

## **FACT SHEET ON FINAL 21st CENTURY ROAD TO HOUSING ACT**

America is in a full-blown housing crisis. Across the country, home prices are sky-high, rent is through the roof, and the median age of a first-time homebuyer is at an all-time high. The *21st Century Road to Housing Act* will boost housing supply, bring down costs, and – for the first time ever – stop private equity from buying up single-family homes.

### **The 21 Century Road to Housing Act:**

#### **Includes 47 total housing supply provisions designed to build more housing and lower costs.**

- Removes regulatory barriers and streamlines environmental reviews to speed up affordable housing development and to speed up the construction process. Includes the first federal guidelines on zoning reforms that will help states and localities reduce barriers and increase supply.
- For the first time ever, creates federal incentives for localities that are successful in building more housing. This includes an "Innovation Fund" to reward communities that are successfully building more housing with new funding for community infrastructure or additional housing, and the Build Now Act to reward communities that build more housing and prod those that are not building to step up and build more.
- Makes it easier and cheaper to build new manufactured housing by removing outdated chassis requirement, bringing down the cost of a new unit by up to \$10,000.
- Makes long-needed improvements to rural housing programs to preserve affordable housing for 400,000 rural families.
- Strengthens the Community Development Block Grant (CDBG) and HOME programs to get more affordable housing built, enacts reforms to reduce delays in getting voucher recipients into units, and finally authorizes the CDBG-Disaster Recovery program to get money out to disaster-stricken communities faster.
- Offers new and streamlined funding opportunities for cities and towns to bolster local infrastructure and convert abandoned buildings into new housing; for homeowners and landlords to make structural home repairs; and for homebuilders to finance new manufactured and modular housing and homeowners to finance ADUs.

#### **For the first time ever, stops private equity from buying up single family homes.**

- Bans large institutional investors from buying single family homes – which is supported by an overwhelming majority of Americans [across party lines](#).
- Make sure that corporate landlords who don't follow the law pay up – and it invests any money they pay in fines to build more housing and to help first-time homebuyers with direct assistance for down payments, with closing costs and with interest rate buydowns.

## PACKAGE BREAKDOWN

### Housing provisions passed by the Senate in March (36 total)

#### *Federal incentives for localities that build more housing*

- **Innovation Fund (Warren/Warnock)** - authorizes a program to reward communities that are building more housing supply with highly flexible funding, which can be used to improve community infrastructure and build more housing.
- **Build Now Act (Kennedy/Warren)** - incentivize high-cost, low supply cities and towns to build more housing, by rewarding CDBG funds to the places that exceed the median rate of homebuilding.

#### *Speeding up new housing construction*

- **Accelerating Home Building Act (Blunt Rochester/Moreno)** - authorizes a grant program to help communities establish pre-approved housing designs, or pattern books, to streamline and expedite local construction processes and build more homes.
- **Better Use of Intergovernmental and Local Development (BUILD) Housing Act (Kim/Rounds)** - cuts red tape by empowering state, local, and tribal governments to streamline reviews and increase housing development.
- **Unlocking Housing Supply Through Streamlined and Modernized Reviews Act (Kim/Rounds)** - right-sizes reviews under NEPA for small and infill housing projects, which will simplify the review process and get housing projects to construction faster.
- **Streamlining Rural Housing Act (Gallego/Shahen/Ricketts/Moran)** - directs HUD and USDA to coordinate on joint environmental reviews for housing projects funded by both agencies.
- **Choice in Affordable Housing Act (Coons/Cramer)** - reduces HUD inspection delays by allowing units that are financed through other federal housing programs to automatically satisfy voucher inspection requirements if inspected within the past year. Additionally, the bill permits new landlords to request pre-inspections to increase access to housing for voucher holders and encourage landlord participation.
- **HUD-USDA-VA Interagency Coordination Act (Gallego/McCormick)** - directs HUD, USDA, and the VA to identify areas for collaboration to streamline and improve housing program implementation.

