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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. RES.

Providing for the concurrence by the House in the Senate amendment to
H.R. 6644, with amendment.

IN THE HOUSE OF REPRESENTATIVES

Mr. HILL of Arkansas (for himself and Ms. WATERS) submitted the following
resolution; which was referred to the Committee on

RESOLUTION

Providing for the concurrence by the House in the Senate
amendment to H.R. 6644, with amendment.

1 *Resolved*, That upon the adoption of this resolution
2 the House shall be considered to have taken from the
3 Speaker's table the bill, H.R. 6644, with the Senate
4 amendment thereto, and to have concurred in the Senate
5 amendment with the following amendment:

6 In lieu of the matter proposed to be inserted by
7 the amendment of the Senate to the text of the bill,
8 insert the following:

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “21st Century **ROAD** to Housing Act”.

4 (b) **TABLE OF CONTENTS.**—The table of contents for
5 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—OPPORTUNITIES FOR HOUSING

- Sec. 101. Reforms to housing counseling and financial literacy programs.
- Sec. 102. Federal guidelines for point access block buildings.
- Sec. 103. Exemption on construction or modification of residential housing located on an infill site.
- Sec. 104. Database of publicly owned land.
- Sec. 105. FHA Small-Dollar Mortgages.
- Sec. 106. Temperature Sensor Pilot Program.

TITLE II—BUILDING MORE IN AMERICA

- Sec. 201. Increasing housing in opportunity zones.
- Sec. 202. Whole-Home Repairs Act.
- Sec. 203. Community Investment and Prosperity Act.
- Sec. 204. Build Now Act.
- Sec. 205. Addition of affordable housing construction as an eligible activity.
- Sec. 206. Better Use of Intergovernmental and Local Development (**BUILD**) Housing Act.
- Sec. 207. Unlocking Housing Supply Through Streamlined and Modernized Reviews Act.
- Sec. 208. Grants for planning and implementation associated with affordable housing.
- Sec. 209. Innovation Fund.
- Sec. 210. Accelerating Home Building Act.
- Sec. 211. Revitalizing Empty Structures Into Desirable Environments (**RESIDE**) Act.
- Sec. 212. Housing Affordability Act.

TITLE III—MANUFACTURED HOUSING FOR AMERICA

- Sec. 301. Housing Supply Expansion Act.
- Sec. 302. Modular Housing Production Act.
- Sec. 303. Property Improvement and Manufactured Housing Loan Modernization Act.

TITLE IV—ACCESSING THE AMERICAN DREAM

- Sec. 401. Creating incentives for small-dollar loan originators.
- Sec. 402. Small-dollar mortgage points and fees.
- Sec. 403. Appraisal Industry Improvement Act.
- Sec. 404. Helping More Families Save Act.
- Sec. 405. Choice in Affordable Housing Act.

TITLE V—PROGRAM REFORM

- Sec. 501. HOME Investment Partnerships Reauthorization and Reform Act.
- Sec. 502. Rural Housing Service Reform Act.
- Sec. 503. Incentivizing local solutions to homelessness.

TITLE VI—VETERANS AND HOUSING

- Sec. 601. Military Service Question.
- Sec. 602. Housing Unhoused Disabled Veterans Act.

TITLE VII—OVERSIGHT AND ACCOUNTABILITY

- Sec. 701. Requiring annual testimony and oversight from housing regulators.
- Sec. 702. FHA reporting requirements on safety and soundness.
- Sec. 703. United States Interagency Council on Homelessness oversight.
- Sec. 704. Appraisal Modernization Act.

TITLE VIII—ACCOUNTABILITY, COORDINATION, STUDIES, AND REPORTING

- Sec. 801. HUD–USDA–VA Interagency Coordination Act.
- Sec. 802. Streamlining Rural Housing Act.
- Sec. 803. Improving self-sufficiency of families in HUD-subsidized housing.
- Sec. 804. GAO studies.
- Sec. 805. Improving public housing agency accountability.

TITLE IX—STRENGTHENING COMMUNITY BANKS' ROLE IN HOUSING

- Sec. 901. Community bank deposit access.
- Sec. 902. Keeping deposits local.
- Sec. 903. Tailored regulatory updates for supervisory testing.
- Sec. 904. Credit union board modernization.
- Sec. 905. Systemic risk authority transparency.
- Sec. 906. Least cost exception.
- Sec. 907. Failing bank acquisition fairness.
- Sec. 908. Advancing the mentor-protégé program for small financial institutions.
- Sec. 909. American access to banking.
- Sec. 910. Promoting new bank formation.
- Sec. 911. Rural depositories revitalization study.
- Sec. 912. Discretionary surplus fund.

TITLE X—HOME-OWNERSHIP FOR MAIN STREET AMERICA

- Sec. 1001. Homes are for people, not corporations.

TITLE XI—CENTRAL BANK DIGITAL CURRENCY

- Sec. 1101. Central bank digital currency.

TITLE XII—MISCELLANEOUS

- Sec. 1201. Severability.
- Sec. 1202. No additional funds authorized.

1 **TITLE I—OPPORTUNITIES FOR**
2 **HOUSING**

3 **SEC. 101. REFORMS TO HOUSING COUNSELING AND FINAN-**
4 **CIAL LITERACY PROGRAMS.**

5 Section 106 of the Housing and Urban Development
6 Act of 1968 (12 U.S.C. 1701x) is amended—

7 (1) in subsection (a)(4)(C), by striking “ade-
8 quate distribution” and all that follows through
9 “foreclosure rates” and inserting “that the recipi-
10 ents are geographically diverse and include organiza-
11 tions that serve urban or rural areas”;

12 (2) in subsection (e), by adding at the end the
13 following:

14 “(6) **REVIEWS.**—The Secretary—

15 “(A) may conduct periodic reviews; and

16 “(B) shall conduct performance reviews of
17 all organizations receiving assistance under this
18 section that—

19 “(i) consist of a review of the organi-
20 zation’s compliance with all program re-
21 quirements; and

22 “(ii) may take into account the orga-
23 nization’s aggregate counselor performance
24 under paragraph (7)(B).

25 “(7) **CONSIDERATIONS.**—

1 “(A) COVERED MORTGAGE LOAN DE-
2 FINED.—In this paragraph, the term ‘covered
3 mortgage loan’ means any loan which is secured
4 by a first or subordinate lien on residential real
5 property (including individual units of con-
6 dominiums and housing cooperatives) designed
7 principally for the occupancy of between 1 and
8 4 families that is—

9 “(i) insured by the Federal Housing
10 Administration under title II of the Na-
11 tional Housing Act (12 U.S.C. 1707 et
12 seq.); or

13 “(ii) guaranteed under section 184 or
14 184A of the Housing and Community De-
15 velopment Act of 1992 (12 U.S.C. 1715z-
16 13a, 1715z-13b).

17 “(B) COMPARISON.—For each counselor
18 employed by an organization receiving assist-
19 ance under this section for prepurchase housing
20 counseling, the Secretary may consider the per-
21 formance of the counselor compared to the de-
22 fault rate of all counseled borrowers of a cov-
23 ered mortgage loan in comparable markets and
24 such other factors as the Secretary determines

1 appropriate to further the purposes of this sec-
2 tion.

3 “(8) CERTIFICATION.—If, based on the com-
4 parison required under paragraph (7)(B), the Sec-
5 retary determines that a counselor lacks competence
6 to provide counseling in the areas described in sub-
7 section (e)(2) and such action will not create a sig-
8 nificant loss of capacity for housing counseling serv-
9 ices in the service area, the Secretary may—

10 “(A) require continued education coupled
11 with successful completion of a probationary pe-
12 riod;

13 “(B) require retesting if the counselor con-
14 tinues to demonstrate a lack of competence
15 under paragraph (7)(B); and

16 “(C) suspend an individual certification if
17 a counselor fails to demonstrate competence
18 after not fewer than 2 retesting opportunities
19 under subparagraph (B).”;

20 (3) in subsection (i)—

21 (A) by redesignating paragraph (3) as
22 paragraph (4); and

23 (B) by inserting after paragraph (2) the
24 following:

25 “(3) TERMINATION OF ASSISTANCE.—

1 “(A) IN GENERAL.—The Secretary may
2 deny renewal of covered assistance to an organi-
3 zation or entity receiving covered assistance if
4 the Secretary determines that the organization
5 or entity, or the individual through which the
6 organization or entity provides counseling, is
7 not in compliance with program requirements—

8 “(i) based on the performance review
9 described in subsection (e)(6); and

10 “(ii) in accordance with regulations
11 issued by the Secretary.

12 “(B) NOTICE.—The Secretary shall give
13 an organization or entity receiving covered as-
14 sistance not less than 60 days prior written no-
15 tice of any denial of renewal under this para-
16 graph, and the determination of renewal shall
17 not be finalized until the end of that notice pe-
18 riod.

19 “(C) INFORMAL CONFERENCE.—If re-
20 quested in writing by the organization or entity
21 within the notice period described in subpara-
22 graph (B), the organization or entity shall be
23 entitled to an informal conference with the Dep-
24 uty Assistant Secretary of Housing Counseling
25 on behalf of the Secretary at which the organi-

1 zation or entity may present for consideration
2 specific factors that the organization or entity
3 believes were beyond the control of the organi-
4 zation or entity and that caused the failure to
5 comply with program requirements, such as a
6 lack of lender or servicer coordination or com-
7 munication with housing counseling agencies
8 and individual counselors.”; and

9 (4) by adding at the end the following:

10 “(j) OFFERING FORECLOSURE MITIGATION COUN-
11 SELING.—

12 “(1) COVERED MORTGAGE LOAN DEFINED.—In
13 this subsection, the term ‘covered mortgage loan’
14 means any loan which is secured by a first or subor-
15 dinate lien on residential real property (including in-
16 dividual units of condominiums and housing co-
17 operatives) or stock or membership in a cooperative
18 ownership housing corporation designed principally
19 for the occupancy of between 1 and 4 families that
20 is—

21 “(A) insured by the Federal Housing Ad-
22 ministration under title II of the National
23 Housing Act (12 U.S.C. 1707 et seq.);

24 “(B) guaranteed under section 184 or
25 184A of the Housing and Community Develop-

1 ment Act of 1992 (12 U.S.C. 1715z–13a,
2 1715z–13b);

3 “(C) made, guaranteed, or insured by the
4 Department of Veterans Affairs; or

5 “(D) made, guaranteed, or insured by the
6 Department of Agriculture.

7 “(2) OPPORTUNITY FOR BORROWERS.—A bor-
8 rower with respect to a covered mortgage loan who
9 is 30 days or more delinquent on payments for the
10 covered mortgage loan shall be given an opportunity
11 to participate in available housing counseling.

12 “(3) COST.—If the requirements of sections
13 202(a)(3) and 205(f) of the National Housing Act
14 (12 U.S.C. 1708(a)(3), 1711(f)) are met, the fair
15 market rate cost of counseling for delinquent bor-
16 rowers described in paragraph (2) with respect to a
17 covered mortgage loan described in paragraph
18 (1)(A) shall be paid for by the Mutual Mortgage In-
19 surance Fund, as authorized under section 203(r)(4)
20 of the National Housing Act (12 U.S.C.
21 1709(r)(4)).”.

22 **SEC. 102. FEDERAL GUIDELINES FOR POINT ACCESS BLOCK**
23 **BUILDINGS.**

24 (a) IN GENERAL.—Not later than 18 months after
25 the date of enactment of this section, the Secretary of

1 Housing and Urban Development shall issue guidelines to
2 provide States, territories, Tribes, and localities with
3 model code language, best practices, and technical guid-
4 ance that could be used to facilitate the permitting of
5 point-access block residential buildings.

6 (b) CONTENTS.—When developing the guidelines
7 under subsection (a), the Secretary shall consider—

8 (1) fire safety considerations, including sprin-
9 kler coverage, smoke detection, ventilation, and
10 building egress performance;

11 (2) construction costs and potential impacts on
12 housing affordability, including the potential for in-
13 creasing housing supply in high-cost jurisdictions;

14 (3) flexibility for diverse consumer needs, in-
15 cluding family sizes, unit configurations, and acces-
16 sibility;

17 (4) examples of single-stair codes adopted or
18 considered by States and cities in the United States;

19 (5) examples of single-stair codes used in rel-
20 evant international standards;

21 (6) research and model language relating to
22 single-stair codes produced by organizations that
23 focus on point-access block building design and
24 building-code reform;

1 (7) consulting with experts, including devel-
2 opers, architects, fire marshals, researchers, econo-
3 mists, housing authorities, and officials in States
4 that have enacted or piloted single-stair codes; and

5 (8) alternative methods of safety compliance,
6 including options that utilize additional passive or
7 active safety features.

8 (c) COORDINATION WITH THE INTERNATIONAL
9 CODE COUNCIL.—The Secretary shall coordinate with the
10 International Code Council to encourage the International
11 Code Council to incorporate provisions about point-access
12 block buildings into the International Building Code.

13 (d) GRANTS.—

14 (1) IN GENERAL.—The Secretary may establish
15 a program to award competitive grants to eligible
16 entities to implement pilot projects that evaluate,
17 demonstrate, or validate the safety, feasibility, or
18 cost-effectiveness of point-access block residential
19 buildings.

20 (2) SUNSET.—The program established under
21 paragraph (1) shall terminate on the date that is 7
22 years after the date of the enactment of this sub-
23 section.

1 (e) RULE OF CONSTRUCTION.—Nothing in this sec-
2 tion may be construed to preempt a State or local building
3 code.

4 (f) DEFINITIONS.—In this section:

5 (1) ELIGIBLE ENTITY.—The term “eligible enti-
6 ty” means a State, unit of local government, Tribal
7 Government, public housing agency, nonprofit hous-
8 ing organization, community development organiza-
9 tion, private developer, construction firm, qualified
10 design firm, engineering firm, academic institution,
11 research institution, or any partnership or consor-
12 tium comprised of 2 or more such types of entities.

13 (2) POINT-ACCESS BLOCK BUILDING.—The
14 term “point-access block building” means a Group
15 R-2 occupancy residential structure, as such term is
16 defined by the International Building Code, in which
17 a single internal stairway provides access and egress
18 for all dwelling units in a building that is not great-
19 er than 6 stories in height.

20 **SEC. 103. EXEMPTION ON CONSTRUCTION OR MODIFICA-**
21 **TION OF RESIDENTIAL HOUSING LOCATED**
22 **ON AN INFILL SITE.**

23 (a) EXEMPTION.—In providing assistance under sec-
24 tion 501, 502, 504, 515, 533, or 538 of the Housing Act
25 of 1949 (42 U.S.C. 1471, 1472, 1474, 1485, 1490m, or

1 1490p–2) for the construction or modification of residen-
2 tial housing located on an infill site, the Secretary of Agri-
3 culture shall not be required to carry out any study or
4 report on the environmental effects of such assistance.

