of reach. The nation remains underbuilt by millions of units (National Mortgage Professional, 2025; Zillow Group, 2025; Urban Institute, 2025).

Population and households, 1960-2023



Source: World Development Indicators and Housing Vacancy Survey

BROOKINGS

Note: Shaded areas indicate periods of recession

The average list price of a home exceeds \$400,000, while the typical first-time buyer can afford only \$200,000 to \$250,000 (CBRE Investment Management, 2025; NAHB, 2025).

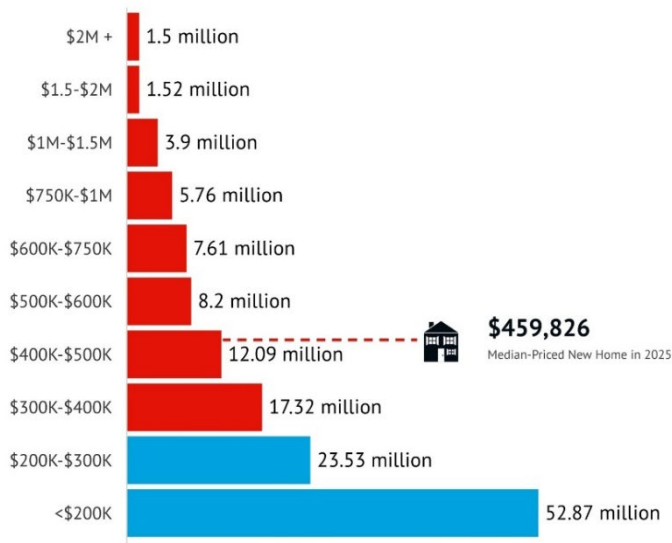


In the \$300,000-and-under range, where demand is strongest, 76 million families could afford a home, yet only 37 million homes exist in that price bracket (CBRE Investment Management, 2025; J.P. Morgan, 2025).

This imbalance drives builders toward luxury projects where margins are higher, leaving entry-level buyers with too few options (NAHB, 2025).

Households by Highest Priced Home They Can Afford

Nearly 60% of U.S. Households are Unable to Afford a \$300K Home



Source: Calculations by NAHB's Housing Policy Department based on income data from the 2023 American Community Survey Public Use Microdata Sample File, U.S. Census Bureau.

The Cost of Permitting and Approvals

Permitting, approval, and inspection processes have become a hidden tax on housing affordability. Fees, delays, and complex procedures now contribute significantly to a new home's cost—burdens easily absorbed in luxury markets but crippling for entry-level housing (Urban Institute, 2025; NAHB, 2025; Emrath, 2021).

Every \$1,000 added to a home's cost excludes roughly 106,000 households from qualifying for financing (National Association of Realtors, 2025). Reducing approval-related costs is one of the fastest ways to bring attainable homes back to market (NAHB, 2025).

Policy Direction 1: Preserve the Integrity of the Building Code

Stop Legislating the Building Code

ABMA urges the administration to protect affordability and consumer choice by preventing states and municipalities from legislating beyond the International Residential Code (IRC) unless they can demonstrate measurable benefit through a return-on-investment (ROI) analysis and obtain a federal waiver.



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The IRC and International Building Code (IBC) are developed through a rigorous, expert-driven process to ensure safety, quality and performance.

Adding mandates by legislation—such as all-electric requirements, solar mandates, fire sprinklers or stretch energy codes—undermines that process and inflates costs without consistent evidence of return.

Federal Precedent Exists

The HUD Manufactured Housing Code (42 U.S.C. §§ 5401–5426; 24 CFR Parts 3280/3282) already preempts state and local codes for manufactured homes, ensuring national consistency and affordability. Extending this precedent to site-built housing would uphold the same principle: one national standard for safety, and local flexibility only where justified and approved.

Require ROI Analysis and Federal Waivers

Under ABMA's proposal:

- Any mandate exceeding the IRC or IBC must first undergo a standardized ROI assessment under federal guidelines.
- The ROI assessment is a required step in the waiver request process — not an alternative to it. A jurisdiction must complete and submit the analysis as part of its application for a federal waiver.
- If the analysis shows higher costs without measurable benefit, the mandate cannot take effect unless a federal waiver is granted.
- ROI results must be publicly available, ensuring transparency and accountability for homeowners and builders.