#### *Modular and manufactured housing*

- **Modular Housing Production Act (Warren/Banks)** - requires FHA to assess barriers to lending for modular housing and directs HUD to consider modifying loan draw schedules to strengthen financing options for modular housing construction.
- **Housing Affordability Act (Gallego/McCormick/Cramer)** - requires the Federal Housing Administration (FHA) to increase current multifamily lending limits for housing construction.
- **Housing Supply Expansion Act (Tillis/Gallego/Tim Scott/Padilla)** - updates the federal definition of manufactured housing to eliminate the explicit requirement for a permanent chassis to reduce manufacturing costs and encourage innovation.
- **Property Improvement and Manufactured Housing Loan Modernization Act (Reed/Lummis)** - modernizes and expands FHA mortgage lending programs to increase

financing for manufactured housing and accessory dwelling units (ADUs). The section also directs HUD to study the cost-effectiveness and long-term value of supporting housing finance for factory-built housing.

- **PRICE Act (Cortez-Masto)** - authorizes a program to help maintain, upgrade, and stabilize manufactured housing communities for residents who would otherwise be priced out and displaced by Wall Street and private equity investors.

#### *Housing repair/rehabilitation*

- **Whole-Home Repairs Act (Fetterman/Alsobrooks/Lummis)** - authorizes a pilot program to offer grants and forgivable loans to holistically address home repair needs and health hazards and stabilize aging housing stock.
- **Revitalizing Empty Structures into Desirable Environments (RESIDE) Act (Warner/Banks)** - authorizes a pilot program within the HOME Investment Partnerships Program to convert vacant and abandoned commercial and industrial buildings into attainable housing.

#### *Rural*

- **Rural Housing Service Reform Act (Smith/Rounds)** - reforms USDA's Rural Housing Service, including by decoupling rental assistance from maturing mortgages to preserve 400,000 affordable homes for rural families.

#### *Veterans*

- **VALID Act (Boozeman/Van Hollen)** - requires Federal Housing Administration (FHA) mortgage disclosures to include cost comparison information to ensure veterans are aware of their home loan benefits through the VA to help them compare financing costs and promote affordable homeownership.
- **VA Home Loan Awareness Act (Van Hollen/Sheehy)** - adds a disclosure to Fannie Mae and Freddie Mac's uniform residential loan application form to ensure that veterans are made aware of their home loan benefits through the Department of Veterans Affairs (VA), which may provide a more affordable lending option.
- **Housing Unhoused Disabled Veterans Act (Padilla/McCormick)** - permanently excludes veterans' disability compensation from annual income calculations under the HUD-VASH program to help more homeless veterans access VA housing.

#### *Homelessness*

- **Incentivizing local solutions to homelessness (Scott)** - allows states and localities that receive Emergency Solutions Grant funding to request a waiver of the statutory 60% spending cap to fund more emergency shelter beds and street outreach.
- **United States Interagency Council on Homelessness (USICH) Oversight (Scott)** - requires annual USICH congressional testimony and for USICH to provide an update on its progress in reducing homelessness in its annual planning process.

#### *Appraisals*

- **Appraisal Modernization Act (Warnock)** - requires USDA, VA, FHA, and FHFA to implement requirements that federally-backed mortgage lenders have a review and resolution procedure for consumer-initiated second appraisals, or reconsiderations of

value, when they believe there may be an issue with their appraised home value, to help combat bias in the appraisal process/address issues with their appraised home value. This section also requires a study on the feasibility of a public appraisal database.

- **Appraisal Industry Improvement Act (Gallego/Cramer)** - helps bolster appraiser workforce capacity, including by allowing both licensed and credentialed appraisers to conduct appraisals for FHA-insured mortgage lending transactions.

#### *Disaster Recovery*

- **Reforming Disaster Recovery Act (Tillis/Schatz)** - authorizes and reforms the Community Development Block Grant–Disaster Recovery (CDBG-DR) program to get housing-related disaster assistance out to communities faster and more efficiently.

#### *HOME Program (includes meaningful updates from the House)*

- **HOME Investment Partnerships Reauthorization and Reform Act (Cortez Masto/Flood/Cleaver)** - reforms and reauthorizes the HOME Investment Partnerships Program, making critical updates to improve program administration, facilitate the construction of more affordable housing, and better support homeownership-related uses.

#### *Public Housing*

- **New Moving to Work Cohort (Scott)** - authorize a Moving to Work expansion cohort with targeted flexibilities to improve program administration and tenant outcomes.
- **Rental Assistance Demonstration Program (Scott)** - This provision would raise the cap on the Rental Assistance Demonstration (RAD) program and codify tenant protections.
- **Improving Self-Sufficiency of Families in HUD-Subsidized Housing (Scott)** - directs HUD to conduct a study on the implementation of work requirements by public housing agencies, with an assessment of the challenges and benefits of work requirements on public housing agencies and families, including the effects on homelessness, poverty, asset building, job attainment, and public housing agency administrative capacity.