5 (b) REPORT.—Not later than the date that is 5 years
6 after the date of enactment of this section, the Secretary
7 of Agriculture shall submit, to the Committee on Financial
8 Services of the House of Representatives and the Com-
9 mittee on Banking, Housing, and Urban Affairs of the
10 Senate, a report that—

11 (1) determines whether the implementation of
12 this section—

13 (A) reduced the amount of time it takes to
14 review an application for assistance under the
15 sections of the Housing Act of 1949 identified
16 in subsection (a); and

17 (B) reduced the administrative cost of pro-
18 viding such assistance;

19 (2) describes how the implementation of this
20 section affects the affordable housing sector in rural
21 America; and

22 (3) includes any legislative recommendations
23 from the Secretary of Agriculture.

24 (c) DEFINITIONS.—In this section:

1 (1) GREENFIELD.—The term “greenfield”
2 means a site that has not been developed, including
3 a woodland, farmland, and an open field.

4 (2) INFILL SITE.—The term “infill site”—

5 (A) means a site that is served by existing
6 infrastructure, including water lines, sewer
7 lines, and roads; and

8 (B) does not include—

9 (i) a site that is served by existing in-
10 frastructure that only consists of a road;

11 (ii) a site within a census tract des-
12 ignated as very high or relatively high risk
13 for wildfire, coastal flooding, and riverine
14 flooding under the National Risk Index of
15 the Federal Emergency Management
16 Agency pursuant to section 206 of the
17 Robert T. Stafford Disaster Relief and
18 Emergency Assistance Act (42 U.S.C.
19 5136); and

20 (iii) a greenfield.

21 **SEC. 104. DATABASE OF PUBLICLY OWNED LAND.**

22 (a) IN GENERAL.—Section 104(b) of the Housing
23 and Community Development Act of 1974 (42 U.S.C.
24 5304(b)) is amended—

1 (1) in paragraph (5), by striking “and” at the
2 end;

3 (2) in paragraph (6), by striking the period at
4 the end and inserting “; and”; and

5 (3) by adding at the end the following:

6 “(7) the grantee maintains, on a publicly acces-
7 sible website, a searchable database that identifies
8 all parcels of undeveloped land owned by the grant-
9 ee.”.

10 (b) **EFFECTIVE DATE.**—The amendment made by
11 this subsection shall take effect on October 1, 2026.

12 **SEC. 105. FHA SMALL-DOLLAR MORTGAGES.**

13 (a) **IN GENERAL.**—Not later than 1 year after the
14 date of the enactment of this section, the Secretary of
15 Housing and Urban Development, acting through the
16 Federal Housing Commissioner, may establish a Pilot
17 Program to increase access to small-dollar mortgages for
18 mortgagors which may include—

19 (1) authorizing direct payments to mortgagees
20 to incentivize the origination of small-dollar mort-
21 gages;

22 (2) adjusting terms and costs imposed by the
23 Federal Housing Administration with respect to
24 small-dollar mortgages;

1 (3) providing direct grants for mortgagors who
2 obtain small-dollar mortgages to cover costs associ-
3 ated with—

4 (A) down payments;

5 (B) closing costs;

6 (C) appraisals; and

7 (D) title insurance;

8 (4) conducting outreach to potential mortgagors
9 about the availability of small-dollar mortgages; and

10 (5) providing technical assistance for mortga-
11 gees that originate small-dollar mortgages.

12 (b) REPORT.—Beginning not later than 1 year after
13 the establishment of the Pilot Program under subsection
14 (a) and ending 1 year after the sunset of the Pilot Pro-
15 gram, the Federal Housing Commissioner shall submit to
16 the Congress an annual report that—

17 (1) tracks and evaluates the outcomes of small-
18 dollar mortgages originated by mortgagees as a re-
19 sult of support provided under subsection (a);

20 (2) analyzes risks of the Pilot Program to the
21 solvency of the Mutual Mortgage Insurance Fund;

22 (3) includes data with respect to—

23 (A) the number of small-dollar mortgages
24 originated in the 10-year period preceding the
25 date of the enactment of this section, including

1 small-dollar mortgages insured or guaranteed
2 by the Federal Government and small-dollar
3 mortgages not insured by the Federal Govern-
4 ment;

5 (B) the original principal balance of each
6 small-dollar mortgage identified under subpara-
7 graph (A);

8 (C) demographic information about the
9 mortgagors associated with each such small-dol-
10 lar mortgages; and

11 (D) the number and type of mortgagees
12 that offer small-dollar mortgages;

13 (4) provides a description of the fixed costs that
14 are associated with mortgages and the impact of
15 such costs on the ability of lenders to earn a market
16 rate return on small-dollar mortgages; and

17 (5) includes analysis, by regions of the United
18 States, including rural regions, that identifies re-
19 gions with the greatest need for, and the highest
20 likelihood of, the origination of small-dollar mort-
21 gages and regions that could benefit the most from
22 increased availability of small-dollar mortgages.

23 (c) SUNSET.—The Pilot Program established under
24 subsection (a) shall terminate on the date that is 4 years

1 after the date on which the Pilot Program is established
2 under subsection (a).

3 (d) EXPIRATION OF AUTHORITY.—After the expira-
4 tion of the 3-year period beginning on the date of enact-
5 ment of this section, neither the Federal Housing Commis-
6 sioner nor the Secretary of Housing and Urban Develop-
7 ment may newly establish a Pilot Program to increase ac-
8 cess to small-dollar mortgages for mortgagors.

9 (e) SMALL-DOLLAR MORTGAGE DEFINED.—The
10 term “small-dollar mortgage” means a mortgage that—

11 (1) has an original principal balance of
12 \$100,000 or less; and

13 (2) is secured by a 1- to 4-unit property that
14 is the principal residence of the mortgagor.

15 **SEC. 106. TEMPERATURE SENSOR PILOT PROGRAM.**

16 (a) IN GENERAL.—The Secretary of Housing and
17 Urban Development shall establish a temperature sensor
18 Pilot Program to provide grants to public housing agencies
19 and owners of covered federally assisted rental dwelling
20 units to acquire, install, and test the efficacy of approved
21 temperature sensors in residential dwelling units to ensure
22 such units remain in compliance with temperature require-
23 ments.

24 (b) ELIGIBILITY.—

1 (1) IN GENERAL.—The Secretary shall, not
2 later than 180 days after the date of the enactment
3 of this Act, establish eligibility criteria for public
4 housing agencies and owners of covered federally as-
5 sisted rental dwelling units to participate in the
6 Pilot Program established pursuant to subsection
7 (a).

8 (2) CRITERIA.—In establishing the eligibility
9 criteria described in paragraph (1), the Secretary
10 shall ensure—

11 (A) the Pilot Program includes a diverse
12 range of participants that represent different
13 geographic regions, climate regions, unit sizes,
14 and types of housing; and

15 (B) that the functionality of an approved
16 temperature sensor will be installed and tested
17 using amounts awarded under this section, in-
18 cluding internet connectivity requirements.

19 (c) INSTALLATION.—Each public housing agency or
20 owner of a covered federally assisted rental dwelling unit
21 that acquires 1 or more approved temperature sensors
22 under this section shall, after receiving written permission
23 from the resident of a dwelling unit, install such tempera-
24 ture sensor and monitor the data from such temperature
25 sensor.

1 (d) COLLECTION OF COMPLAINT RECORDS.—

2 (1) IN GENERAL.—Each public housing agency
3 or owner of a covered federally assisted rental dwell-
4 ing unit that installs 1 or more approved tempera-
5 ture sensors under this section shall collect and re-
6 tain information about temperature-related com-
7 plaints and violations.

8 (2) DEFINITIONS.—The Secretary shall, not
9 later than 180 days after the date of the enactment
10 of this Act, define the terms “temperature-related
11 complaints” and “temperature-related violations” for
12 the purposes of this section.

13 (e) DATA COLLECTION.—

14 (1) IN GENERAL.—Data collected from tem-
15 perature sensors acquired and installed by public
16 housing agencies and owners of covered federally as-
17 sisted rental dwelling units under this section shall
18 be retained until the Secretary notifies the public
19 housing agency or owner that the Pilot Program and
20 the evaluation of the Pilot Program are complete.

21 (2) PERSONALLY IDENTIFIABLE INFORMA-
22 TION.—The Secretary shall, not later than 180 days
23 after the date of the enactment of this Act, establish
24 standards for the protection of personally identifi-
25 ably information collected during the Pilot Program

1 by public housing agencies, owners of federally as-
2 sisted rental dwelling units, and the Secretary.

3 (f) PILOT PROGRAM EVALUATION.—

4 (1) INTERIM EVALUATION.—Not later than 12
5 months after the establishment of the Pilot Program
6 under this section, the Secretary shall publicly pub-
7 lish and submit to the Congress a report that—

8 (A) examines the number of temperature-
9 related complaints and violations in federally
10 assisted rental dwelling units with temperature
11 sensors, disaggregated by temperature sensor
12 technology and climate region—

13 (i) that occurred before the installa-
14 tion of such sensor, if known; and

15 (ii) that occurred after the installation
16 of such sensor; and

17 (B) identifies any barriers to full utility of
18 temperature sensor capabilities, including
19 broadband internet access and tenant participa-
20 tion.

21 (2) FINAL EVALUATION.—Not later than 36
22 months after the conclusion of the Pilot Program es-
23 tablished by the Secretary under this section, the
24 Secretary shall publicly publish and submit to the
25 Congress a report that—

1 (A) examines the number of temperature-
2 related complaints and violations in federally
3 assisted rental dwelling units with temperature
4 sensors, disaggregated by temperature sensor
5 technology and climate region—

6 (i) that occurred before the installa-
7 tion of such sensor; and

8 (ii) that occurred after the installation
9 of such sensor;

10 (B) identifies any barriers to full utility of
11 temperature sensor capabilities, including
12 broadband internet access and tenant participa-
13 tion; and

14 (C) compares the utility of various tem-
15 perature sensor technologies based on—

16 (i) climate zones;

17 (ii) cost;

18 (iii) features; and

19 (iv) any other factors identified by the
20 Secretary.

21 (g) SUNSET.—The Pilot Program established under
22 this section shall terminate on the date that is 3 years
23 after the date of the enactment of this section.

24 (h) DEFINITIONS.—For the purposes of this section:

1 (1) APPROVED TEMPERATURE SENSOR.—The
2 term “approved temperature sensor” means an
3 internet capable temperature reporting device able to
4 measure ambient air temperature to the tenth de-
5 gree Fahrenheit and Celsius selected from a list of
6 such devices approved in advance by the Secretary.

7 (2) ASSISTANCE.—The term “assistance”
8 means any grant, loan, subsidy, contract, cooperative
9 agreement, or other form of financial assistance, but
10 such term does not include the insurance or guar-
11 antee of a loan, mortgage, or pool of loans or mort-
12 gages.

13 (3) COVERED FEDERALLY ASSISTED RENTAL
14 DWELLING UNIT.—The term “covered federally as-
15 sisted rental dwelling unit” means a residential
16 dwelling unit that is made available for rental and
17 for which assistance is provided, or that is part of
18 a housing project for which assistance is provided,
19 under—

20 (A) the program for project-based rental
21 assistance under section 8 of the United States
22 Housing Act of (42 U.S.C. 1437f);

23 (B) the public housing program under the
24 United States Housing Act of 1937 (42 U.S.C.
25 1437 et seq.);

1 (C) the program for supportive housing for
2 the elderly under section 202 of the Housing
3 Act of 1959 (12 U.S.C. 1701q); or

4 (D) the program for supportive housing for
5 persons with disabilities under section 811 of
6 the Cranston-Gonzalez National Affordable
7 Housing Act (42 U.S.C. 8013).

8 (4) OWNER.—The term “owner” means—

9 (A) with respect to the program for
10 project-based rental assistance under section 8
11 of the United States Housing Act of 1937 (42
12 U.S.C. 1437f), any private person or entity, in-
13 cluding a cooperative, an agency of the Federal
14 Government, or a public housing agency, having
15 the legal right to lease or sublease dwelling
16 units;

17 (B) with respect to the public housing pro-
18 gram under the United States Housing Act of
19 1937 (42 U.S.C. et seq.), a public housing
20 agency or an owner entity of public housing
21 units as defined in section .108 of title 24,
22 Code of Federal Regulations;

23 (C) with respect to the program for sup-
24 portive housing for the elderly under section
25 202 of the Housing Act of 1959 (12 U.S.C.

1 1701q), a private nonprofit organization as de-
2 fined under section (k)(4) of the Housing Act
3 of 1959; and

4 (D) with respect to the program for sup-
5 portive housing for persons with disabilities
6 under section 811 of the Cranston-Gonzalez
7 National Affordable Housing Act (42 U.S.C.
8 8013), a private nonprofit organization as de-
9 fined under section 811(k)(5) of the Cranston-
10 Gonzalez National Affordable Housing Act.

11 **TITLE II—BUILDING MORE IN** 12 **AMERICA**

13 **SEC. 201. INCREASING HOUSING IN OPPORTUNITY ZONES.**

14 (a) COVERED GRANT DEFINED.—In this section, the
15 term “covered grant” means any competitive grant relat-
16 ing to the construction, modification, rehabilitation, or
17 preservation of housing, as determined by the Secretary
18 of Housing and Urban Development.

19 (b) PRIORITY.—When awarding a covered grant, the
20 Secretary of Housing and Urban Development may give
21 additional weight to applicants with proposed activities or
22 projects that are located in or substantially and directly
23 benefit a community designated as a qualified opportunity
24 zone under section 1400Z–1 of the Internal Revenue Code
25 of 1986.

1 **SEC. 202. WHOLE-HOME REPAIRS ACT.**

2 (a) DEFINITIONS.—In this section:

3 (1) AFFORDABLE UNIT.—The term “affordable
4 unit” means a unit for which the monthly rental
5 payment is not more than 30 percent of the gross
6 income of an individual earning at or below 80 per-
7 cent of the area median income, as defined by the
8 Secretary.

9 (2) ASSISTED UNIT.—The term “assisted unit”
10 means a unit that undergoes repair or rehabilitation
11 work through a whole-home repairs program admin-
12 istered by an implementing organization under this
13 section.

14 (3) ELIGIBLE HOME-OWNER.—The term “eligi-
15 ble home-owner” means a home-owner—

16 (A) with a household income that—

17 (i) is not more than 80 percent of the
18 area median income; or

19 (ii) meets the income eligibility re-
20 quirements for receiving assistance or ben-
21 efits under a specified program, as defined
22 in paragraph (11); and

23 (B) who is—

24 (i) an owner of record as evidenced by
25 a publicly recorded deed, or other docu-
26 ment recorded by the Bureau of Indian Af-

1 fairs, and occupies the home on which re-
2 pairs are to be conducted as their principal
3 residence;

4 (ii) an owner-occupant of the manu-
5 factured home on which repairs are to be
6 conducted;

7 (iii) an owner-occupant of the cooper-
8 ative housing unit on which repairs are to
9 be conducted; or

10 (iv) an owner who can demonstrate an
11 ownership interest in the property, or trust
12 land leasehold, on which repairs are to be
13 conducted, including a person who has in-
14 herited an interest in that property.

