

Blockchain, Housing, and Financial Inclusion

Property management and mortgage lending in the United States are often still shaped by manual processes, fragmented records, and layers of intermediaries. These inefficiencies drive up costs, slow transactions, and increase the risk of errors or fraud. The burden can fall disproportionately on underbanked households and communities of color, who already face higher barriers to credit, fewer paths to wealth-building, and lower rates of homeownership. But now, blockchain and crypto technologies offer an opportunity to modernize housing finance in ways that improve efficiency while advancing financial inclusion.

At their core, these technologies can help create housing and credit systems that are more transparent, portable, and accessible—particularly for Americans whose financial lives do not fit neatly into traditional banking and credit models.

How It Works

Blockchain as a decentralized ledger

Blockchain functions as a shared, tamper-resistant ledger that can securely record housing-related data, including title history, mortgage liens, rental payments, and ownership transfers. Once recorded onchain, these records are verifiable and difficult to alter, reducing reliance on siloed databases that are prone to errors and disputes. For first-time buyers and lower-income households, this can mean fewer administrative hurdles and greater confidence in the integrity of property records.

Smart contracts

Smart contracts are self-executing programs that automate agreements once predefined conditions are met. In housing, they can streamline lease execution, rent collection, escrow management, and mortgage servicing. Automation can reduce processing costs and delays—savings that matter most to borrowers with smaller loans or

nontraditional financial profiles, who are often priced out by high fees and bureaucratic friction.

Tokenization, stablecoins, and liquidity

Blockchain also enables tokenization, or the representation of real-world assets—like property interests or mortgage cash flows—as digital tokens. Tokenization can lower minimum investment thresholds and expand participation in real estate markets. When paired with U.S. dollar-denominated stablecoins, transactions can settle faster and more transparently, reducing reliance on costly intermediaries. For underbanked households, stablecoins can also provide a digital payment rail for rent, savings, or remittances, helping build consistent financial records that support long-term credit access.

These capabilities align closely with the goals of legislation recently introduced in Congress, the Housing for the 21st Century Act (H.R. 6644), which seeks to modernize housing finance infrastructure, improve data standards, and expand access to affordable housing. Blockchain-based recordkeeping, tokenized housing finance, and stablecoin-enabled payments are all capable of enhancing the bill's objective of a more efficient, resilient, and inclusive housing system.

Use Cases and Significance

One of the most promising applications of blockchain in housing finance is its potential to support [more inclusive credit assessment](https://freshcredit.com/how-blockchain-is-revolutionizing-credit-scoring/).¹ Blockchain-enabled systems can incorporate rental payments, utilities, and other recurring obligations into portable, user-controlled financial records, capturing creditworthy behavior that traditional models often ignore. This approach also aligns with recent federal policy signals, including the Federal

1

<https://freshcredit.com/how-blockchain-is-revolutionizing-credit-scoring/>

Housing Finance Agency's [2025 directive](#) that required Fannie Mae and Freddie Mac to create a proposal for accepting crypto as eligible assets in single-family mortgage underwriting. Together, these developments reflect a growing recognition that wealth, savings, and financial responsibility increasingly exist outside traditional bank accounts—and that mortgage underwriting must evolve to reflect the full financial lives of borrowers, particularly those in underserved and underbanked communities.

Additional use cases include:

- **Blockchain-based title registries.** Recording titles and liens onchain can reduce fraud, speed transfers, and lower transaction costs. For first-time and low-income buyers—who are more vulnerable to clerical errors or opaque processes—greater transparency can make homeownership more attainable and less risky.
- **Tokenized mortgages and alternative financing.** Digitizing mortgage interests can reduce origination and servicing costs by minimizing intermediaries. This savings can enable more flexible mortgage products for borrowers with irregular income, multiple jobs, or gig-based work—profiles that are common among underserved households but poorly served by traditional underwriting models.
- **Rental payment records and automated reporting.** Smart contracts can generate verifiable histories of on-time rent payments. For millions of renters, especially people of color who are more likely to rent than own, these records represent a powerful but underutilized signal of creditworthiness and a bridge to future homeownership.

Conclusion

Blockchain and crypto technologies are not a panacea for America's housing challenges. But when thoughtfully designed and paired with sound policy, they can help modernize housing finance, lower costs, and expand access to credit and homeownership—particularly for underbanked households and communities of color that have long been excluded from wealth-building opportunities.

By aligning innovation with legislation, embracing stablecoins as efficient payment tools, and continuing to modernize mortgage assessment frameworks, policymakers and industry leaders can help ensure that the next generation of housing finance is not only more efficient, but more equitable.

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