#### *Financing*

- **Community Investment and Prosperity Act (Scott/Moreno/Kim/Blunt Rochester)** - increases the Public Welfare Investment cap applicable to banks supervised by the OCC and the Federal Reserve from 15% to 20%, which will enhance banks' capacity to make private investments in affordable housing.
- **Creating incentives for small-dollar loan originators (Scott)** - requires the CFPB to issue a report to Congress studying the effect of various aspects of loan originator compensation on the availability of small-dollar mortgage loans and to assess the barriers they pose to the availability of small-dollar mortgages to consumers.
- **Small-dollar mortgage points and fees (Scott)** - requires CFPB and FHFA to evaluate the impact of existing regulations that limit the points and fees that lenders can charge on qualified mortgage loans, which vary by loan limit.

#### *Oversight*

- **Requiring Annual Testimony and Oversight from Housing Regulators (Scott)** - requires the HUD Secretary to testify annually before Congress.

- **FHA Reporting Requirements on Safety and Soundness (Scott)** - requires HUD to report monthly to Congress on the state of the statutorily required capital ratio of the Mutual Mortgage Insurance Fund, and to notify Congress if that ratio falls below statutorily required levels.

*Economic mobility*

- **Helping More Families Save Act (Reed/Britt)** - authorizes a pilot program under HUD's Family Self-Sufficiency (FSS) initiative to promote economic mobility and homeownership by enabling more families to grow their household savings.
- **Reforms to Housing Counseling and Financial Literacy Programs (Scott)** - allows HUD to review the performance of housing counseling agencies and counselors, and expands funding sources through HUD's Mutual Mortgage Insurance Fund.
- **Increasing housing in Opportunity Zones (Scott)** - enables the HUD Secretary to give added weight to applicants for competitive HUD grants that are located in, or primarily serve, designated Opportunity Zones to support housing preservation and construction.

**Housing provisions added by the House in their May bill (11 total)**

- **Addition of Affordable Housing Construction as an Eligible Activity (Waters)** - adds new construction as an eligible use under HUD's CDBG program.
- **Grants For Planning and Implementation Associated with Affordable Housing (Tlaib)** - authorizes a pilot program to offer competitive grants to assist state, local, and tribal governments with regional housing planning and community development activities.
- **Federal guidelines for point access block buildings (Torres)** - establishes best practices for permitting and constructing single-stair apartments.
- **Housing Supply Frameworks Act (originally a Senate provision the House added in, Blunt Rochester, Fetterman, Crapo, Tillis)** - helps establish national best practices for zoning and land use to help equip localities with the tools they need to update zoning codes and speed new construction.
- **Exemption on construction or modification of residential housing located on an infill site (Vindman, Flood)** - exempts all USDA-funded infill housing projects from any environmental review study or report.
- **Database of publicly owned land (Waters)** - requires CDBG recipients to establish a database of publicly-owned land available for housing development.
- **FHA Small-Dollar Mortgage Pilot (Waters)** - establishes an FHA pilot program to subsidize lenders who originate small-dollar mortgages (loans with original principal balances of \$100,000).
- **Temperature Sensor Pilot Program (Torres)** - establishes a pilot program to install temperature sensors in public housing.
- **Improving public housing agency accountability (Velazquez, Lawler)** - increases federal oversight of public housing agencies by codifying existing oversight measures, such as reporting requirements, inspector general reviews, required public notices about contracts, and more.
- **GAO Study on Workforce Housing (Lawler)**

- **GAO Studies on Housing for Older Adults and People with Disabilities, the Proximity of Housing to Superfund Sites, and Challenges Related to Heirs Property (Lawler, Williams)**

**Private equity:** for the first time ever stops private equity from buying up single-family homes. Accomplished by prohibiting any corporate entity from owning more than 350 single-family homes. New construction exempted.

**Community Banking:** includes 9 out of 11 of the community banking provisions that were Chair French Hill's priority in the House, representing modest regulatory changes for small and mid-sized banks.

**CBDC:** to address concerns from House Republican Leadership, the bill includes a compromise temporary ban on a central bank digital currency to expire in 2030.