15 (4) ELIGIBLE LANDLORD.—The term “eligible
16 landlord” means an individual—

17 (A) who owns, as determined by the rel-
18 evant implementing organization, fewer than 10
19 eligible rental properties, with a majority of af-
20 fordable units and not more than 25 total units,
21 operated as primary residences in which a ma-
22 jority ownership interest is held by the indi-
23 vidual, the spouse of the individual, or the de-
24 pendent children of the individual, or any close-
25 ly held legal entity controlled by the individual,

1 the spouse of the individual, or the dependent
2 children of the individual, either individually or
3 collectively; and

4 (B) who agrees to the provisions described
5 in subsection (b)(3).

6 (5) ELIGIBLE RENTAL PROPERTY.—The term
7 “eligible rental property” means a residential prop-
8 erty that—

9 (A) is leased, or offered exclusively for
10 lease, as a primary residence by an eligible
11 landlord; and

12 (B) includes affordable units.

13 (6) FORGIVABLE LOAN.—The term “forgivable
14 loan” means a loan—

15 (A) made to an eligible landlord;

16 (B) that is secured by a lien recorded
17 against a residential property; and

18 (C) that may be forgiven by the imple-
19 menting organization not later than the date
20 that is 3 years after the completion of the re-
21 pairs if the eligible landlord has maintained
22 compliance with the loan agreement described
23 in subsection (b)(3).

24 (7) IMPLEMENTING ORGANIZATION.—The term
25 “implementing organization”—

1 (A) means a unit of general local govern-
2 ment or a State that—

3 (i) will administer a whole-home re-
4 pairs program through an agency, depart-
5 ment, or other entity; or

6 (ii) enters into agreements with 1 or
7 more local governments, Indian Tribes,
8 municipal authorities, other governmental
9 authorities, including a tribally designated
10 housing entity, or qualified nonprofit orga-
11 nizations, to administer a whole-home re-
12 pairs program as a subrecipient; and

13 (B) does not include a redundant entity in
14 a jurisdiction already served by a grantee under
15 subsection (b).

16 (8) INDIAN TRIBE.—The term “Indian Tribe”
17 has the meaning given the term in section 4 of the
18 Native American Housing Assistance and Self-De-
19 termination Act of 1996 (25 U.S.C. 4103).

20 (9) QUALIFIED NONPROFIT.—The term “quali-
21 fied nonprofit” means a nonprofit organization
22 that—

23 (A) has received funding, as a recipient or
24 subrecipient, through—

1 (i) the Community Development Block
2 Grant program under title I of the Hous-
3 ing and Community Development Act of
4 1974 (42 U.S.C. 5301 et seq.);

5 (ii) the HOME Investment Partner-
6 ships program under subtitle A of title II
7 of the Cranston-Gonzalez National Afford-
8 able Housing Act (42 U.S.C. 12741 et
9 seq.);

10 (iii) the Lead-Based Paint Hazard
11 Reduction grant program under section
12 1011 of the Residential Lead-Based Paint
13 Hazard Reduction Act of 1992 (42 U.S.C.
14 4852), a grant under the Healthy Homes
15 Initiative administered by the Secretary
16 pursuant to sections 501 and 502 of the
17 Housing and Urban Development Act of
18 1970 (12 U.S.C. 1701z-1, 1701z-2), or a
19 grant under the Older Adult Home Modi-
20 fication Grants Program authorized under
21 the Consolidated Appropriations Act, 2024
22 (Public Law 118-42), or any successor
23 Act, to make safety and functional home
24 modification repairs and renovations to
25 meet the needs of low-income seniors to

1 enable them to remain in their primary
2 residence;

3 (iv) the Self-Help and Assisted home-
4 ownership Opportunity program authorized
5 under section 11 of the Housing Oppor-
6 tunity Program Extension Act of 1996 (42
7 U.S.C. 12805 note);

8 (v) a rural housing program under
9 title V of the Housing Act of 1949 (42
10 U.S.C. 1471 et seq.); or

11 (vi) the Neighborhood Reinvestment
12 Corporation established under the Neigh-
13 borhood Reinvestment Corporation Act (42
14 U.S.C. 8101 et seq.);

15 (B) has coordinated, performed, or other-
16 wise been engaged in weatherization, lead reme-
17 diation, or home-repair work for not less than
18 2 years;

19 (C) has been certified by the Environ-
20 mental Protection Agency, or by a State au-
21 thorized by the Environmental Protection Agen-
22 cy to administer a certification program, as—

23 (i) eligible to carry out activities
24 under the lead renovation, repair, and
25 painting program under section 402(c) or

1 404 of the Toxic Substances Control Act
2 (15 U.S.C. 2682(c), 2684); or

3 (ii) a Home Certification Organization
4 under the Energy Star program estab-
5 lished by section 324A of the Energy Pol-
6 icy and Conservation Act (42 U.S.C.
7 6294a) or the WaterSense program under
8 section 324B of that Act (42 U.S.C.
9 6294b), or recognized or otherwise ap-
10 proved by the Environmental Protection
11 Agency as a Home Certification Organiza-
12 tion under either of those programs; or

13 (D) is a community development financial
14 institution, as defined in section 103 of the
15 Community Development Banking and Finan-
16 cial Institutions Act of 1994 (12 U.S.C. 4702).

17 (10) SECRETARY.—The term “Secretary”
18 means the Secretary of Housing and Urban Develop-
19 ment.

20 (11) SPECIFIED PROGRAM.—For purposes of
21 paragraph (3)(A)(ii), the term “specified program”
22 means any of the following:

23 (A) The Medicaid program established
24 under title XIX of the Social Security Act (42
25 U.S.C. 1396 et seq.).

1 (B) The State Children’s Health Insurance
2 Program established under title XXI of the So-
3 cial Security Act (42 U.S.C. 1397aa et seq.).

4 (C) The supplemental security income ben-
5 efits program established under title XVI of the
6 Social Security Act (42 U.S.C. 1381 et seq.).

7 (D) The supplemental nutrition assistance
8 program established under the Food and Nutri-
9 tion Act of 2008 (7 U.S.C. 2011 et seq.).

10 (E) The temporary assistance for needy
11 families program established under part A of
12 title IV of the Social Security Act (42 U.S.C.
13 601 et seq.).

14 (12) STATE.—The term “State” means—

15 (A) each State of the United States;

16 (B) the District of Columbia;

17 (C) the Commonwealth of Puerto Rico;

18 (D) any territory or possession of the

19 United States; and

20 (E) an Indian Tribe.

21 (13) TRIBALLY DESIGNATED HOUSING ENTI-
22 TY.—The term “tribally designated housing entity”
23 has the meaning given the term in section 4 of the
24 Native American Housing Assistance and Self-De-
25 termination Act of 1996 (25 U.S.C. 4103).

1 (14) WHOLE-HOME REPAIRS.—The term
2 “whole-home repairs” means modifications, repairs,
3 or updates to home-owner or renter-occupied units
4 to address—

5 (A) physical and sensory accessibility for
6 individuals with disabilities and older adults,
7 such as bathroom and kitchen modifications, in-
8 stallation of grab bars and handrails, guards
9 and guardrails, lifting devices, ramp additions
10 or repairs, sidewalk addition or repair, or door-
11 way or hallway widening;

12 (B) habitability and safety concerns, such
13 as repairs needed to ensure residential units are
14 fit for human habitation and free from defective
15 conditions or health and safety hazards; or

16 (C) energy and water efficiency, resilience,
17 and weatherization.

18 (b) PILOT PROGRAM.—

19 (1) ESTABLISHMENT.—There is authorized a
20 Pilot Program to provide grants to implementing or-
21 ganizations to administer a whole-home repairs pro-
22 gram for eligible home-owners and eligible landlords.

23 (2) USE OF FUNDS.—An implementing organi-
24 zation that receives a grant from appropriated funds
25 made available for this subsection—

1 (A) shall provide grants to eligible home-
2 owners to implement whole-home repairs not
3 covered by other Federal home repair programs
4 up to a maximum amount per unit, which max-
5 imum amount should—

6 (i) reflect local construction costs and
7 the level of repairs needed in each unit;
8 and

9 (ii) be calculated and approved by the
10 Secretary;

11 (B) shall provide loans, which may be for-
12 givable, to eligible landlords to implement
13 whole-home repairs not covered by other Fed-
14 eral home repair programs for individual afford-
15 able units, public and common use areas within
16 the property, and common structural elements
17 up to a maximum amount per unit, area, or ele-
18 ment, as applicable, which maximum amount
19 should—

20 (i) reflect local construction costs; and

21 (ii) be calculated and approved by the
22 Secretary;

23 (C) shall evaluate, or provide assistance to
24 eligible home-owners and eligible landlords to
25 evaluate, whole-home repair program funds pro-

1 vided under this subsection with Federal, State,
2 Tribal, and local home repair programs to pro-
3 vide the greatest benefit to the greatest number
4 of eligible landlords and eligible home-owners
5 and avoid duplication of benefits and
6 redundancies for the same home repairs;

7 (D) shall require that—

8 (i) all repairs funded or facilitated
9 through an award under this subsection
10 have been completed;

11 (ii) if repairs are not completed and
12 the plan for whole-home repairs is not up-
13 dated to reflect the new scope of work,
14 that the loan or grant is repaid on a pro-
15 rated basis based on completed work; and

16 (iii) any unused grant or loan balance
17 is returned to the implementing organiza-
18 tion, and is reused by the implementing or-
19 ganization for a new whole-home repair
20 grant or loan under this subsection;

21 (E) may use not more than 5 percent of
22 the awarded funds to carry out related func-
23 tions, including workforce training for home re-
24 pair professions, which shall be related to ef-

1 forts to increase the number of home repairs
2 performed and approved by the Secretary;

3 (F) may use not more than 10 percent of
4 the awarded funds for administrative expenses;

5 (G) shall comply with Federal accessibility
6 requirements and standards under applicable
7 Federal fair housing and civil rights laws and
8 regulations, including section 504 of the Reha-
9 bilitation Act of 1973 (29 U.S.C. 794); and

10 (H) shall ensure that rental properties as-
11 sisted under subparagraph (B) shall be treated
12 as projects assisted under title I of the Housing
13 and Community Development Act of 1974 (42
14 U.S.C. 5301 et seq.).

15 (3) LOAN AGREEMENT.—In a loan agreement
16 with an eligible landlord under this subsection, an
17 implementing organization shall include provisions
18 establishing that the eligible landlord shall, for each
19 eligible rental property for which a loan is used to
20 fund repairs under this subsection—

21 (A) comply with Federal accessibility re-
22 quirements and standards under applicable
23 Federal fair housing and civil rights laws and
24 regulations, including section 504 of the Reha-
25 bilitation Act of 1973 (29 U.S.C. 794); and

1 (B)(i) if the landlord is renting the as-
2 sisted units available in the eligible rental prop-
3 erty to tenants receiving tenant-based rental as-
4 sistance under section 8(o) of the United States
5 Housing Act of 1937 (42 U.S.C. 1437f(o)),
6 under another tenant-based rental assistance
7 program administered by the Secretary or the
8 Secretary of Agriculture, or under a tenant-
9 based rental subsidy provided by a State or
10 local government, comply with the program re-
11 quirements under the relevant tenant-based
12 rental assistance program; or

13 (ii) if the eligible landlord is not renting to
14 tenants receiving rental-based assistance as de-
15 scribed in clause (i)—

16 (I)(aa) offer to extend the lease of
17 current tenants on current terms, other
18 than the terms described in subclause (iv)
19 for not less than 3 years beginning after
20 the completion of the repairs, unless the
21 lease is terminated due to failure to pay
22 rent, performance of an illegal act within
23 the rental unit, or a violation of an obliga-
24 tion of tenancy that the tenants failed to
25 correct after notice; and

1 (bb) if the tenant of an assisted unit
2 moves out of the assisted unit at any point
3 in the 3-year period following the loan
4 agreement, maintain the unit as an afford-
5 able unit for the remainder of the 3-year
6 period;

7 (II) provide documentation verifying
8 that the property, upon completion of ap-
9 proved renovations, has met all applicable
10 State and local housing and building codes;

11 (III) attest that the landlord has no
12 known serious violations of renter protec-
13 tions that have resulted in fines, penalties,
14 or judgments during the preceding 10
15 years; and

16 (IV) cap annual rent increases for
17 each assisted unit at 5 percent of base rent
18 or at the rate of inflation, whichever is
19 lower, for not less than 3 years beginning
20 after the completion of the repairs.

21 (4) APPLICATION.—

22 (A) IN GENERAL.—An implementing orga-
23 nization desiring an award under this sub-
24 section shall submit to the Secretary an applica-
25 tion that includes—

1 (i) the geographic scope of the whole-
2 home repairs program to be administered
3 by the implementing organization, includ-
4 ing the plan to address need in any rural,
5 Tribal, suburban, or urban area within a
6 jurisdiction;

7 (ii) a plan for selecting subrecipients,
8 if applicable;

9 (iii) a description of how the imple-
10 menting organization plans to execute the
11 coordination of Federal, State, Tribal, and
12 local home repair programs, including pro-
13 grams administered by the Department of
14 Energy, the Department of the Interior,
15 the Department of Veteran Affairs, or the
16 Department of Agriculture, to increase ef-
17 ficiency and reduce redundancy;

18 (iv) available data on the need for af-
19 fordable and quality housing within the ge-
20 ographic scope of the whole-home repairs
21 program, and any plans to preserve afford-
22 ability through the term of the award;

23 (v) a description of how the imple-
24 menting organization plans to process and
25 verify applications for grants from eligible

1 home-owners and applications for loans
2 from eligible landlords; and

3 (vi) such other information as the
4 Secretary requires to determine the ability
5 of an applicant to carry out a program
6 under this subsection.

7 (B) CONSIDERATIONS.—In making awards
8 under this subsection, the Secretary shall—

9 (i) with respect to applications sub-
10 mitted by States other than the District of
11 Columbia and the territories of the United
12 States, prioritize those applications with a
13 demonstrated plan to—

14 (I) make a good-faith effort to
15 implement the Pilot Program in every
16 jurisdiction; and

17 (II) provide nonmetropolitan
18 areas, or subrecipients serving non-
19 metropolitan areas if applicable, with
20 a share of total funds commensurate
21 with their population;

22 (ii) aim to select applicants so that
23 the awardees collectively span diverse geog-
24 raphies, with an intent to understand the
25 impact of the Pilot Program under this

1 subsection in urban, suburban, rural, and
2 Tribal settings; and

3 (iii) not disqualify implementing orga-
4 nizations that were awarded grants under
5 the Pilot Program in prior application cy-
6 cles.

7 (5) PROGRAM INFORMATION.—The Secretary
8 shall make available to grant recipients under this
9 subsection information regarding existing Federal
10 programs for which grant recipients may coordinate
11 or provide assistance in coordinating applications for
12 those programs in accordance with paragraph
13 (2)(C).

14 (6) GRANT NUMBER.—In each year in which an
15 award is made under this subsection, the Secretary
16 shall award assistance to—

17 (A) not less than 2, and not more than 10,
18 implementing organizations, as application
19 numbers and funding permit; and

20 (B) not more than 1 implementing organi-
21 zation in any State.