This framework preserves local innovation but stops the unchecked escalation of housing costs through code-by-legislation.

Policy Direction 2: Cap Permitting, Approval and Inspection Costs

ABMA proposes a nationwide \$30,000 cap on total permitting, approval and inspection costs for all new homes.

Federal Framework for Consistency

The federal government would prescribe a consistent formula defining what contributes to the cap, including but not limited to:

- The cost of permits and associated fees.
- Costs of delays tied to approvals or inspections.
- Inspection and reinspection charges.
- Any other local administrative costs directly tied to construction authorization or completion.

This provides a clear, uniform benchmark while allowing states and municipalities to determine how they meet it.

Local Tools to Reduce Costs

Local governments would remain free to manage their own systems. To stay under the cap, they could adopt efficiency measures such as but not limited to:

- **Inspection shot clocks:** Setting firm deadlines for inspections, after which builders may hire certified third-party inspectors.
- **Self-certification by licensed professionals:** Allowing engineers or architects to certify plans to reduce backlogs.
- **Electronic permitting systems:** Streamlining submissions, payments and tracking to reduce processing time.



These reforms encourage innovation while ensuring costs remain within reason.

Policy Direction 3: Incentivize Compliance Through Federal Programs

Federal housing and infrastructure programs should reward states and municipalities that comply with the cap and demonstrate measurable progress in reducing permitting timelines and costs.

Priority access to federal grants and financing could serve as a strong incentive to modernize permitting systems and adopt best practices without federal overreach.

Conclusion: A Reasonable Wall for Affordability and Choice

Permitting, approval and inspection delays, when combined with costly legislative mandates beyond the building code, have created an unreasonable barrier to housing affordability.

ABMA's proposals establish a reasonable wall:

- Local governments retain control, but within clear affordability limits.
- Building code integrity is preserved, ensuring safety remains the standard—not politics.
- ROI accountability ensures every added requirement delivers measurable benefit to homeowners.

By preserving affordability and consumer choice, we can restore balance to the housing market, support builders in delivering attainable homes and bring the American dream of homeownership back within reach.



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Our Key Issues

1. OSHA Crane Certification - Industry-Specific Training is Needed to Support Small Entities

- **Current Problem: *Cranes and Derricks in Construction – Operator Qualification and Certification (29 CFR § 1926.1427)*:** OSHA's crane certification process takes a "one-size-fits-all" approach, emphasizing skills used for large construction cranes on high-rise projects.
- **Industry Reality:** Small, locally owned building materials dealers operate boom truck cranes to deliver building materials to job sites. These smaller, mobile cranes require a different skill set than those used in high-rise construction.
- **Impact:** Workers at small businesses must complete unnecessary and costly training on equipment they'll never use. This not only delays certification but also creates a financial and logistical burden that hits smaller companies the hardest, limiting their ability to hire and retain qualified staff.
- **Solution:** We urge OSHA to create equipment-specific certification pathways, especially for boom truck and articulating crane operators. This would maintain high safety standards while eliminating unnecessary barriers for small businesses working to grow and train their workforce.

2. CDL Licensing - Employer-Driven Training is Essential to Address the CDL Driver Shortage

- **Current Problem: *FMCSA Training Provider Registry (49 CFR Part 380, Subpart F)*:** CDL candidates must complete Entry-Level Driver Training (ELDT) through a provider listed on FMCSA's *Training Provider Registry (TPR)*. These programs are prohibitively expensive for small businesses seeking to upskill their workforce, and it is not feasible for small entities to become a registered training provider due to the regulatory, equipment, and administrative requirements.
- **Industry Reality:** Small building materials dealers already train workers on the job, but current rules prevent that training from counting toward required hours. Sending a single prospective driver to a TPR-listed program can cost \$5,000–\$10,000, a prohibitive expense for small businesses and employees alike.
- **Impact:** Local building materials dealers want to invest in their workforce by helping current employees obtain a CDL—leading to better pay, greater retention, and a more skilled workforce. But the high cost of sending employees to a registered provider puts this out of reach for many. At the same time, these businesses struggle to recruit already-credentialed drivers due to a nationwide CDL driver shortage. The result is a persistent workforce gap that slows growth, delays deliveries, and undermines local job creation.
- **Solution:** FMCSA should allow CDL-permitted individuals (CLP holders) to complete required behind-the-wheel (BTW) hours under the supervision of a licensed CDL driver employed by the same company—without requiring the employer to register as a training provider. This practical change would drastically lower training costs, preserve safety through direct supervision, and give small businesses the ability to build their own driver pipeline.

