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Crypto May Soon Count Toward Mortgage Approval in Major Housing Shift

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In a landmark shift for both digital finance and the real estate market, US regulators are weighing new rules that could allow homebuyers to use cryptocurrency holdings to qualify for mortgages without needing to cash out. The move would bring digital assets like Bitcoin and Dogecoin into the mainstream housing market and signals a broader embrace of crypto-backed finance across federal agencies.

The Federal Housing Finance Agency (FHFA), which oversees Fannie Mae and Freddie Mac, is reportedly encouraging the mortgage giants to explore how digital assets can be factored into their loan risk assessments. If implemented, this would mark the first time that crypto

could stand on equal footing with traditional financial assets such as stocks and savings accounts when applying for a home loan.

Fannie Mae and Freddie Mac, which guarantee more than half of all US residential mortgages, have operated under tight federal oversight since their near-collapse in the 2008 financial crisis. After absorbing major losses from risky home loans, both institutions became more conservative in their lending practices. Including cryptocurrency in their risk models would reflect a major shift in their long-held cautious approach.

Crypto Inclusion

Right now, it's nearly impossible to use crypto directly when applying for a mortgage from a traditional bank. Buyers typically have to sell their crypto and hold the converted cash for several months to satisfy "seasoning" requirements. That delay can cause homebuyers to miss out on property opportunities or lock in losses when selling during market dips.

While a few private fintech startups have emerged to offer crypto-backed mortgages, they fall outside the safety net of federal housing programs. Without backing from Fannie Mae or Freddie Mac, these loans lack the affordability and widespread availability that traditional mortgages offer. That's what makes the current discussions at the FHFA so significant.

William Pulte, who leads the FHFA, noted on X that the effort fits with former President Donald Trump's ambition to position the US as the global leader in crypto innovation. For many crypto investors who have been sidelined by outdated banking policies, the change could open the door to finally leveraging their assets for long-term stability like homeownership.

The timing may also help address an ongoing housing imbalance. Redfin reported that in April, sellers outnumbered buyers by 34%. Welcoming crypto investors into the market could ease that gap, especially in tech-savvy regions where digital asset ownership is more common. In May, about 5% of homebuyers said they used proceeds from crypto sales to fund down payments, and that number is likely higher in hotspots like San Francisco and Austin.

However, critics warn that crypto's unpredictable swings make it a risky foundation for mortgage lending. Digital currencies have a track record of sudden booms and busts, raising questions about how lenders would manage sharp value drops after a mortgage has

been approved. Others are concerned about ongoing issues in cybersecurity, given the frequency of theft and fraud in the crypto space.

Even so, momentum behind crypto's integration into mainstream finance is building. As Bitcoin breaks price records and lawmakers in the House of Representatives advance pro-crypto bills, the idea of using digital assets to buy a home no longer feels far-fetched. The challenge now is figuring out how to responsibly merge the volatility of crypto with the stability that the housing market depends on.