22 (7) LOANS THAT ARE NOT FORGIVEN.—If a
23 loan made by an implementing organization under
24 paragraph (2)(B) is not forgiven, the loan repay-
25 ment funds shall be reused by the implementing or-

1 organization for a new whole-home repair grant or
2 loan under this subsection, which shall remain sub-
3 ject to the original terms of the assistance awarded
4 under this subsection.

5 (8) SUPPLEMENT, NOT SUPPLANT.—Amounts
6 awarded under this subsection to implementing orga-
7 nizations shall supplement, not supplant, other Fed-
8 eral, State, Tribal, and local funds made available to
9 those entities.

10 (9) STREAMLINING PROGRAM DELIVERY AND
11 ENSURING EFFICIENCY.—To the extent possible, in
12 carrying out the Pilot Program under this sub-
13 section, the Secretary shall—

14 (A) endeavor to improve efficiency of serv-
15 ice delivery, as well as the experience of and im-
16 pact on the taxpayer, by encouraging pro-
17 grammatic collaboration and information shar-
18 ing across Federal, State, Tribal, and local pro-
19 grams for home repair or improvement, includ-
20 ing programs administered by the Department
21 of Agriculture, the Department of the Interior,
22 the Department of Veterans Affairs, or the De-
23 partment of Energy; and

24 (B) enhance collaboration and cross-agency
25 streamlining efforts that reduce the burden of

1 multiple income verification processes and ap-
2 plications on the eligible home-owner, the eligi-
3 ble landlord, the implementing organization,
4 and the Federal Government, including by es-
5 tablishing assistance application procedures for
6 income eligibility under this subsection that rec-
7 ognize income eligibility determinations for as-
8 sistance using any of the criteria under sub-
9 section (a)(3)(A) that have been used for assist-
10 ance applications during the 1-year period pre-
11 ceding the date on which an eligible home-
12 owner or eligible landlord applies for assistance
13 under this subsection.

14 (10) REPORTING REQUIREMENTS.—

15 (A) ANNUAL REPORT.—An implementing
16 organization that receives a grant under this
17 subsection shall submit to the Secretary an an-
18 nual report on initial funding that includes—

19 (i) the number of units served, includ-
20 ing reporting on both home-ownership and
21 rental units, as well as accessible units;

22 (ii) the average cost per unit for
23 modifications or repairs and the nature of
24 those modifications or repairs, including

1 reporting on accessibility in both home-
2 ownership and rental units;

3 (iii) the number of applications re-
4 ceived, served, denied, or not completed,
5 disaggregated by geographic area;

6 (iv) the aggregated demographic data
7 of grant recipients, which may include data
8 on income range, urban, suburban, and
9 rural residency, age, and racial and ethnic
10 identity;

11 (v) the aggregated demographic data
12 of loan recipients, which may include data
13 on income range, urban, suburban, and
14 rural residency, age, and racial and ethnic
15 identity;

16 (vi) an affirmation that the implemen-
17 tation organization has complied with the
18 applicable regulations, including compli-
19 ance with Federal accessibility require-
20 ments;

21 (vii) in the first year of receiving a
22 grant, and as certified in subsequent re-
23 ports, a comprehensive plan to prevent
24 waste, fraud, and abuse in the administra-

1 tion of the Pilot Program, which shall in-
2 clude, at a minimum—

3 (I) a policy enacted and enforced
4 by the implementing organization to
5 monitor ongoing expenditures under
6 this subsection and ensure compliance
7 with applicable regulations;

8 (II) a policy enacted and en-
9 forced by the implementing organiza-
10 tion to detect and deter fraudulent ac-
11 tivity, including fraud occurring in in-
12 dividual projects and patterns of
13 fraud by parties involved in the ex-
14 penditure of funds under this sub-
15 section;

16 (III) a statement setting forth
17 any violations detected by the imple-
18 menting organization during the pre-
19 vious calendar year, including details
20 about steps taken to achieve compli-
21 ance and any remedial measures; and

22 (IV) a certification by the chief
23 executive or most senior compliance
24 officer of the organization that the or-
25 ganization maintains sufficient staff

1 and resources to effectively carry out
2 the above-mentioned policies; and
3 (viii) such other information as the
4 Secretary may require.

5 (B) REPORTING REQUIREMENT ALIGN-
6 MENT.—To limit the costs of implementing the
7 Pilot Program under this subsection, the Sec-
8 retary shall endeavor, to the extent possible, to
9 structure reporting requirements such that they
10 align with the data reporting requirements in
11 place for funding streams that implementing or-
12 ganizations are likely to use together with fund-
13 ing from this subsection, including the report-
14 ing requirements under—

15 (i) the Community Development Block
16 Grant program under title I of the Hous-
17 ing and Community Development Act of
18 1974 (42 U.S.C. 5301 et seq.);

19 (ii) the HOME Investment Partner-
20 ships program under subtitle A of title II
21 of the Cranston-Gonzalez National Afford-
22 able Housing Act (42 U.S.C. 12741 et
23 seq.);

24 (iii) the Weatherization Assistance
25 Program for low-income persons estab-

1 lished under part A of title IV of the En-
2 ergy Conservation and Production Act (42
3 U.S.C. 6861 et seq.); and

4 (iv) the Native American Housing As-
5 sistance and Self-Determination Act of
6 1996 (25 U.S.C. 4101 et seq.).

7 (C) PILOT PROGRAM PERIOD REPORTS.—
8 Not less frequently than twice during the period
9 in which the Pilot Program established under
10 this subsection operates, the Office of Inspector
11 General of the Department of Housing and
12 Urban Development shall complete an assess-
13 ment of the implementation of measures to en-
14 sure the fair and legitimate use of the Pilot
15 Program.

16 (D) SUMMARY TO CONGRESS.—The Sec-
17 retary shall submit to the Committee on Bank-
18 ing, Housing, and Urban Affairs of the Senate
19 and the Committee on Financial Services of the
20 House of Representatives an annual report pro-
21 viding a summary of the data provided under
22 subparagraphs (A) and (C) during the 1-year
23 period preceding the report and all data pre-
24 viously provided under those subparagraphs.

1 (11) ENVIRONMENTAL REVIEW.—A grant
2 under this subsection shall be—

3 (A) treated as assistance for a special
4 project for purposes of section 305(c) of the
5 Multifamily Housing Property Disposition Re-
6 form Act of 1994 (42 U.S.C. 3547); and

7 (B) subject to the regulations promulgated
8 by the Secretary to implement such section.

9 (12) TERMINATION.—The Pilot Program estab-
10 lished under this subsection shall terminate on Octo-
11 ber 1, 2031.

12 **SEC. 203. COMMUNITY INVESTMENT AND PROSPERITY ACT.**

13 (a) REVISED STATUTES.—The paragraph designated
14 as the “Eleventh” of section 5136 of the Revised Statutes
15 of the United States (12 U.S.C. 24) is amended, in the
16 fifth sentence, by striking “15” each place the term ap-
17 pears and inserting “20”.

18 (b) FEDERAL RESERVE ACT.—Section 9(23) of the
19 Federal Reserve Act (12 U.S.C. 338a) is amended, in the
20 fifth sentence, by striking “15” each place the term ap-
21 pears and inserting “20”.

22 (c) STUDY.—Not later than 2 years after the date
23 of the enactment of this section, and every 2 years there-
24 after, the Comptroller of the Currency and the Board of
25 Governors of the Federal Reserve System shall each sub-

1 mit to the Committee on Financial Services of the House
2 of Representatives and the Committee on Banking, Hous-
3 ing, and Urban Affairs of the Senate, a report, after con-
4 sulting with the other agency in the development of such
5 report, about public welfare investments that were made
6 by associations under section 5136 of the Revised Statutes
7 of the United States and State member banks under sec-
8 tion 9(23) of the Federal Reserve Act in the 2 previous
9 calendar years, that—

10 (1) identifies the number of such investments,

11 broken down by—

12 (A) purpose;

13 (B) type;

14 (C) amount of assets of the association or
15 State member bank that made the investment,
16 using not less than 4 categories to describe the
17 amount of assets of the associations and banks;
18 and

19 (D) State, or other location;

20 (2) identifies the dollar amounts of such invest-
21 ments, broken down by—

22 (A) purpose;

23 (B) type;

24 (C) amount of assets of the association or
25 State member bank that made the investment,

1 using not less than 4 categories to describe the
2 amount of assets of the associations and banks;
3 and

4 (D) State or other location; and

5 (3) for each type of public welfare investment
6 identified under paragraphs (1) and (2), a descrip-
7 tion of the substantive and procedural requirements
8 that apply to each type of investment made under—

9 (A) in the case of a report by the Comp-
10 troller of the Currency, section 5136 of the Re-
11 vised Statutes of the United States; or

12 (B) in the case of a report by the Board
13 of Governors, section 9(23) of the Federal Re-
14 serve Act.

15 **SEC. 204. BUILD NOW ACT.**

16 (a) DEFINITIONS.—In this section:

17 (1) COVERED RECIPIENT.—The term “covered
18 recipient” means a metropolitan city or urban coun-
19 ty, as those terms are defined in section 102 of the
20 Housing and Community Development Act of 1974
21 (42 U.S.C. 5302), that receives funds under section
22 106.

23 (2) CURRENT ANNUAL GROWTH RATE.—The
24 term “current annual growth rate”, with respect to
25 an eligible recipient and a fiscal year, means the av-

1 erage annual percentage increase in the number of
2 housing units in the jurisdiction of the eligible re-
3 cipient, as calculated by the Secretary, during the
4 period—

5 (A) beginning with the third quarter of the
6 sixth preceding fiscal year; and

7 (B) ending with the third quarter of the
8 preceding fiscal year.

9 (3) ELIGIBLE RECIPIENT.—The term “eligible
10 recipient” means any covered recipient unless—

11 (A)(i) the median Small Area Fair Market
12 Rent in the jurisdiction of the covered recipient
13 is at or below the 60th percentile of median
14 Small Area Fair Market Rents in the jurisdic-
15 tions of all covered recipients; and

16 (ii) the median home value in the jurisdic-
17 tion of the covered recipient is below the me-
18 dian home value for the United States;

19 (B) the annual rental vacancy rate in the
20 jurisdiction of the covered recipient is greater
21 than the national annual rental vacancy rate for
22 the most recent year available, as published by
23 the Bureau of the Census;

24 (C) during the 5-year period preceding the
25 date on which the Secretary allocates funds

1 under section 106, the jurisdiction of the cov-
2 ered recipient has been the subject of a major
3 disaster or emergency declaration under section
4 401 or 501, respectively, of the Robert T. Staf-
5 ford Disaster Relief and Emergency Assistance
6 Act (42 U.S.C. 5170, 5191); or

7 (D) the covered recipient lacks the legal
8 authority to enact or update zoning and permit-
9 ting ordinances.

10 (4) EXTREMELY HIGH-GROWTH RECIPIENT.—

11 The term “extremely high-growth recipient” means
12 an eligible recipient for which the current annual
13 growth rate is at or above 4 percent.

14 (5) HOUSING GROWTH IMPROVEMENT RATE.—

15 The term “housing growth improvement rate”, with
16 respect to an eligible recipient and a fiscal year,
17 means the quotient of—

18 (A)(i) the current annual growth rate of
19 the eligible recipient, minus

20 (ii) the prior annual growth rate of the eli-
21 gible recipient; and

22 (B) the sum obtained by adding the abso-
23 lute values of the current annual growth rate
24 and the prior annual growth rate of the eligible
25 recipient.

1 (6) PRIOR ANNUAL GROWTH RATE.—The term
2 “prior annual growth rate”, with respect to an eligi-
3 ble recipient and a fiscal year, means the average
4 annual percentage increase in the number of housing
5 units in the jurisdiction of the eligible recipient, as
6 calculated by the Secretary, during the period—

7 (A) beginning with the third quarter of the
8 11th preceding fiscal year; and

9 (B) ending with the third quarter of the
10 sixth preceding fiscal year.

11 (7) SECRETARY.—The term “Secretary” means
12 the Secretary of Housing and Urban Development.

13 (8) SECTION 106.—The term “section 106”
14 means section 106 of the Housing and Community
15 Development Act of 1974 (42 U.S.C. 5306).

16 (b) ADJUSTMENTS TO COMMUNITY DEVELOPMENT
17 BLOCK GRANT ALLOCATIONS.—

18 (1) IN GENERAL.—In allocating amounts to an
19 eligible recipient under section 106 for a fiscal year,
20 the Secretary shall adjust the allocation based on
21 the housing growth improvement rate of the eligible
22 recipient, in accordance with paragraph (2) of this
23 subsection.

24 (2) ADJUSTMENTS.—

1 (A) HOUSING GROWTH IMPROVEMENT
2 RATE AT OR ABOVE MEDIAN; EXTREMELY
3 HIGH-GROWTH RECIPIENTS.—

4 (i) IN GENERAL.—If, with respect to a
5 fiscal year for which the allocation under
6 section 106 is being determined, the hous-
7 ing growth improvement rate for an eligi-
8 ble recipient is at or above the median
9 housing growth improvement rate for all
10 eligible recipients other than extremely
11 high-growth recipients, or if an eligible re-
12 cipient is an extremely high-growth recipi-
13 ent, the Secretary shall allocate to the eli-
14 gible recipient for that fiscal year, in addi-
15 tion to the amount that would otherwise be
16 allocated to the eligible recipient under sec-
17 tion 106, a bonus amount, as determined
18 under clause (ii) of this subparagraph.

19 (ii) BONUS AMOUNT.—For purposes
20 of clause (i), the bonus amount for an eli-
21 gible recipient for a fiscal year shall be
22 equal to the product of—

23 (I) the aggregate amount by
24 which allocations to eligible recipients

1 are decreased under subparagraph (B)
2 for that fiscal year; and

3 (II) the quotient of—

4 (aa) the number of housing
5 units, as of the third quarter of
6 the preceding fiscal year, in the
7 jurisdiction of the eligible recipi-
8 ent, as calculated by the Sec-
9 retary; and

10 (bb) the number of housing
11 units, as of the third quarter of
12 the preceding fiscal year, in the
13 jurisdictions of all eligible recipi-
14 ents that receive a bonus amount
15 under this paragraph, as cal-
16 culated by the Secretary.

17 (B) HOUSING GROWTH IMPROVEMENT
18 RATE BELOW MEDIAN.—If, with respect to a
19 fiscal year for which the allocation under sec-
20 tion 106 is being determined, the housing
21 growth improvement rate for an eligible recipi-
22 ent is below the median housing growth im-
23 provement rate for all eligible recipients other
24 than high-growth outliers, the Secretary shall
25 decrease the amount that would otherwise be al-

1 located to the eligible recipient under section
2 106 for that fiscal year by the lesser of 10 per-
3 cent or \$1,000,000.

4 (c) CALCULATION OF HOUSING UNITS.—

5 (1) HOUSING AND URBAN DEVELOPMENT RE-
6 QUIREMENTS.—In calculating the number of housing
7 units in the jurisdiction of an eligible recipient under
8 any provision of this section, the Secretary shall—

9 (A) use the Current Address Count Listing
10 Files and other data products, as needed, of the
11 Bureau of the Census tabulated from the Mas-
12 ter Address File; and

13 (B) make calculations at the block level,
14 using boundaries that reflect the most current
15 boundaries.

