

ROBERT P. CASEY, JR., PENNSYLVANIA, CHAIRMAN

KIRSTEN E. GILLIBRAND, NEW YORK
RICHARD BLUMENTHAL, CONNECTICUT
ELIZABETH WARREN, MASSACHUSETTS
JACKY ROSEN, NEVADA
MARK KELLY, ARIZONA
RAPHAEL WARNOCK, GEORGIA

United States Senate

SPECIAL COMMITTEE ON AGING

WASHINGTON, DC 20510-6400

(202) 224-5364

TIM SCOTT, SOUTH CAROLINA, RANKING MEMBER

SUSAN M. COLLINS, MAINE
RICHARD BURR, NORTH CAROLINA
MARCO RUBIO, FLORIDA
MIKE BRAUN, INDIANA
RICK SCOTT, FLORIDA
MIKE LEE, UTAH

February 11, 2022

VIA ELECTRONIC TRANSMISSION

The Honorable Marcia Louise Fudge
Secretary, U.S. Department of Housing and Urban Development
451 7th St. SW
Washington, D.C. 20410

Dear Secretary Fudge:

As Ranking Member of the Senate Special Committee on Aging, I am writing to request information on the Department of Housing and Urban Development's evaluation of inflationary policies and their impact on living expenses. In February 2021, former Treasury Secretary and economic adviser Lawrence "Larry" Summers noted the stimulus package under consideration by Congress at that time could "set off inflationary pressures of a kind we have not seen in a generation."¹ The subsequent passage of the American Rescue Plan in March 2021 injected trillions of new dollars into the economy, hiking demand beyond available supply and stoking inflation.

It is clear that inflation has now run much hotter and longer than the Administration expected, but hardworking American families and businesses do not have the ability to simply ignore sharply rising prices for everyday living. I request the Department of Housing and Urban Development provide records related to inflation to understand how the agency developed its current policies and how it plans to mitigate inflation's impact on American families.

Housing costs, the largest household budget item for many American families, are rising to record levels. Over the past year, the Case-Shiller U.S. National Home index has risen by 19.5 percent, the strongest yearlong growth in the history of the series.² Meanwhile, the national media rent for a one-bedroom in December 2021 was up over 19.3 percent from a year before.³ Housing is an expense that families cannot substitute. As such, housing costs are the biggest component of the Consumer Price Index (CPI), representing a full third of the index. In Larry Summer's most recent warning to policy makers on inflation, he estimated that the nearly 20 percent rise in housing prices

¹ Summers, Lawrence H. "Opinion: The Biden stimulus is admirably ambitious. But it brings some big risks, too." *The Washington Post*. 4 February 2021. Op-ed. Accessed 3 December 2021.

<https://www.washingtonpost.com/opinions/2021/02/04/larry-summers-biden-covid-stimulus/>

² S&P Dow Jones Indices LLC, S&P/Case-Shiller U.S. National Home Price Index [CSUSHPISA], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CSUSHPISA>, December 6, 2021.

³ Bahnney, Anna. "Rents rose five times faster in 2021 than 2022." *CNN Business*. 26 January 2022. Accessed 8 February 2022. <https://www.cnn.com/2022/01/26/success/us-rents-rise-2021/index.html>

in 2021 could push the CPI above 2 percent in 2022.⁴ This is because rental leases are usually renewed on an annual rate and thus take time to impact the shelter index of the CPI. Even more concerning, many experts are updating their forecasts and predicting even more housing price increases in 2022. For example, at the end of last year Zillow predicted home prices would increase 11 percent in 2022.⁵ Now Zillow expects house prices to increase 16.4 percent by December 2022.⁶

On top of ballooning housing costs, the costs of everyday goods and services are also on the rise, and pushing Americans into more financial hardship. The Bureau of Labor Statistics recently reported a seven percent increase in the prices of consumer goods, the largest increase in 40 years.⁷ Over the last year, gas prices rose by almost 50 percent while the cost of rent, used cars, and food have also surged.⁸ It is regrettably unsurprising that as the U.S. begins another year of soaring inflation, 49 percent of Americans, and two-thirds of those making less than \$40,000 a year, reported financial hardship from rising prices.⁹ Painfully high prices are a tax on single parents, seniors, and people living paycheck to paycheck.

With inflation rising to such critical levels, transparency and accountability remain imperative. Accordingly, I respectfully request all records, including draft documents, draft document comments, and draft document redlining responsive to a search of the following keywords within the Department of Housing and Urban Development's control, hosted by the following custodians, dating from January 20, 2021 to February 11, 2022.

Custodians:

- Secretary of Housing and Urban Development, Marcia Louise Fudge
- Deputy Secretary, Adrienne Todman
- Principle Deputy Assistant Secretary for the Office of Housing, Lopa Kolluri
- Chief of Staff, Jennifer C. "Jenn" Jones

Keywords:

- Inflation, inflationary, and other similarly sounded words
- Interest and interest rates
- Consumer Price Index and CPI
- Cost of Living Adjustment

⁴ Summers, Lawrence H. "On Inflation, we can learn from the mistakes of the past – or repeat them." *The Washington Post*. 3 February 2022. Accessed 8 February 2022.

<https://www.washingtonpost.com/opinions/2022/02/03/inflation-warning-history-lawrence-summers/>

⁵ Zillow Research. "Zillow's Hot Housing Takes for 2022." 8 December 2022. Accessed 8 February 2022.

<https://www.zillow.com/research/zillow-2022-housing-predictions-30394/>

⁶ Zillow Research. "Zillow December 2021 – December 2022 Home Value & Sale Forecast." 19 January 2022.

Accessed 8 February 2022. <https://www.zillow.com/research/home-values-sales-forecast-dec-2021-30527/>

⁷ Bureau of Labor Statistics. U.S. Department of Labor. *Consumer Price Index- December 2021*. 12 January 2022. Press Release USDL-22-0018. Accessed 8 February 2022. [https://www.bls.gov/news release/pdf/cpi.pdf](https://www.bls.gov/news%20release/pdf/cpi.pdf)

⁸ Bureau of Labor Statistics. U.S. Department of Labor. *Consumer Price Index- December 2021*. 12 January 2022. Press Release USDL-22-0018. Accessed 8 February 2022. [https://www.bls.gov/news release/pdf/cpi.pdf](https://www.bls.gov/news%20release/pdf/cpi.pdf)

⁹ Jones, J.M. "Americans Expect Inflation to Persist Over Next Six Months." Gallup. 26 January 2022. Accessed 8 February 2022. <https://news.gallup.com/poll/389129/americans-expect-inflation-persist-next-six-months.aspx>

- Federal Reserve
- The Fed
- Personal Consumption Expenditures
- PCE and PCE Index
- Mr. Lawrence Summers, Mr. Larry Summers, and Summers

For any record captured by the preceding search parameters withheld from production, please provide a log articulating a description of the record(s) at issue, the privilege being asserted, the respective custodian(s) of the record(s) being described, and the date each record was created.

Please direct all correspondence to [REDACTED]@aging.senate.gov by Friday, March 11, 2022. Inflationary concerns will remain at the forefront of American households. By understanding the steps the agency has been taking to address inflation, Congress will be able to more fully examine what steps need to be taken to address inflation's impact on the family pocketbook. I thank you for your prompt attention to this central issue.

Respectfully,

A handwritten signature in blue ink, appearing to read "Tim Scott", with a stylized flourish extending to the right.

Senator Tim Scott
Ranking Member