



VICTORY! AB 1157

DEFEATED!



C.A.R. defeats permanent statewide rent control bill

Source: *Sierra Sun Times*

On Tuesday, the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) announced a major victory, stopping AB 1157 in the Assembly Judiciary

Committee. The bill failed decisively. AB 1157 would have imposed permanent statewide rent control on nearly all types of rental housing, including all single-family homes, most of which are currently exempt from the state rent cap law. The bill also would have significantly reduced existing rent cap limits.

C.A.R. strongly opposed AB 1157 because it would have reduced investment in housing, reduced the supply of rental housing, and forced small housing providers out of the market. Numerous empirical studies have shown that strict rent control policies reduce housing supply and worsen affordability over time. This is an important win for the REALTOR® Party and for all Californians who understand that the solution to our housing crisis is more housing, not less.

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California lawmakers advance housing bonds

Source: *CalMatters*

Last week, the California Senate Housing Committee advanced a \$10 billion bond to pay for new and existing affordable homes. The proposal, Senate Bill 417, heads to the Appropriations Committee next week. Lawmakers are seeking to put the measure on the June primary ballot, which would require the governor to sign it into law by Jan. 22.

The bond measure would allocate \$7 billion toward the state's Multifamily

Housing Program, which issues low-interest loans to build and maintain permanent and transitional rental housing for lower-income households. It also includes \$2 billion for wildfire prevention, rental assistance and affordable housing for low-income tenants and farmworkers, as well as \$1 billion in low-income first-time homebuyer assistance, including help with down payments.

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California REALTORS® push to move single-family homes from Wall Street to homebuyers

Source: *Newsbreak*

The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) responded to Gov. Gavin Newsom's final State of the State address by applauding his recognition that housing costs are a major driver of California's affordability crisis. Tamara Suminski, 2026 C.A.R. president, said that the Association appreciates that state leaders are searching for meaningful solutions as well as the progress that has been made.

However, the Association also cautioned that prolonged and stringent rent restrictions would move the state in the wrong direction. These kinds of policies have been shown in many independent studies to risk shrinking supply, discouraging investment, and ultimately making it harder for California's families to find a place to live. C.A.R. shares the goal of ensuring that all Californians have a roof over their head, and they look forward to continued engagement with the governor and legislative leaders to advance solutions that boost housing supply.

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Trump pauses 50-year mortgage plan, eyes 401(k)s for down payments

Source: *HousingWire*

The Trump administration is backing away from a proposal to introduce 50-year mortgages, while exploring alternative approaches to improve housing affordability, including allowing Americans to tap retirement or college savings for down payments.

The suggestion of 50-year mortgages drew criticisms from economists and housing industry experts, who warned that while longer amortization periods could lower monthly payments, they would also slow equity accumulation and raise legal and regulatory hurdles. Current qualified mortgage rules do not permit 40- or 50-year fixed-rate loans. The White House is reportedly preparing an executive order that would allow Americans to use funds from 401(k) or 529 accounts for down payments without triggering the penalties typically associated with nonqualified withdrawals. The same order would also include a proposal to bar large institutional investors from purchasing single-family homes.

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Mortgage refinance demand surges 40% higher

Source: CNBC

Mortgage demand spiked markedly higher last week as consumers returned from the holidays to find overall lower interest rates and then a sharp rate drop Friday on news from the White House. President Trump posted on social media late Thursday that he would order Fannie Mae and Freddie Mac to buy \$200 billion in mortgage-backed bonds. On that news, the average rate on the 30-year fixed sank briefly below 6 percent on Friday morning before bouncing slightly higher again, according to Mortgage News Daily. As a result, total mortgage application volume jumped 28.5 percent last week from the prior week (adjusted for the holiday), according to the Mortgage Bankers Association's seasonally adjusted index.

For the whole week, the average contract interest rate on the 30-year fixed-rate mortgage with conforming loan balances (\$806,500 or less) decreased to 6.18 percent from 6.25 percent, with points dropping to 0.56 from 0.57, including the origination fee, for loans with a 20 percent down payment. Applications to refinance a home loan surged 40 percent higher for the week and were 128 percent higher than the same week one year ago. Applications for a mortgage to purchase a home rose 16 percent from the prior week and were 13 percent higher year-over-year.

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