16 (2) CENSUS BUREAU AND POSTAL SERVICE RE-
17 QUIREMENTS.—The Bureau of the Census and the
18 United States Postal Service shall provide any rel-
19 evant data to the Secretary upon request to assist
20 the Secretary in making a calculation described in
21 paragraph (1).

22 (3) ADJUSTMENT OF CALCULATION PERIODS.—
23 The Secretary may adjust the calculation periods
24 under subparagraphs (A) and (B) of subsection
25 (a)(2), subparagraphs (A) and (B) of subsection

1 (a)(6), and items (aa) and (bb) of subsection
2 (b)(2)(A)(ii)(II) by not more than 2 months to
3 achieve alignment with the data provided by the Bu-
4 reau of the Census.

5 (d) ANNUAL REPORT ON HOUSING GROWTH IM-
6 PROVEMENT RATE.—Before allocating funds under sec-
7 tion 106 for a fiscal year, the Secretary shall publish a
8 report that—

9 (1) includes the housing growth improvement
10 rate for each eligible recipient; and

11 (2) lists, for the most recent fiscal year for
12 which allocations were made under section 106—

13 (A) the eligible recipients that received a
14 bonus amount under subsection (b)(2)(A); and

15 (B) the eligible recipients for which the al-
16 location under section 106 was decreased under
17 subsection (b)(2)(B) of this section.

18 (e) NOTIFICATION; IMPLEMENTATION DATES.—

19 (1) NOTIFICATION.—

20 (A) IN GENERAL.—Not later than 60 days
21 after the date of enactment of this Act, the Sec-
22 retary shall notify each eligible recipient of the
23 recipient's housing growth improvement rate
24 and whether that housing growth improvement
25 rate is above, at, or below the median housing

1 growth improvement rate for all eligible recipi-
2 ents other than extremely high-growth recipi-
3 ents.

4 (B) GUIDANCE.—As part of the notifica-
5 tion under subparagraph (A), the Secretary
6 shall share guidance, including resources devel-
7 oped by the Department of Housing and Urban
8 Development, on best practices and rec-
9 ommendations for policies to reduce regulatory
10 barriers to housing and increase housing sup-
11 ply.

12 (2) IMPLEMENTATION DATES.—Subsection (b)
13 shall take effect beginning with the third full fiscal
14 year after the date of enactment of this Act and re-
15 main in effect for each of the subsequent 5 fiscal
16 years.

17 (3) NO EFFECT ON PREVIOUS APPROPRIA-
18 TIONS.—This section shall not apply to amounts ap-
19 propriated before the date of enactment of this Act.

20 **SEC. 205. ADDITION OF AFFORDABLE HOUSING CONSTRUC-**
21 **TION AS AN ELIGIBLE ACTIVITY.**

22 (a) ELIGIBLE ACTIVITY.—Section 105(a) of the
23 Housing and Community Development Act of 1974 (42
24 U.S.C. 5305(a)) is amended—

1 (1) in paragraph (25)(D), by striking “and” at
2 the end;

3 (2) in paragraph (26), by striking the period at
4 the end and inserting “; and”; and

5 (3) by adding at the end the following:

6 “(27) the new construction of affordable hous-
7 ing, within the meaning given such term under sec-
8 tion 215 of the Cranston-Gonzalez National Afford-
9 able Housing Act (42 U.S.C. 12745), and which
10 shall not exceed 20 percent of the amounts allocated
11 to the recipient.”.

12 (b) **LOW- AND MODERATE-INCOME REQUIREMENT.**—
13 Section 105(e)(3) of the Housing and Community Devel-
14 opment Act of 1974 (42 U.S.C. 5305(e)(3)) is amended
15 by striking “or rehabilitation” and inserting “, rehabilita-
16 tion, or new construction”.

17 (c) **APPLICABILITY.**—The amendments made by this
18 section shall apply with respect only to amounts appro-
19 priated after the date of enactment of this Act.

20 **SEC. 206. BETTER USE OF INTERGOVERNMENTAL AND**
21 **LOCAL DEVELOPMENT (BUILD) HOUSING**
22 **ACT.**

23 (a) **DESIGNATION OF ENVIRONMENTAL REVIEW**
24 **PROCEDURE.**—The Department of Housing and Urban

1 (1) by striking “State or unit of general local
2 government” each place it appears and inserting
3 “State, Indian Tribe, or unit of general local govern-
4 ment”;

5 (2) in paragraph (1)(C), in the heading, by
6 striking “STATE OR UNIT OF GENERAL LOCAL GOV-
7 ERNMENT” and inserting “STATE, INDIAN TRIBE, OR
8 UNIT OF GENERAL LOCAL GOVERNMENT”; and

9 (3) by adding at the end the following:

10 “(5) DEFINITION OF INDIAN TRIBE.—For pur-
11 poses of this subsection, the term ‘Indian Tribe’
12 means a federally recognized Tribe, as defined in
13 section 4(13)(B) of the Native American Housing
14 Assistance and Self-Determination Act of 1996 (25
15 U.S.C. 4103(13)(B)).”.

16 (c) IMPLEMENTATION.—

17 (1) IN GENERAL.—Except as provided in para-
18 graph (2), a designation of assistance under section
19 13 of the Department of Housing and Urban Devel-
20 opment Act, as added by subsection (a), shall only
21 apply with respect to funds appropriated after the
22 date of enactment of this Act.

23 (2) EXCEPTION.—If a grantee of assistance ad-
24 ministered by the Secretary of Housing and Urban
25 Development combines funds appropriated before

1 and after the date of enactment of this Act to carry
2 out a project, section 13 of the Department of and
3 Urban Development Act, as added by subsection (a),
4 shall not apply to that assistance.

5 **SEC. 207. UNLOCKING HOUSING SUPPLY THROUGH**
6 **STREAMLINED AND MODERNIZED REVIEWS**
7 **ACT.**

8 (a) DEFINITIONS.—In this section:

9 (1) INFILL PROJECT.—The term “infill project”
10 means a project that—

11 (A) occurs within the geographic limits of
12 a municipality;

13 (B) is adequately served by existing utili-
14 ties and public services as required under appli-
15 cable law;

16 (C) is located on a site of previously dis-
17 turbed land of not more than 5 acres and sub-
18 stantially surrounded by residential or commer-
19 cial development;

20 (D) will repurpose a vacant or underuti-
21 lized parcel of land, or a dilapidated or aban-
22 doned structure; and

23 (E) will serve a residential or commercial
24 purpose.

1 (2) SECRETARY.—The term “Secretary” means
2 the Secretary of Housing and Urban Development.

3 (b) NEPA STREAMLINING FOR HUD HOUSING-RE-
4 LATED ACTIVITIES.—

5 (1) IN GENERAL.—The Secretary shall, in ac-
6 cordance with section 553 of title 5, United States
7 Code, and section 103 of the National Environ-
8 mental Policy Act of 1969 (42 U.S.C. 4333), expand
9 and reclassify housing-related activities under the
10 necessary administrative regulations as follows:

11 (A) The following housing-related activities
12 shall be subject to regulations equivalent or
13 substantially similar to the regulations entitled
14 “exempt activities” as set forth in section 58.34
15 of title 24, Code of Federal Regulations, as in
16 effect on January 1, 2025:

17 (i) Tenant-based rental assistance.

18 (ii) Supportive services, including
19 health care, housing services, permanent
20 housing placement, day care, nutritional
21 services, short-term payments for rent,
22 mortgage, or utility costs, and assistance
23 in gaining access to Federal Government
24 and State and local government benefits
25 and services.

1 (iii) Operating costs, including main-
2 tenance, security, operation, utilities, fur-
3 nishings, equipment, supplies, staff train-
4 ing, and recruitment and other incidental
5 costs.

6 (iv) Economic development activities,
7 including equipment purchases, inventory
8 financing, interest subsidies, operating ex-
9 penses, and similar costs not associated
10 with construction or expansion of existing
11 operations.

12 (v) Activities to assist home-buyers in
13 the purchase of existing dwelling units or
14 dwelling units under construction, includ-
15 ing closing costs and down payment assist-
16 ance, interest rate buydowns, and similar
17 activities that result in the transfer of title.

18 (vi) Affordable housing
19 predevelopment costs related to obtaining
20 site options, project financing, administra-
21 tive costs and fees for loan commitment,
22 zoning approvals, and other related activi-
23 ties that do not have a physical impact.

24 (vii) Approval of supplemental assist-
25 ance, including insurance or guarantee, to

1 a project previously approved by the Sec-
2 retary.

3 (viii) Emergency home-owner or
4 renter assistance for the repair or replace-
5 ment of HVAC, hot water heaters, and
6 other necessary existing utilities required
7 under applicable law.

8 (B) The following housing-related activities
9 shall be subject to regulations equivalent or
10 substantially similar to the regulations entitled,
11 (i) “categorical exclusions not subject to section
12 58.5” and (ii) “categorical exclusions not sub-
13 ject to the Federal laws and authorities cited in
14 section 50.4” in section 58.35(b) and section
15 50.19, respectively of title 24, Code of Federal
16 Regulations, as in effect on January 1, 2025, if
17 such activities do not materially alter environ-
18 mental conditions and do not materially exceed
19 the original scope of the project:

20 (i) Acquisition, repair, improvement,
21 reconstruction, or rehabilitation of public
22 facilities and improvements (other than
23 buildings) if the facilities and improve-
24 ments are in place and will be retained in
25 the same use without change in size or ca-

1 capacity of more than 20 percent, including
2 replacement of water or sewer lines, recon-
3 struction of curbs and sidewalks, and re-
4 paving of streets.

5 (ii) Rehabilitation of 1-to-4 unit resi-
6 dential buildings, and existing housing-re-
7 lated infrastructure, such as repairs or re-
8 habilitation of existing wells, septic, or
9 utility lines that connect to that housing.

10 (iii) New construction, development,
11 demolition, acquisition, or disposition of up
12 to 4 scattered site existing dwelling units
13 where there is a maximum of 4 units on
14 any 1 site.

15 (iv) Acquisitions (including leasing)
16 of, disposition of, or equity loans on an ex-
17 isting structure, or acquisition (including
18 leasing) of vacant land if the structure or
19 land acquired, financed, or disposed of will
20 be retained for the same use.

21 (C) The following housing-related activities
22 shall be subject to regulations equivalent or
23 substantially similar to the regulations entitled,
24 (i) “categorical exclusions subject to section
25 58.5” and (ii) “categorical exclusions subject to

1 the Federal laws and authorities cited in section
2 50.4” in section 58.35(a) and section 50.20, re-
3 spectively, of title 24, Code of Federal Regula-
4 tions, as in effect on January 1, 2025, if such
5 activities do not materially alter environmental
6 conditions and do not materially exceed the
7 original scope of the project:

8 (i) Acquisitions of open space or resi-
9 dential property, where such property will
10 be retained for the same use or will be con-
11 verted to open space to help residents relo-
12 cate out of an area designated as a high-
13 risk area by the Secretary.

14 (ii) Conversion of existing office build-
15 ings into residential development, subject
16 to—

17 (I) a maximum number of units
18 to be determined by the Secretary;
19 and

20 (II) a limitation on the change in
21 building size of not more than 20 per-
22 cent.

23 (iii) New construction, development,
24 demolition, acquisition, or disposition of 5
25 to 15 dwelling units where there is a max-

1 imum of 15 units on any 1 site. The units
2 can be 15 1-unit buildings or 1 15-unit
3 building, or any combination in between.

4 (iv) New construction, development,
5 demolition, acquisition, or disposition of 15
6 or more housing units developed on scat-
7 tered sites when there are not more than
8 15 housing units on any 1 site, and the
9 sites are more than a set number of feet
10 apart as determined by the Secretary.

11 (v) Rehabilitation of buildings and im-
12 provements in the case of a building for
13 residential use with 5 to 15 units, if the
14 density is not increased beyond 15 units
15 and the land use is not changed.

16 (vi) Infill projects consisting of new
17 construction, rehabilitation, or development
18 of residential housing units.

19 (vii) The voluntary acquisition of
20 properties—

21 (I) located in—

22 (aa) a floodway;

23 (bb) a floodplain; or

24 (cc) any other area, clearly

25 delineated by the grantee; and

1 (II) that have been impacted by a
2 predictable environmental threat to
3 the safety and well-being of program
4 beneficiaries caused or exacerbated by
5 a federally declared disaster.

6 (c) IMPLEMENTATION.—For purposes of imple-
7 menting the streamlining of environmental review for
8 housing-related activities under subsection (b), the agency
9 actions carried out under that subsection—

10 (1) shall only apply with respect to funds ap-
11 propriated after the effective date of those actions;

12 and

13 (2) shall not apply with respect to a grantee
14 that combines funds appropriated before and after
15 the effective date of those actions to carry out a
16 project.

17 (d) REPORT.—The Secretary shall submit to the
18 Committee on Banking, Housing, and Urban Affairs of
19 the Senate and the Committee on Financial Services of
20 the House of Representatives an annual report during the
21 5-year period beginning on the date that is 2 years after
22 the date of enactment of this Act that provides a summary
23 of findings of reductions in review times and administra-
24 tive cost reduction, with a particular focus on the afford-
25 able housing sector, as a result of the actions set forth

1 in this section, and any recommendations of the Secretary
2 for future congressional action with respect to revising
3 categorical exclusions or exemptions under title 24, Code
4 of Federal Regulations.

5 **SEC. 208. GRANTS FOR PLANNING AND IMPLEMENTATION**
6 **ASSOCIATED WITH AFFORDABLE HOUSING.**

7 (a) DEFINITIONS.—In this section:

8 (1) ELIGIBLE ENTITY.—The term “eligible enti-
9 ty” means—

10 (A) a State, insular area, metropolitan
11 city, or urban county, as those terms are de-
12 fined in section 102 of the Housing and Com-
13 munity Development Act of 1974 (42 U.S.C.
14 5302); or

15 (B) a regional planning agency or con-
16 sortia of regional planning agencies.

17 (2) HOUSING PLAN.—The term “housing plan”
18 means a plan to, with respect to an area within the
19 jurisdiction of an eligible entity—

20 (A) increase the amount of available hous-
21 ing to meet the demand for such housing and
22 any projected increase in the demand for such
23 housing;

24 (B) increase the affordability of housing;

1 (C) increase the accessibility of housing for
2 people with disabilities, including location-effi-
3 cient housing;

4 (D) preserve or improve the quality of
5 housing;

6 (E) reduce barriers to housing develop-
7 ment; and

8 (F) coordinate with transportation-related
9 agencies.

10 (3) HOUSING STRATEGY.—The term “housing
11 strategy” means a housing strategy required under
12 section 105 of the Cranston-Gonzalez National Af-
13 fordable Housing Act (42 U.S.C. 12705).

14 (4) SECRETARY.—The term “Secretary” means
15 the Secretary of Housing and Urban Development.