Credit Card Competition Act of 2026:

Not yet reintroduced

Latest News: [Durbin to Reintroduce Credit Card Competition Bill](#) | [Payments Dive](#)

	U.S. House of Representatives	U.S. Senate
Bill Number:	H.R.3881 — 118th Congress (2023-2024)	S.1838 — 118th Congress (2023-2024)
Introduced:	June 7, 2023	June 7, 2023
Sponsor(s):	Rep. Lance Gooden (R-TX-5)	Senator Dick Durbin (D-IL)
Cosponsor(s)	Rep. Zoe Lofgren (D-CA-18) Rep. Thomas P. Tiffany (R-WI-7) Rep. Jefferson Van Drew (R-NJ-2) Rep. Max L. Miller (R-OH-7) Del. Gregorio Kilili Camacho Sablan (D-MP-At Large) Rep. Bob Good (R-VA-5) Rep. James P. McGovern (D-MA-2) Rep. Chellie Pingree (D-ME-1)	Sen. Marshall, Roger (R-KS) Sen. Welch, Peter (D-VT) Sen. Vance, J. D. (R-OH) Sen. Hawley, Josh (R-MO) Sen. Reed, Jack (D-RI)
Referred to:	House Committees - Financial Services	Senate Committees - Banking, Housing, and Urban Affairs
Hearing Date:		WATCH Senate Judiciary —11/19/2024

Background: Originally introduced in 2022 by Senators Roger Marshall (R-Kan.) and Richard Durbin (D-Ill.) the *Credit Card Competition Act* aims to increase competition in the credit card processing market by requiring large financial institutions (those with over \$100 billion in assets) to offer merchants at least two network options for processing credit card transactions. The bill seeks to lower transaction fees and reduce costs for small businesses.

Key Provisions:

- Requires major banks to enable credit card transactions to be processed on at least two networks.
- Prohibits Visa and Mastercard from being the only processing networks on cards issued by large banks.
- Increases competition to drive down swipe fees, benefiting small businesses.

Support & Endorsements: National Retail Federation (NRF), Merchants Payments Coalition, International Franchise Association, National Association of Convenience Stores, National Restaurant Association, National Grocers Association, **Over 200** state and regional business associations, **More than 2,000** retailers, platforms, and small businesses

Further Reading:

- **Press Release:** [Durbin Questions Visa Witness During Senate Judiciary Committee Hearing On Enhancing Competition In The Credit Card Market, Lowering Fee](#)
- [Pass the Credit Card Competition Act](#) | **NRF**

Addressing Swipe Fee Reform in Congressional Meetings

Credit card processing fees have become one of the largest expenses for small businesses, increasing costs for suppliers, builders, and consumers. The **Credit Card Competition Act** aims to introduce market competition to reduce these fees and ensure fairer pricing for businesses. When meeting with members of Congress, use the following guidelines to effectively advocate for swipe fee reform.

1. Share Your Personal Experience

Legislators respond best to real-world examples. Be prepared to explain how high credit card fees affect your business and customers. Consider these points:

1. What percentage of your transactions are paid by credit card, and how much do you pay in swipe fees each year?
2. Have rising processing fees forced you to raise prices, cut services, or delay investments?
3. If swipe fee reform lowered these costs, how would you reinvest the savings? Would you hire more workers, upgrade equipment, or expand your business?
4. How do swipe fees impact the cost of building materials, and in turn, the affordability of housing in your community?

2. Advocate for the Credit Card Competition Act

- **Remember:** Not everyone understands what it means to introduce competition into the credit card processing market. When explaining this, try to put it in real-world terms that resonate with your business experience. Here's an example:

***Think of it this way:** If you could only buy materials from one supplier—one that also controlled the entire supply chain and the software you use to process orders—you'd have no negotiating power, and prices would keep rising. That's exactly what's happening with swipe fees today. This bill gives businesses a choice and breaks up the monopoly that is driving up costs across industries.*

4. Offer to Provide More Information or Data

- ABMA has supplied you with more information regarding both sides of the argument. **Make sure to leave it behind with the legislators and their staff.**
- Let lawmakers know that ABMA has data and resources available to help them understand how swipe fees impact the LBM industry and local economies.
- **Invite them for a yard tour** to see firsthand how swipe fees impact operations, speak with employees, and understand how lower processing costs would benefit businesses and consumers.

