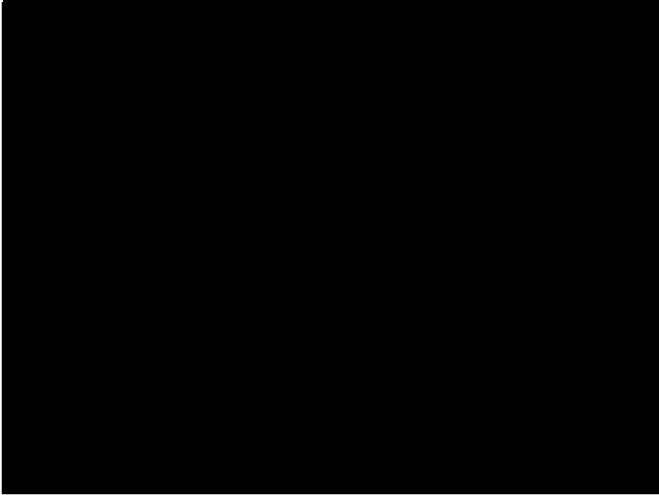


Shad Bogany



Thank you for affording me the opportunity to speak before the Financial Services Committee on the impact investors are having on the affordable housing market.

My name is Shad Bogany. I have over 40 years of experience helping families purchase their first home. During those 40 years, I have been an advocate crusading for families thru community involvement. I have served as Chairman of Texas Realtors and Chairman of Houston Association, Chair of Houston Urban league, Board member Texas Department of Housing and community affairs, and Currently President of Fort bend housing corporation.

The radio show that I started 32 years ago, focused on educating and encouraging would-be home buyers on the availability of financial mortgage products, housing opportunities, and benefits of being a first-time homeowner. My message "You can be a homeowner!" Recently, that conversation has changed. The discussions now are about Institutional investors buying up housing and competing with first-time home buyers for the limited housing inventory. More alarming investors are targeting minority neighborhoods since historically they are undervalued or lower-priced, driving up prices for residents, making the American dream of homeownership for this population unachievable.

Home buyers are having to compete with investors that are paying cash and offering over the list price resulting in an increase in investor purchases. In Houston, 40% of the buyers are investors, and 52% are in the Dallas area. This is creating a generation of renters that will miss out on the benefits of homeownership, the ability to create wealth, and stabilized communities. The risks today, should Investors liquidate their massive real estate holdings, will be a decrease in property values causing

leasing a home, but most are completely unaware that families could purchase a home instead, using that same voucher. I personally have had tremendous success transitioning these families to homeownership and in high opportunity neighbors. This needs to be expanded on a national scale. The bottom line we can't tell sellers who to sell their homes too, but we can encourage them and incentivize them to sell to first-time home buyers. I appreciate this opportunity to shine a light on where the tire meets the road in your districts.

Resources

The article below is about change in the 2017 tax law reform passed by congress

<https://www.forbes.com/sites/forbesbusinesscouncil/2021/05/24/exploring-the-tax-benefits-of-real-estate-investing/?sh=146231b553ff>

from the 1968 court case

At the end of its term in June of that year the Court ruled 7-2 that U.S. Code Section 1982 did indeed protect the Joneses' right to purchase the property. Justice Potter Stewart wrote for the majority, "We hold that § 1982 bars all racial

Landlords recently started requiring minimum credit scores of 650 and above to secure a lease agreement. Conversely, most mortgage lenders require a minimum of 620 credit score and numerous first-time homebuyer loan products to help families purchase a home with down payment assistance .

rent homes which with that credit they you should Be trying to buy but can't because there are no homes to buy. Homeownership is usually cheaper than renting. I also see

A new form of Jim Crow because landlords are discriminating against people with lower credit scores. Minority typically have more "nontraditional "credit which the FICO credit scoring system doesn't consider.

Most people just want their kids to be in good schools and neighborhoods. Most of the renters are black Americans who started below everyone else because of unfair housing practices. The other issue is rental payments are on par with mortgage payments. Another concern is if the intuitional investors decide to sell and dump properties on the market it could hurt whole neighborhoods Bring property values down for homeowners and make them upside down. Local cities could lose tax base. It could create a new ghetto because we have builders who building whole subdivisions just for rent. We have a lack of inventory, and some buyers are renting but they really would like to buy. Lack of inventory is due to demand but who is Buying investors with blank checks. I believe in a capitalistic society, and we can

Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)* of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

Committee: House Financial Services Committee

Subcommittee: Oversight and Investigations

Hearing Date: 06/24/2022

Hearing Subject :

Where Have All the Houses Gone?
Private Equity, single family rentals, and America's Neighborhoods

Witness Name: Shad Bogany

Position/Title: Real Estate Broker/ Broker

Witness Type: Governmental Non-governmental

Are you representing yourself or an organization? Self Organization

If you are representing an organization, please list what entity or entities you are representing:

FOR WITNESSES APPEARING IN A NON-GOVERNMENTAL CAPACITY

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

Are you a fiduciary—including, but not limited to, a director, officer, advisor, or resident agent—of any organization or entity that has an interest in the subject matter of the hearing? If so, please list the name of the organization(s) or entities.

Fort Bend Housing Finance Corp-President
Texas Realtors-Past Chairman
Houston Association of Realtors- Past Chairman
Houston Area Urban League Community Development Coropration-Past Chair & Current Vice chair
Texas Dept. of Housing & Community Affairs- Past Board Member
Radio Talk Show Host "Real Estate Corner" on KWWJ 1360am

Please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the source and amount of each grant or contract.

none

Please list any contracts, grants, or payments originating with a foreign government and related to the hearing's subject that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the amount and country of origin of each contract or payment.

none

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

- I have attached a written statement of proposed testimony.
- I have attached my curriculum vitae or biography.

* Rule XI, clause 2(g)(5), of the U.S. House of Representatives provides:

(5)(A) Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof.

(B) In the case of a witness appearing in a non-governmental capacity, a written statement of proposed testimony shall include— (i) a curriculum vitae; (ii) a disclosure of any Federal grants or contracts, or contracts, grants, or payments originating with a foreign government, received during the past 36 months by the witness or by an entity represented by the witness and related to the subject matter of the hearing; and (iii) a disclosure of whether the witness is a fiduciary (including, but not limited to, a director, officer, advisor, or resident agent) of any organization or entity that has an interest in the subject matter of the hearing.

(C) The disclosure referred to in subdivision (B)(iii) shall include— (i) the amount and source of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) related to the subject matter of the hearing; and (ii) the amount and country of origin of any payment or contract related to the subject matter of the hearing originating with a foreign government.

(D) Such statements, with appropriate redactions to protect the privacy or security of the witness, shall be made publicly available in electronic form 24 hours before the witness appears to the extent practicable, but not later than one day after the witness appears.



False Statements Certification

Knowingly providing material false information to this committee/subcommittee, or knowingly concealing material information from this committee/subcommittee, is a crime (18 U.S.C. § 1001). This form will be made part of the hearing record.



Witness Signature

6-25-2022

Date