16 (b) ESTABLISHMENT.—Not later than 1 year after
17 the date of enactment of this Act, the Secretary shall es-
18 tablish a program to award grants on a competitive basis
19 to eligible entities to assist planning and implementation
20 activities associated with affordable housing, except that
21 such grant awards may not be used for construction, alter-
22 ation, or repair work).

23 (c) USE OF AMOUNTS.—

24 (1) BY REGIONAL PLANNING AGENCIES.—If an
25 eligible entity that receives amounts under this sec-

1 tion is an eligible entity described in subsection
2 (a)(1)(B), the eligible entity shall use those amounts
3 to assist planning activities with respect to afford-
4 able housing, including—

5 (A) the development of housing plans;

6 (B) the substantial improvement of State
7 or local housing strategies;

8 (C) the development of new regulatory re-
9 quirements and processes;

10 (D) updating zoning codes;

11 (E) increasing the capacity to conduct
12 housing inspections;

13 (F) increasing the capacity to reduce bar-
14 riers to housing supply elasticity and housing
15 affordability;

16 (G) the development of local or regional
17 plans for community development; and

18 (H) the substantial improvement of com-
19 munity development strategies, including strate-
20 gies designed to—

21 (i) increase the availability of afford-
22 able housing and access to affordable hous-
23 ing;

24 (ii) increase access to public transpor-
25 tation; and

1 (iii) advance sustainable or location-
2 efficient community development goals.

3 (2) BY STATES, INSULAR AREAS, METROPOLI-
4 TAN CITIES, AND URBAN COUNTIES.—If an eligible
5 entity that receives amounts under this section is an
6 eligible entity described in subsection (a)(1)(A), the
7 eligible entity shall use those amounts to—

8 (A) implement and administer housing
9 strategies and housing plans;

10 (B) implement and administer any plans to
11 increase housing choice, address disparities in
12 housing needs, and provide greater access to
13 opportunity;

14 (C) fund any community investments that
15 support goals identified in a housing strategy or
16 housing plan;

17 (D) implement and administer regulatory
18 requirements and processes with respect to re-
19 formed zoning codes;

20 (E) increase the capacity to conduct hous-
21 ing inspections;

22 (F) increase the capacity to reduce bar-
23 riers to housing supply elasticity and housing
24 affordability;

1 (G) implement and administer local or re-
2 gional plans for community development; and

3 (H) fund any planning to increase—

4 (i) the availability of affordable hous-
5 ing and access to affordable housing;

6 (ii) access to public transportation;

7 and

8 (iii) any location-efficient community
9 development goals.

10 (3) USE FOR ADMINISTRATIVE COSTS.—A eligi-
11 ble entity that receives amounts under this section
12 may not use more than 10 percent of those amounts
13 for administrative costs.

14 (d) COORDINATION.—To the extent practicable, the
15 Secretary shall coordinate with the Administrator of the
16 Federal Transit Administration in carrying out this sec-
17 tion.

18 (e) EXPIRATION OF AUTHORITY.—After the expira-
19 tion of the 5-year period beginning on the date of enact-
20 ment of this Act, the Secretary may not newly establish
21 a program as described in this section.

22 (f) SUNSET.—The program established under this
23 section shall terminate on the date that is 5 years after
24 the date of enactment of this Act.

1 **SEC. 209. INNOVATION FUND.**

2 (a) DEFINITIONS.—In this section:

3 (1) ATTAINABLE HOUSING.—The term “attain-
4 able housing” means housing that serves households
5 earning not more than 120 percent of the area me-
6 dian income, if the majority of the housing units are
7 affordable to households earning not more than 60
8 percent of the area median income.

9 (2) ELIGIBLE ENTITY.—The term “eligible enti-
10 ty” means—

11 (A) a metropolitan city or urban county, as
12 those terms are defined in section 102 of the
13 Housing and Community Development Act of
14 1974 (42 U.S.C. 5302), that has demonstrated
15 an objective improvement in housing supply
16 growth, as determined by the Secretary, whose
17 methodology for determining such growth is
18 published in the Federal Register to allow for
19 public comment not less than 90 days before
20 the date on which the notice of funding oppor-
21 tunity is made available; or

22 (B) a unit of general local government or
23 an Indian Tribe, as those terms are defined in
24 section 102 of the Housing and Community De-
25 velopment Act of 1974 (42 U.S.C. 5302), that
26 has demonstrated an objective improvement in

1 housing supply growth, as determined by the
2 Secretary, whose methodology for determining
3 such improvement is published in the Federal
4 Register to allow for public comment not less
5 than 90 days before the date on which the no-
6 tice of funding opportunity is made available.

7 (3) SECRETARY.—The term “Secretary” means
8 the Secretary of Housing and Urban Development.

9 (b) ESTABLISHMENT OF A GRANT PROGRAM.—

10 (1) ESTABLISHMENT.—Not later than 1 year
11 after the date of enactment of this Act, the Sec-
12 retary shall establish a program to award grants on
13 a competitive basis to eligible entities that have in-
14 creased their local housing supply.

15 (2) LIST OF ELIGIBLE ENTITIES.—The Sec-
16 retary shall make a list of eligible entities publicly
17 available on the website of the Department of Hous-
18 ing and Urban Development.

19 (3) ELIGIBLE PURPOSES.—An eligible entity re-
20 ceiving a grant under this section may use funds
21 to—

22 (A) carry out any of the activities de-
23 scribed in section 105 of the Housing and Com-
24 munity Development Act of 1974 (42 U.S.C.
25 5305);

1 (B) carry out any of the activities per-
2 mitted under the Local and Regional Project
3 Assistance Program established under section
4 6702 of title 49, United States Code; and

5 (C) carry out initiatives of the eligible enti-
6 ty that facilitate the expansion of the supply of
7 attainable housing and that supplement initia-
8 tives the eligible entity has carried out, or is in
9 the process of carrying out, as specified in the
10 application submitted under paragraph (4).

11 (4) APPLICATION.—

12 (A) IN GENERAL.—An eligible entity seek-
13 ing a grant under this section shall submit to
14 the Secretary an application that provides—

15 (i) a description of each purpose for
16 which the eligible entity will use the grant,
17 and an attestation that the grant will be
18 used only for 1 or more eligible purposes
19 described in paragraph (3);

20 (ii) data on characteristics of in-
21 creased housing supply during the 3-year
22 period ending on the date on which the ap-
23 plication is submitted, which may include
24 whether such housing—

1 (I) serves households at a range
2 of income levels; and

3 (II) has improved the quality and
4 affordability of housing in the juris-
5 diction of the eligible entity;

6 (iii) a description of how each eligible
7 purpose described in clause (i) may ad-
8 dress a community need or advance an ob-
9 jective, or an aspect of an objective, in-
10 cluded in the comprehensive housing af-
11 fordability strategy and community devel-
12 opment plan of the eligible entity under
13 part 91 of title 24, Code of Federal Regu-
14 lations, or any successor regulation (com-
15 monly referred to as a “consolidated
16 plan”); and

17 (iv) a description of how the eligible
18 entity has carried out, or is in the process
19 of carrying out, initiatives that facilitate
20 the expansion of the supply of housing.

21 (B) INITIATIVES.—Initiatives that meet
22 the criteria described in paragraph (3)(C) in-
23 clude, but shall not be limited to—

- 1 (i) increasing by-right uses, including
2 duplex, triplex, quadplex, and multifamily
3 buildings, in areas of opportunity;
- 4 (ii) revising or eliminating off-street
5 parking requirements to reduce the cost of
6 housing production;
- 7 (iii) revising minimum lot size require-
8 ments, floor area ratio requirements, set-
9 back requirements, building heights, and
10 bans or limits on construction that allow
11 for denser and more affordable develop-
12 ment;
- 13 (iv) instituting incentives to promote
14 dense development for communities where
15 increased density is needed;
- 16 (v) passing zoning overlays or other
17 ordinances that enable the development of
18 mixed-income housing;
- 19 (vi) streamlining regulatory require-
20 ments and shortening processes, increasing
21 code enforcement and permitting capacity,
22 reforming zoning codes, or other initiatives
23 that reduce barriers to increasing housing
24 supply and affordability;

1 (vii) eliminating restrictions against
2 accessory dwelling units and expanding
3 their by-right use;

4 (viii) using local tax incentives or pub-
5 lic financing to promote development of at-
6 tainable housing;

7 (ix) streamlining environmental regu-
8 lations;

9 (x) eliminating unnecessary manufac-
10 tured-housing or cooperative housing regu-
11 lations and restrictions;

12 (xi) minimizing the impact of over-
13 burdensome energy and water efficiency
14 standards on housing costs; and

15 (xii) other activities that reduce the
16 cost of construction, as determined by the
17 Secretary.

18 (5) GRANTS.—

19 (A) IN GENERAL.—The Secretary shall
20 make not fewer than 25 grants on an annual
21 basis (unless amounts appropriated to provide
22 grant amounts consistent with subsection (b)
23 are insufficient, in which case fewer grants may
24 be awarded), with strong consideration of dif-
25 ferent geographical areas and a relatively even

1 spread of rural, suburban, and urban commu-
2 nities.

3 (B) LIMITATIONS ON AWARDS.—No grant
4 awarded under this paragraph may be—

5 (i) more than \$10,000,000; or

6 (ii) less than \$250,000.

7 (C) PRIORITY.—When awarding grants
8 under this paragraph, the Secretary shall give
9 priority to an eligible entity that has—

10 (i) demonstrated the use of innovative
11 policies, interventions, or programs for in-
12 creasing housing supply; and

13 (ii) demonstrated a marked improve-
14 ment in housing supply growth, as needed.

15 (D) GRANT ADMINISTRATION AND
16 TERMS.—Projects assisted under this section
17 for activities described in sector 23 of the North
18 American Industry Classification System shall
19 be treated as projects assisted under the Com-
20 munity Development Block Grant program
21 under title I of the Housing and Community
22 Development Act of 1974 (42 U.S.C. 5301 et
23 seq.).

24 (e) RULES OF CONSTRUCTION.—Nothing in this sec-
25 tion shall be construed—

1 (1) to authorize the Secretary to mandate, su-
2 persede, or preempt any local zoning or land use pol-
3 icy; or

4 (2) to affect the requirements of section
5 105(c)(1) of the Cranston-Gonzalez National Afford-
6 able Housing Act (42 U.S.C. 12705(c)(1)).

7 (d) SUNSET.—The program established under this
8 section shall terminate on the date that is 5 years after
9 the date of enactment of this Act.

10 (e) AUTHORIZATION OF APPROPRIATIONS.—

11 (1) IN GENERAL.—There is authorized to be
12 appropriated to carry out this section \$200,000,000
13 for each of fiscal years 2027 through 2031.

14 (2) ADJUSTMENT.—The amount authorized to
15 be appropriated under paragraph (1) shall be ad-
16 justed for inflation based on the Consumer Price
17 Index for all Urban Customers published by the Bu-
18 reau of Labor Statistics of the Department of
19 Labor.

20 **SEC. 210. ACCELERATING HOME BUILDING ACT.**

21 (a) DEFINITIONS.—In this section:

22 (1) AFFORDABLE HOUSING.—The term “afford-
23 able housing” means housing for which the total
24 monthly housing cost payment is not more than 30
25 percent of the monthly household income for a

1 household earning not more than 80 percent of the
2 area median income.

3 (2) COVERED STRUCTURE.—The term “covered
4 structure” means—

5 (A) a low-rise or mid-rise structure with
6 not more than 25 dwelling units; and

7 (B) includes—

8 (i) an accessory dwelling unit;

9 (ii) infill development;

10 (iii) a duplex;

11 (iv) a triplex;

12 (v) a fourplex;

13 (vi) a cottage court;

14 (vii) a courtyard building;

15 (viii) a townhouse;

16 (ix) a multiplex; and

17 (x) any other structure with not less
18 than 2 dwelling units that the Secretary
19 considers appropriate.

20 (3) ELIGIBLE ENTITY.—The term “eligible enti-
21 ty” means—

22 (A) a unit of general local government, as
23 defined in section 102(a) of the Housing and
24 Community Development Act of 1974 (42
25 U.S.C. 5302(a));

1 (B) a municipal membership organization;
2 and

3 (C) an Indian Tribe, as defined in section
4 102(a) of the Housing and Community Devel-
5 opment Act of 1974 (42 U.S.C. 5302(a)).

6 (4) HIGH OPPORTUNITY AREA.—The term
7 “high opportunity area” has the meaning given the
8 term in section 1282.1 of title 12, Code of Federal
9 Regulations, or any successor regulation.

10 (5) INFILL DEVELOPMENT.—The term “infill
11 development” means residential development on
12 small parcels in previously established areas for re-
13 placement with new or refurbished housing that uti-
14 lizes existing utilities and infrastructure.

15 (6) MIXED-INCOME HOUSING.—The term
16 “mixed-income housing” means a housing develop-
17 ment that is comprised of housing units that pro-
18 mote differing levels of affordability in the commu-
19 nity.

20 (7) PREREVIEWED DESIGNS.—The term
21 “prereviewed designs”, also known as pattern books,
22 means sets of construction plans that are assessed
23 and approved by localities for compliance with local
24 building and permitting standards to streamline and
25 expedite approval pathways for housing construction.

1 (8) RURAL AREA.—The term “rural area”
2 means any area other than a city or town that has
3 a population of less than 50,000 inhabitants.

4 (9) SECRETARY.—The term “Secretary” means
5 the Secretary of Housing and Urban Development.

6 (b) AUTHORITY.—The Secretary is authorized to
7 award grants to eligible entities utilizing funds appro-
8 priated for such purpose to select prereviewed designs of
9 covered structures of mixed-income housing for use in the
10 jurisdiction of the eligible entity, except that such grant
11 awards may not be used for construction, alteration, or
12 repair work.

13 (c) CONSIDERATIONS.—In reviewing applications
14 submitted by eligible entities for a grant under this sec-
15 tion, the Secretary shall consider—

16 (1) the need for affordable housing in the serv-
17 ice area of the eligible entity;

18 (2) the presence of high opportunity areas in
19 the jurisdiction of the eligible entity;

20 (3) coordination between the eligible entity and
21 a State agency; and

22 (4) coordination between the eligible entity and
23 State, local, and regional transportation planning
24 authorities.

1 (d) SET-ASIDE FOR RURAL AREAS.—Of the amount
2 made available in each fiscal year for grants under this
3 section, the Secretary shall ensure that not less than 10
4 percent shall be used for grants to eligible entities that
5 are located in rural areas.

6 (e) REPORTS.—The Secretary shall require eligible
7 entities receiving grants under this section to report on—

8 (1) the impacts of the activities carried out
9 using the grant amounts in improving the produc-
10 tion and supply of affordable housing;

11 (2) the prereviewed designs selected using the
12 grant amounts in their communities;

13 (3) the number of permits issued for housing
14 development utilizing prereviewed designs; and

15 (4) the number of housing units produced in
16 developments utilizing the prereviewed designs.

