



**The Daily Dish**

## September 25th Edition

DOUGLAS HOLTZ-EAKIN | SEPTEMBER 25, 2014

The Federal Reserve [released a survey](#) revealing that nearly 40 percent of small banks have no plans on offering additional products to customers due to onerous government regulations. AAF [recently found](#) that the four years of Dodd-Frank have imposed \$21.8 billion in regulatory costs.

The question of a new export policy for crude oil [is changing](#) from an ‘if’ to a ‘when.’ With even Texas lawmakers, traditionally hesitant, on board. Congress will be looking to move legislation in the coming year. Representative Michael McCaul said, “The decades old ban on crude oil exports is no longer justified given the current market conditions...Lifting the ban will also give America a new foreign policy tool to provide greater stability in the world oil market.”

### ***Eakinomics: Housing Markets in the U.S.***

In the depths of the Great Recession, a prominent scenario for the recovery went something like this: aggressive housing policies would rid the market of owners underwater on their mortgages, the sale of existing homes would quickly recover, and movement of homeowners into more attractive properties would drive prices back toward normal and generate incentives for new home construction. The latter would have broad economic benefits, as the production of stoves, refrigerators, carpeting, furnaces, and all of the other durables that go into a new home generated jobs and income.

It hasn’t played out that way. Personally, I never thought there could be a housing policy large enough to have a significant impact on the economy that was politically feasible. It simply would require too much wealth redistribution (recall the famous [rant](#) by Rick Santelli). Instead, a more realistic path was one in which broad economic growth gradually fixed the finances of existing homeowners and provided the wherewithal for young Americans to buy homes.

Unfortunately, growth has been poor and the recovery in most of the hundreds of housing markets across the U.S. has stalled. As [documented](#) by AAF’s Andy Winkler, where growth has been good (think North Dakota or Texas), house prices are up, housing starts are up, and construction employment is up — even compared to pre-recession averages. In the sandy states (think California, Nevada, Florida) the recovery is very incomplete. Even more troubling, data at the [Consumer Finance Protection Bureau](#) suggests that refinances and other indicators of recovery have turned down between 2012 and 2013.

All roads lead to economic growth. The Administration has played the “stimulus and infrastructure” card again and again. It is time for a better growth strategy.

### ***From the Forum***

[Success of the Health Insurance Marketplace Varies Widely By County](#) by Conor Ryan, AAF Health Care Data Analyst

[Physician Payment Sunshine Act: A Primer by Angela Booth](#), AAF Health Care Policy Analyst; and Meghan McMonagle

[Where The Housing Recovery Stands](#) by Andy Winkler, AAF Director of Housing Finance Policy