A Closer Look at the Credit Card Competition Act Debate

The Credit Card Competition Act (CCCA), introduced by Senator Dick Durbin (D-IL), aims to increase competition in the credit card processing market by requiring large banks to enable at least two network options for transaction processing. This legislation seeks to reduce swipe fees, which have become one of the largest operating expenses for businesses, particularly small and mid-sized enterprises.

The Issue: The Rising Cost of Swipe Fees

Visa and Mastercard collectively control approximately 75-80% of the U.S. credit card processing market. This duopoly allows them to set swipe fees without competition, resulting in ever-increasing costs for merchants and, ultimately, consumers.

- In 2023, U.S. businesses paid more than **\$170 billion** in swipe fees.
- The average American household indirectly pays **over \$1,100 per year** due to these fees.
- Small businesses pay higher swipe fee rates than large retailers, placing them at a competitive disadvantage.

Legislative Solution: The Credit Card Competition Act

The CCCA seeks to introduce competition into the payments market by requiring banks with over \$100 billion in assets to offer at least two processing network options for each credit card transaction.

Key Provisions:

- Requires large banks to enable a **second, unaffiliated processing network** on credit cards they issue.
- Prohibits Visa and Mastercard from being the **only two** networks available on a given card.
- Provides merchants with the **option** to choose the most cost-effective network, as they already do for debit transactions.
- Ensures continued **fraud protection** and **security standards** across all network providers.

Potential Benefits of the Credit Card Competition Act (CCA)

Benefit	Impact
Lower costs for businesses	Merchants could save an estimated \$15-16 billion annually through reduced fees.
Lower prices for consumers	Savings from reduced fees are expected to help stabilize or reduce retail prices.
Increased competition	Would break the Visa-Mastercard duopoly, promoting a more competitive payments market.
Security improvements	Alternative networks have fraud rates reportedly five times lower than Visa and Mastercard.

CCCA Argument Comparison

The arguments for and against the Credit Card Competition Act (CCCA) reflect a fundamental divide between proponents of the legislation, such as merchants and lawmakers like Senator Dick Durbin, and opponents, including Visa, Mastercard, and financial institutions. Here is a comparison of their key positions:

Aspect	Proponents' Arguments	Visa and Mastercard's Arguments
Merchant Fees	Proponents argue that the act will reduce "swipe fees" by introducing competition, saving businesses billions annually ²⁵ .	Visa and Mastercard claim these fees are necessary to fund secure and innovative payment systems ¹² .
Consumer Prices	Supporters believe lower fees will translate into reduced prices for consumers ²⁵ .	Opponents argue there is no guarantee merchants will pass on savings to consumers, citing past experiences with debit card regulation ¹² .
Market Competition	Advocates say the bill will break Visa and Mastercard's duopoly, fostering competition among networks ⁵⁶ .	Visa and Mastercard contend that the payments market is already competitive and the legislation imposes artificial controls ²³ .
Security Concerns	Proponents argue that increased competition could lead to better security through innovation ⁴⁶ .	Opponents warn that routing mandates could compromise transaction security by forcing reliance on less secure networks ²³ .
Rewards Programs	Supporters downplay concerns about rewards, asserting they won't be significantly affected ⁴ .	Visa and Mastercard claim reduced interchange fees will eliminate or diminish rewards programs, as seen with debit cards ³⁴ .
Small Businesses	Advocates highlight benefits for small businesses struggling with high fees, enabling them to stay competitive ⁵⁶ .	Opponents argue the act would harm small banks and credit unions that rely on interchange revenue to provide services ²³ .
Economic Impact	Proponents emphasize potential savings of billions for merchants and consumers alike ⁵⁷ .	Visa and Mastercard warn of unintended consequences like reduced access to credit for low-income consumers ³ .

Further Reading:

[National Restaurant Association—Just the facts: Credit Card Competition Act](#)

[Riffing Out Loud: The Credit Card Competition Act of 2023](#)

[Myth vs. Fact: The Credit Card Competition Act \(CCCA\) of 2023](#)

[Merchant Payments Coalition: The Credit Card Market is Broken](#)

[Learn the truth about the Credit Card Competition Act](#)