17 (f) AVAILABILITY OF INFORMATION.—The Secretary
18 shall—

19 (1) to the extent possible, encourage localities
20 to make publicly available through a website infor-
21 mation on the prereviewed designs selected and sub-
22 mitted to the Secretary by eligible entities receiving
23 grants under this section, including information on
24 the benefits of use of those designs; and

1 “(1) ATTAINABLE HOUSING.—The term ‘attain-
2 able housing’ means housing that serves households
3 earning not more than 120 percent of the area me-
4 dian income, if the majority of the housing units are
5 affordable to households earning not more than 60
6 percent of the area median income.

7 “(2) CONVERTED HOUSING UNIT.—The term
8 ‘converted housing unit’ means a housing unit that
9 is created using a covered grant.

10 “(3) COVERED GRANT.—The term ‘covered
11 grant’ means a grant awarded under the Pilot Pro-
12 gram.

13 “(4) ELIGIBLE ENTITY.—The term ‘eligible en-
14 tity’ means a participating jurisdiction.

15 “(5) PILOT PROGRAM.—The term ‘Pilot Pro-
16 gram’ means the Pilot Program established under
17 subsection (b).

18 “(6) VACANT AND ABANDONED BUILDING.—
19 The term ‘vacant and abandoned building’ means a
20 property—

21 “(A) that was constructed for use as a
22 warehouse, factory, mall, strip mall, or hotel, or
23 for another industrial or commercial use; and

24 “(B)(i) with respect to which—

1 “(I) a code enforcement inspection
2 has determined that the property is not
3 safe; and

4 “(II) not less than 90 days have
5 elapsed since the owner was notified of the
6 deficiencies in the property and the owner
7 has taken no corrective action; or

8 “(ii) that is subject to a court-ordered re-
9 ceivership or nuisance abatement related to
10 abandonment pursuant to State or local law or
11 otherwise meets the definition of an abandoned
12 property under State law.

13 “(b) PURPOSE OF GRANT PROGRAM.—Subject to the
14 availability of funds appropriated for this subsection, the
15 Secretary is authorized to establish a Pilot Program, span-
16 ning from fiscal years 2027 through 2031, which shall
17 have the purpose of awarding grants on a competitive
18 basis to eligible entities to convert vacant and abandoned
19 buildings into attainable housing.

20 “(c) AMOUNT OF GRANT.—

21 “(1) IN GENERAL.—For any fiscal year for
22 which not less than \$100,000,000 is made available
23 to carry out the Pilot Program, the amount of a cov-
24 ered grant shall be not less than \$1,000,000 and not
25 more than \$10,000,000.

1 “(2) FISCAL YEARS WITH LOWER FUNDING.—
2 For any fiscal year for which less than
3 \$100,000,000 is made available to carry out the
4 Pilot Program pursuant to subsection (b), the Sec-
5 retary shall seek to maximize the number of covered
6 grants awarded.

7 “(d) RELATION TO FORMULA ALLOCATION.—A cov-
8 ered grant awarded to an eligible entity shall be in addi-
9 tion to, and shall not affect, the formula allocation for the
10 eligible entity under section 217.

11 “(e) PRIORITY.—In awarding covered grants, the
12 Secretary shall give priority to an eligible entity that—

13 “(1) will use the covered grant in a community
14 that is experiencing economic distress;

15 “(2) will use the covered grant in a qualified
16 opportunity zone (as defined in section 1400Z–1(a)
17 of the Internal Revenue Code of 1986);

18 “(3) will use the covered grant to construct
19 housing that will serve a need identified in the com-
20 prehensive housing affordability strategy and com-
21 munity development plan of the eligible entity under
22 part 91 of title 24, Code of Federal Regulations, or
23 any successor regulation (commonly referred to as a
24 ‘consolidated plan’); or

1 “(4) has enacted ordinances to reduce regu-
2 latory barriers to conversion of vacant and aban-
3 doned buildings to housing, which shall not include
4 any alteration of an ordinance that governs safety
5 and habitability.

6 “(f) USE OF FUNDS.—An eligible entity may use a
7 covered grant for—

8 “(1) property acquisition;

9 “(2) demolition;

10 “(3) health hazard remediation;

11 “(4) site preparation;

12 “(5) construction, renovation, or rehabilitation;

13 or

14 “(6) the establishment, maintenance, or expan-
15 sion of community land trusts or housing coopera-
16 tives.

17 “(g) WAIVER AUTHORITY.—In administering covered
18 grants, the Secretary may waive, or specify alternative re-
19 quirements for, any statute or regulation that the Sec-
20 retary administers in connection with the obligation by the
21 Secretary or the use by eligible entities of covered grant
22 funds (except for requirements related to fair housing,
23 nondiscrimination, labor standards, or the environment)
24 if the Secretary makes a public finding that good cause
25 exists for the waiver or alternative requirement.

1 “(h) STUDY; REPORT.—Not later than 180 days
2 after the termination of the Pilot Program, the Secretary
3 shall study and submit to Congress a report on the impact
4 of the Pilot Program on—

5 “(1) improving the tax base of local commu-
6 nities;

7 “(2) increasing access to affordable housing, es-
8 pecially for elderly individuals, disabled individuals,
9 and veterans;

10 “(3) increasing home-ownership; and

11 “(4) removing blight.”.

12 (b) TECHNICAL AND CONFORMING AMENDMENT.—

13 The table of contents in section 1(b) of the Cranston-Gon-
14 zalez National Affordable Housing Act (Public Law 101–
15 625; 104 Stat. 4079) is amended by inserting after the
16 item relating to section 226 the following:

“Sec. 227. Revitalizing empty structures into desirable environments.”.

17 **SEC. 212. HOUSING AFFORDABILITY ACT.**

18 (a) IN GENERAL.—Title II of the National Housing
19 Act (12 U.S.C. 1707 et seq.) is amended—

20 (1) in section 206A (12 U.S.C. 1712a)—

21 (A) in subsection (a), in the matter fol-
22 lowing paragraph (7), by striking “(com-
23 mencing in 2004” and all that follows through
24 the period at the end and inserting the fol-
25 lowing: “, commencing on July 1, 2025. The

1 adjustment of the dollar amounts shall be cal-
2 culated by the Secretary using the percentage
3 change in the Price Deflator Index of Multi-
4 family Residential Units Under Construction
5 released by the Bureau of the Census from
6 March of the previous year to March of the
7 year in which the adjustment is made, or by the
8 Secretary using an alternative indicator after
9 publishing information about such alternative
10 indicator in the Federal Register for public
11 comment if the Price Deflator Index of Multi-
12 family Residential Units Under Construction is
13 not available or published.”; and

14 (B) by amending subsection (b) to read as
15 follows:

16 “(b) PUBLICATION.—

17 “(1) IN GENERAL.—The Secretary shall publish
18 in the Federal Register any adjustments made to the
19 Dollar Amounts.

20 “(2) ROUNDING.—The dollar amount of any
21 adjustment described in paragraph (1) shall be
22 rounded to the next lower dollar.”;

23 (2) in section 207(c)(3)(A) (12 U.S.C.
24 1713(c)(3)(A))—

1 (A) by striking “\$38,025” and inserting
2 “\$167,310”;

3 (B) by striking “\$42,120” and inserting
4 “\$185,328”;

5 (C) by striking “\$50,310” and inserting
6 “\$221,364”;

7 (D) by striking “\$62,010” and inserting
8 “\$272,844”;

9 (E) by striking “\$70,200” and inserting
10 “\$308,880”;

11 (F) by striking “, or not to exceed \$17,460
12 per space”;

13 (G) by striking “\$43,875” and inserting
14 “\$193,050”;

15 (H) by striking “\$49,140” and inserting
16 “\$216,216”;

17 (I) by striking “\$60,255” and inserting
18 “\$265,122”;

19 (J) by striking “\$75,465” and inserting
20 “\$332,046”; and

21 (K) by striking “\$85,328” and inserting
22 “\$375,443”;

23 (3) in section 213(b)(2) (12 U.S.C.
24 1715e(b)(2))—

1 (A) by striking “\$41,207” and inserting
2 “\$181,311”;

3 (B) by striking “\$47,511” and inserting
4 “\$209,048”;

5 (C) by striking “\$57,300” and inserting
6 “\$252,120”;

7 (D) by striking “\$73,343” and inserting
8 “\$322,709”;

9 (E) by striking “\$81,708” and inserting
10 “\$359,515”;

11 (F) by striking “\$43,875” and inserting
12 “\$193,050”;

13 (G) by striking “\$49,710” and inserting
14 “\$218,724”;

15 (H) by striking “\$60,446” and inserting
16 “\$265,962”;

17 (I) by striking “\$78,197” and inserting
18 “\$344,067”; and

19 (J) by striking “\$85,836” and inserting
20 “\$377,678”;

21 (4) in section 220(d)(3)(B)(iii)(I) (12 U.S.C.
22 1715k(d)(3)(B)(iii)(I))—

23 (A) by striking “\$38,025” and inserting
24 “\$167,310”;

1 (B) by striking “\$42,120” and inserting
2 “\$185,328”;

3 (C) by striking “\$50,310” and inserting
4 “\$221,364”;

5 (D) by striking “\$62,010” and inserting
6 “\$272,844”;

7 (E) by striking “\$70,200” and inserting
8 “\$308,880”;

9 (F) by striking “\$43,875” and inserting
10 “\$193,050”;

11 (G) by striking “\$49,140” and inserting
12 “\$216,216”;

13 (H) by striking “\$60,255” and inserting
14 “\$265,122”;

15 (I) by striking “\$75,465” and inserting
16 “\$332,046”; and

17 (J) by striking “\$85,328” and inserting
18 “\$375,443”;

19 (5) in section 221(d)(4)(ii)(I) (12 U.S.C.
20 1715l(d)(4)(ii)(I))—

21 (A) by striking “\$37,843” and inserting
22 “\$166,509”;

23 (B) by striking “\$42,954” and inserting
24 “\$188,997”;

1 (C) by striking “\$51,920” and inserting
2 “\$228,448”;

3 (D) by striking “\$65,169” and inserting
4 “\$286,744”;

5 (E) by striking “\$73,846” and inserting
6 “\$324,922”;

7 (F) by striking “\$40,876” and inserting
8 “\$179,854”;

9 (G) by striking “\$46,859” and inserting
10 “\$206,180”;

11 (H) by striking “\$56,979” and inserting
12 “\$250,708”;

13 (I) by striking “\$73,710” and inserting
14 “\$324,324”; and

15 (J) by striking “\$80,913” and inserting
16 “\$356,017”;

17 (6) in section 231(c)(2)(A) (12 U.S.C.
18 1715v(c)(2)(A))—

19 (A) by striking “\$35,978” and inserting
20 “\$166,509”;

21 (B) by striking “\$40,220” and inserting
22 “\$188,997”;

23 (C) by striking “\$48,029” and inserting
24 “\$228,448”;

1 (D) by striking “\$57,798” and inserting
2 “\$286,744”;

3 (E) by striking “\$67,950” and inserting
4 “\$324,922”;

5 (F) by striking “\$40,876” and inserting
6 “\$179,854”;

7 (G) by striking “\$46,859” and inserting
8 “\$206,180”;

9 (H) by striking “\$56,979” and inserting
10 “\$250,708”;

11 (I) by striking “\$73,710” and inserting
12 “\$324,324”; and

13 (J) by striking “\$80,913” and inserting
14 “\$356,017”; and

15 (7) in section 234(e)(3)(A) (12 U.S.C.
16 1715y(e)(3)(A))—

17 (A) by striking “\$42,048” and inserting
18 “\$185,011”;

19 (B) by striking “\$48,481” and inserting
20 “\$213,316”;

21 (C) by striking “\$58,469” and inserting
22 “\$257,263”;

23 (D) by striking “\$74,840” and inserting
24 “\$329,296”;

1 (E) by striking “\$83,375” and inserting
2 “\$366,850”;

3 (F) by striking “\$44,250” and inserting
4 “\$194,700”;

5 (G) by striking “\$50,724” and inserting
6 “\$223,186”;

7 (H) by striking “\$61,680” and inserting
8 “\$271,392”;

9 (I) by striking “\$79,793” and inserting
10 “\$351,089”; and

11 (J) by striking “\$87,588” and inserting
12 “\$385,387”.

13 (b) RULE OF CONSTRUCTION.—Nothing in this sec-
14 tion or the amendments made by this section may be con-
15 strued to limit the authority of the Secretary of Housing
16 and Urban Development to revise the statutory exceptions
17 for high-cost percentage and high-cost areas annual index-
18 ing.

19 **TITLE III—MANUFACTURED** 20 **HOUSING FOR AMERICA**

21 **SEC. 301. HOUSING SUPPLY EXPANSION ACT.**

22 (a) IN GENERAL.—Section 603(6) of the National
23 Manufactured Housing Construction and Safety Stand-
24 ards Act of 1974 (42 U.S.C. 5402(6)) is amended by

1 striking “on a permanent chassis” and inserting “with or
2 without a permanent chassis”.

3 (b) STANDARDS FOR MANUFACTURED HOMES BUILT
4 WITHOUT A PERMANENT CHASSIS.—Section 604(a) of
5 the National Manufactured Housing Construction and
6 Safety Standards Act of 1974 (42 U.S.C. 5403(a)) is
7 amended by adding the following:

8 “(7) STANDARDS FOR MANUFACTURED HOMES
9 BUILT WITHOUT A PERMANENT CHASSIS.—

10 “(A) IN GENERAL.—The Secretary, in con-
11 sultation with the consensus committee, shall
12 issue revised standards for manufactured homes
13 built without a permanent chassis using the
14 process described in paragraph (4).

15 “(B) CREATING FINAL STANDARDS.—The
16 Secretary shall, after consulting and conferring
17 with the consensus committee, establish stand-
18 ards to ensure that manufactured homes with-
19 out a permanent chassis have—

20 “(i) a distinct label, with revenue gen-
21 erated to be deposited into the Manufac-
22 tured Housing Fees Trust Fund estab-
23 lished under section 620(e)(1), to be issued
24 by the Secretary distinguishing manufac-
25 tured home built without a permanent

1 chassis from manufactured homes built on
2 a permanent chassis;

3 “(ii) a data plate, as described in sec-
4 tion 3280.5 of title 24, Code of Federal
5 Regulations (or any successor regulation),
6 distinguishing manufactured homes built
7 without a permanent chassis from manu-
8 factured homes built on a permanent chas-
9 sis; and

10 “(iii) a notation on any invoice pro-
11 duced by the manufacturer of a manufac-
12 tured home that is distinguishable from
13 the invoice for a manufactured home con-
14 structed with a permanent chassis.”.

