



WELCOME BACK

THE DETROIT PISTONS WELCOMED CADE CUNNINGHAM, AMONG OTHERS, BACK TO THE STARTING LINEUP AFTER BEING SIDELINED WITH INJURIES. DETROIT DEFEATED PHOENIX 108-105. **B1**

ECONOMY

Trump wants the government to buy \$200B in mortgage bonds



Home prices have generally risen faster than incomes because of a construction shortage, making it harder for renters to buy their first home and for existing owners to upgrade. *Stokkete; Dreamstime*

The president says that would help drive down mortgage rates. But would it really help more Americans buy homes?

Josh Boak and Alex Veiga
Associated Press

President Donald Trump has announced he is directing the federal government to buy \$200 billion in mortgage bonds, a move he said would help reduce mortgage rates at a time when Americans are worried about home prices.

Trump and the White House have been trying to show they are responding to voter concerns about affordability ahead of midterm elections in November. Home prices have generally risen faster than incomes because of a persistent construction shortfall, making it harder for renters to buy their first home and for existing owners to upgrade to a new property — a challenge that dates back to Trump's first term and the recovery from the housing market collapse that triggered the global financial crisis in 2008.

Trump said the two mortgage companies under government conservatorship, Fannie Mae and Freddie Mac, have \$200 billion in cash that will be used to make the purchase.

"At a high level I feel this is putting a Band-Aid on a deeper issue and it probably wouldn't lower rates enough to really undo the mortgage rate lock-in effect."

Daryl Fairweather, chief economist at the real estate brokerage Redfin

"This will drive Mortgage Rates DOWN, monthly payments DOWN, and make the cost of owning a home more affordable," Trump posted on social media.

White House officials did not respond to questions about the timelines for how purchases would occur.

The Federal Reserve has in the past bought mortgage bonds during times of economic turmoil in order to help reduce

interest rates, leading many homeowners to refinance into rates of 3% or less.

The low rates of the recent past make these homeowners reluctant to sell their properties, depriving the market of inventory.

"At a high level I feel this is putting a Band-Aid on a deeper issue and it probably wouldn't lower rates enough to really undo the mortgage rate lock-in effect," said Daryl Fairweather, chief economist at the real estate brokerage Redfin.

Fairweather estimated the government purchases of mortgage debt could shave 0.25 to 0.5 percentage points off the rate for a 30-year fixed rate mortgage.

But the purchases wouldn't address other factors such as a chronic shortage of homes on the market, which has helped make homeownership unaffordable for many Americans, she cautioned.

Mortgage rates have been averaging around 6.2%, according to Freddie Mac, which went into conservatorship along with Fannie Mae in 2008 when the U.S. economy crashed during the Great Recession. Thirty-year mortgage rates haven't been below 6% since September 2022.

"Lowering mortgage rates by maybe a quarter point or half a point maybe will encourage more demand on the margins, but I don't think it's going to solve the restrictions that exist in the housing market," Fairweather said.

SEE ECONOMY, A3

STATE LEGISLATURE

Should cellphones be banned from classrooms?

A bill would require school boards to create a cellphone policy prohibiting use during instructional time.

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LANSING — The Michigan House rang in the first session day of 2026 by voting to approve a bill limiting the use of cellphones in classrooms.

Last year, the bill sponsored by Rep. Mark Tisdell, R-Rochester Hills, failed to earn bipartisan support in the House.

This time around it passed, 99-10, with bipartisan support in favor on Wednesday.

"Every parent knows that phones are addictive devices," Tisdell said. "We've got to give kids their childhood back."

If signed into law, the change would take effect next school year, which House Speaker Matt Hall, R-Richland Township, said gives school districts plenty of time to plan.

"We want our kids focused on (the) classroom, focused on their teachers. We want them learning," Hall said. "We don't want them distracted, playing games on their phones."

Hall said most school districts "don't have the courage to deal with this locally, so we're going to pass a law that requires them to do it."

The legislation was also one of Gov. Gretchen Whitmer's legislative priorities in 2025.

Its movement comes ahead of her annual State of the State Address, and could be claimed as an early win if the bill passes through the Senate and to Whitmer's desk before the not-yet-announced date of her speech.

"I understand the need to be connected to your child, but we can do better," Whitmer said during her February 2025 address. "This year, let's pass bipartisan legislation to limit the use of phones in class."

SEE STATE LEGISLATURE, A3



A bill in the Michigan Legislature would require school boards to create a cellphone device policy prohibiting use during instructional time. *MLive.com files*

Six Michigan cities get grants to help attract residents

The money is to help create more walkable communities.

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LANSING — Six Michigan cities are getting help from the state to transform their public spaces and improve walkability and vibrancy in an effort to attract new residents.

The Michigan Economic Development Corp. announced Thursday it would grant more than \$23.9 million to the six communities through the Michigan Talent Partnership Program.

The six recipient cities are Ann Arbor, Detroit, Grand Rapids, Houghton, Lansing and Mount Pleasant.

The goal of the program is to support

placemaking projects that will help improve the quality of life in local communities to attract and retain talent for Michigan's long-term growth.

Some of the projects being supported by the funds include a farmers market pavilion, streetscape and sidewalk improvements, incubator spaces, small business and entrepreneurial support and parks, the MEDC announced.

"Michigan's future depends on strong communities and a growing population," said Jonathan Smith, senior chief deputy director for the Michigan Department of Labor and Economic Opportunity.

"The Michigan Talent Partnership is

about giving local leaders the tools to attract people, create opportunity and build places where young people want to put down roots.

"When we invest in communities, we invest in Michigan's long-term growth."

Here's how the six cities plan to use their funds:

Ann Arbor: \$4,300,000 grant. Funds will support the implementation of the 350 Transit Hub, including streetscape improvements, public art and revitalization of the Blake Transit Center as the center of a transformative, regional bus rapid transit network.

SEE LONG-TERM GROWTH, A3