15 (c) MANUFACTURED HOME CERTIFICATIONS.—Sec-
16 tion 604 of the National Manufactured Housing Construc-
17 tion and Safety Standards Act of 1974 (42 U.S.C. 5403)
18 is amended by adding at the end the following:

19 “(i) MANUFACTURED HOME CERTIFICATIONS.—

20 “(1) IN GENERAL.—

21 “(A) INITIAL CERTIFICATION.—Subject to
22 subparagraph (B), not later than 1 year after
23 the date of enactment of the 21st Century
24 ROAD to Housing Act, a State shall submit to

1 the Secretary an initial certification that the
2 laws and regulations of the State—

3 “(i) treat any manufactured home in
4 parity with a manufactured home (as de-
5 fined and regulated by the State); and

6 “(ii) subject a manufactured home
7 without a permanent chassis to the same
8 laws and regulations of the State as a
9 manufactured home built on a permanent
10 chassis, including with respect to financ-
11 ing, title, insurance, manufacture, sale,
12 taxes, transportation, installation, and
13 other areas as the Secretary determines,
14 after consultation with and approval by the
15 consensus committee, are necessary to give
16 effect to the purpose of this section.

17 “(B) STATE PLAN SUBMISSION.—Any
18 State plan submitted under section 623(b) shall
19 contain the required State certification under
20 subparagraph (A) and, if contained therein, no
21 additional or State certification under subpara-
22 graph (A) or paragraph (3).

23 “(C) EXTENDED DEADLINE.—With respect
24 to a State with a legislature that meets bienni-
25 ally, the deadline for the submission of the ini-

1 tial certification required under subparagraph
2 (A) shall be 2 years after the date of enactment
3 of the 21st Century ROAD to Housing Act.

4 “(D) LATE CERTIFICATION.—

5 “(i) NO WAIVER.—The Secretary may
6 not waive the prohibition described in
7 paragraph (5)(B) with respect to a certifi-
8 cation submitted after the deadline under
9 subparagraph (A) or paragraph (3) unless
10 the Secretary approves the late certifi-
11 cation.

12 “(ii) RULE OF CONSTRUCTION.—
13 Nothing in this subsection shall be con-
14 strued to prevent a State from submitting
15 the initial certification required under sub-
16 paragraph (A) after the required deadline
17 under that subparagraph.

18 “(2) FORM OF STATE CERTIFICATION NOT PRE-
19 SENTED IN A STATE PLAN.—The initial certification
20 required under paragraph (1)(A), if not submitted
21 with a State plan under paragraph (1)(B), shall con-
22 tain, in a form prescribed by the Secretary, an attes-
23 tation by an official that the State has taken the
24 steps necessary to ensure the veracity of the certifi-

1 cation required under paragraph (1)(A), including,
2 as necessary, by—

3 “(A) amending the definition of ‘manufac-
4 tured home’ in the laws and regulations of the
5 State; and

6 “(B) directing State agencies to amend the
7 definition of ‘manufactured home’ in regula-
8 tions.

9 “(3) ANNUAL RECERTIFICATION.—Not later
10 than a date to be determined by the Secretary each
11 year, a State shall submit to the Secretary an addi-
12 tional certification that—

13 “(A) confirms the accuracy of the initial
14 certification submitted under subparagraph (A)
15 or (B) of paragraph (1); and

16 “(B) certifies that any new laws or regula-
17 tions enacted or adopted by the State since the
18 date of the previous certification do not change
19 the veracity of the initial certification submitted
20 under paragraph (1)(A).

21 “(4) LIST.—The Secretary shall publish and
22 maintain in the Federal Register and on the website
23 of the Department of Housing and Urban Develop-
24 ment a list of States that are up to date with the

1 submission of initial and subsequent certifications
2 required under this subsection.

3 “(5) PROHIBITION.—

4 “(A) DEFINITION.—In this paragraph, the
5 term ‘covered manufactured home’ means a
6 home that is—

7 “(i) not considered a manufactured
8 home under the laws and regulations of a
9 State because the home is constructed
10 without a permanent chassis;

11 “(ii) considered a manufactured home
12 under the definition of the term in section
13 603; and

14 “(iii) constructed after the date of en-
15 actment of the 21st Century ROAD to
16 Housing Act.

17 “(B) BUILDING, INSTALLATION, AND
18 SALE.—If a State does not submit a certifi-
19 cation under paragraph (1)(A) or (3) by the
20 date on which those certifications are required
21 to be submitted—

22 “(i) with respect to a State in which
23 the State administers the installation of
24 manufactured homes, the State shall pro-
25 hibit the manufacture, installation, or sale

1 of a covered manufactured home within the
2 State; and

3 “(ii) with respect to a State in which
4 the Secretary administers the installation
5 of manufactured homes, the State and the
6 Secretary shall prohibit the manufacture,
7 installation, or sale of a covered manufac-
8 tured home within the State.”.

9 (d) OTHER FEDERAL LAWS REGULATING MANUFAC-
10 TURED HOMES.—The Secretary of Housing and Urban
11 Development may coordinate with the heads of other Fed-
12 eral agencies to ensure that Federal agencies treat a man-
13 ufactured home (as defined in Federal laws and regula-
14 tions other than section 603 of the National Manufactured
15 Housing Construction and Safety Standards Act of 1974
16 (42 U.S.C. 5402)) in the same manner as a manufactured
17 home (as defined in section 603 of the National Manufac-
18 tured Housing Construction and Safety Standards Act of
19 1974 (42 U.S.C. 5402), as amended by this Act).

20 (e) ASSISTANCE TO STATES.—Section 609 of the Na-
21 tional Manufactured Housing Construction and Safety
22 Standards Act of 1974 (42 U.S.C. 5408) is amended—
23 (1) in paragraph (1), by striking “and” at the
24 end;

1 (2) in paragraph (2), by striking the period at
2 the end and inserting “; and”; and

3 (3) by adding at the end the following:

4 “(3) model guidance to support the submission
5 of the certification required under section 604(i).”.

6 (f) PREEMPTION.—Nothing in this section or the
7 amendments made by this section may be construed as
8 limiting the scope of Federal preemption under section
9 604(d) of the National Manufactured Housing Construc-
10 tion and Safety Standards Act of 1974 (42 U.S.C.
11 5403(d)).

12 (g) PRIMARY AUTHORITY TO ESTABLISH MANUFAC-
13 TURED HOME CONSTRUCTION AND SAFETY STAND-
14 ARDS.—The National Manufactured Housing Construc-
15 tion and Safety Standards Act of 1974 (42 U.S.C. 5401
16 et seq.) is further amended—

17 (1) in section 603(7), by inserting “energy effi-
18 ciency,” after “design,”; and

19 (2) in section 604, by adding at the end the fol-
20 lowing:

21 “(j) PRIMARY AUTHORITY TO ESTABLISH STAND-
22 ARDS.—

23 “(1) IN GENERAL.—The Secretary shall have
24 the primary authority to establish Federal manufac-
25 tured home construction and safety standards.

1 “(2) APPROVAL FROM SECRETARY.—

2 “(A) IN GENERAL.—The head of any Fed-
3 eral agency that seeks to establish a manufac-
4 tured home construction and safety standard on
5 or after the date of the enactment of this sub-
6 section—

7 “(i) shall submit to the Secretary a
8 proposal describing such standard; and

9 “(ii) may not establish such standard
10 without approval from the Secretary.

11 “(B) REJECTION OF STANDARDS.—The
12 Secretary shall reject a standard submitted to
13 the Secretary for approval under subparagraph
14 (A)—

15 “(i) if the standard would signifi-
16 cantly increase the cost of producing man-
17 ufactured homes, as determined by the
18 Secretary;

19 “(ii) if the standard would conflict
20 with existing manufactured home construc-
21 tion and safety standards established by
22 the Secretary; or

23 “(iii) for any other reason as deter-
24 mined appropriate by the Secretary.

1 “(C) RULE OF CONSTRUCTION.—Nothing
2 in this subsection may be construed to require
3 the Secretary to establish new or revised Fed-
4 eral manufactured home construction and safe-
5 ty standards.”.

6 **SEC. 302. MODULAR HOUSING PRODUCTION ACT.**

7 (a) DEFINITIONS.—In this section:

8 (1) MANUFACTURED HOME.—The term “manu-
9 factured home” has the meaning given the term in
10 section 603 of the National Manufactured Housing
11 Construction and Safety Standards Act of 1974 (42
12 U.S.C. 5402).

13 (2) MODULAR HOME.—The term “modular
14 home” means a home that is constructed in a fac-
15 tory in 1 or more modules, each of which meets ap-
16 plicable State and local building codes of the area in
17 which the home will be located, and that are trans-
18 ported to the home building site, installed on foun-
19 dations, and completed.

20 (3) SECRETARY.—The term “Secretary” means
21 the Secretary of Housing and Urban Development.

22 (b) FHA CONSTRUCTION FINANCING PROGRAMS.—

23 (1) IN GENERAL.—The Secretary shall conduct
24 a review of Federal Housing Administration con-

1 construction financing programs to identify barriers to
2 the use of modular home methods.

3 (2) REQUIREMENTS.—In conducting the review
4 under paragraph (1), the Secretary shall—

5 (A) identify and evaluate regulatory and
6 programmatic features that restrict participa-
7 tion in construction financing programs by
8 modular home developers, including construc-
9 tion draw schedules; and

10 (B) identify administrative measures au-
11 thorized under section 525 of the National
12 Housing Act (12 U.S.C. 1735f–3) to facilitate
13 program utilization by modular home devel-
14 opers.

15 (3) REPORT.—Not later than 1 year after the
16 date of enactment of this Act, the Secretary shall
17 publish a report that describes the results of the re-
18 view conducted under paragraph (1), which shall in-
19 clude a description of programmatic and policy
20 changes that the Secretary recommends to reduce or
21 eliminate identified barriers to the use of modular
22 home methods in Federal Housing Administration
23 construction financing programs.

24 (4) RULEMAKING.—

1 (A) IN GENERAL.—Not later than 120
2 days after the date on which the Secretary pub-
3 lishes the report under paragraph (3), the Sec-
4 retary shall initiate a rulemaking to examine an
5 alternative draw schedule for construction fi-
6 nancing loans provided to modular and manu-
7 factured home developers, which shall include
8 the ability for interested stakeholders to provide
9 robust public comment.

10 (B) DETERMINATION.—Following the pe-
11 riod for public comment under subparagraph
12 (A), the Secretary shall—

13 (i) issue a final rule regarding an al-
14 ternative draw schedule described in sub-
15 paragraph (A); or

16 (ii) provide an explanation as to why
17 the rule shall not become final.

18 (c) STANDARDIZED UNIFORM COMMERCIAL CODE
19 FOR MODULAR HOMES.—The Secretary may award a
20 grant to study the design and feasibility of a standardized
21 uniform commercial code for modular homes, which shall
22 evaluate—

23 (1) the utility of a standardized coding system
24 for serializing and securing modules, streamlining

1 design and construction, and improving modular
2 home innovation; and

3 (2) a means to coordinate a standardized code
4 with financing incentives.

5 **SEC. 303. PROPERTY IMPROVEMENT AND MANUFACTURED**
6 **HOUSING LOAN MODERNIZATION ACT.**

7 (a) NATIONAL HOUSING ACT AMENDMENTS.—

8 (1) IN GENERAL.—Section 2 of the National
9 Housing Act (12 U.S.C. 1703) is amended—

10 (A) in subsection (a), by inserting “con-
11 struction of additional or accessory dwelling
12 units, as defined by the Secretary,” after “en-
13 ergy conserving improvements,”; and

14 (B) in subsection (b)—

15 (i) in paragraph (1)—

16 (I) by striking subparagraph (A)
17 and inserting the following:

18 “(A) \$75,000 if made for the purpose of financ-
19 ing alterations, repairs, and improvements upon or
20 in connection with an existing single-family struc-
21 ture, including a manufactured home;”;

22 (II) in subparagraph (B)—

23 (aa) by striking “\$60,000”
24 and inserting “\$150,000”;

1 (bb) by striking “\$12,000”
2 and inserting “\$37,500”; and

3 (cc) by striking “an apart-
4 ment house or”;

5 (III) by striking subparagraphs
6 (C) and (D) and inserting the fol-
7 lowing:

8 “(C)(i) \$106,405 if made for the purpose of fi-
9 nancing the purchase of a single-section manufac-
10 tured home; and

11 “(ii) \$195,322 if made for the purpose of fi-
12 nancing the purchase of a multi-section manufac-
13 tured home;

14 “(D)(i) \$149,782 if made for the purpose of fi-
15 nancing the purchase of a single-section manufac-
16 tured home and a suitably developed lot on which to
17 place the home; and

18 “(ii) \$238,699 if made for the purpose of fi-
19 nancing the purchase of a multi-section manufac-
20 tured home and a suitably developed lot on which to
21 place the home;”;

22 (IV) in subparagraph (E)—

23 (aa) by striking “\$23,226”
24 and inserting “\$43,377”; and

1 (bb) by striking the period
2 at the end and inserting a semi-
3 colon;

4 (V) in subparagraph (F), by
5 striking “and” at the end;

6 (VI) in subparagraph (G), by
7 striking the period at the end and in-
8 serting “; and”; and

9 (VII) by inserting after subpara-
10 graph (G) the following:

11 “(H) such principal amount as the Secretary
12 may prescribe if made for the purpose of financing
13 the construction of an accessory dwelling unit.”;

14 (ii) in the matter immediately pre-
15 ceding paragraph (2)—

16 (I) by striking “regulation” and
17 inserting “notice”;

18 (II) by striking “increase” and
19 inserting “set”;

20 (III) by striking “(A)(ii), (C),
21 (D), and (E)” and inserting “(A)
22 through (H)”;

23 (IV) by inserting “, or as nec-
24 essary to achieve the goals of the Fed-
25 eral Housing Administration, periodi-

1 cally reset the dollar amount limita-
2 tions in subparagraphs (A) through
3 (H) based on justification and meth-
4 odology set forth in advance by regu-
5 lation” before the period at the end;
6 and

7 (V) by adjusting the margins ap-
8 propriately;

9 (iii) in paragraph (3), by striking “ex-
10 ceeds—” and all that follows through the
11 period at the end and inserting “exceeds
12 such period of time as determined by the
13 Secretary, not to exceed 30 years.”;

14 (iv) by striking paragraph (9) and in-
15 serting the following:

16 “(9) ANNUAL INDEXING OF CERTAIN DOLLAR
17 AMOUNT LIMITATIONS.—The Secretary shall develop
18 or choose 1 or more methods of indexing in order to
19 annually set the loan limits established in paragraph
20 (1), based on data the Secretary determines is ap-
21 propriate for purposes of this section.”; and

22 (v) in paragraph (11), by striking
23 “lease—” and all that follows through the
24 period at the end and inserting “lease

1 meets the terms and conditions established
2 by the Secretary”.

3 (2) DEADLINE FOR DEVELOPMENT OR CHOICE
4 OF NEW INDEX; INTERIM INDEX.—

5 (A) DEADLINE FOR DEVELOPMENT OR
6 CHOICE OF NEW INDEX.—Not later than 1 year
7 after the date of enactment of this Act, the Sec-
8 retary of Housing and Urban Development
9 shall develop or choose 1 or more methods of
10 indexing as required under section 2(b)(9) of
11 the National Housing Act (12 U.S.C.
12 1703(b)(9)), as amended by paragraph (1) of
13 this subsection.

14 (B) INTERIM INDEX.—During the period
15 beginning on the date of enactment of this Act
16 and ending on the date on which the Secretary
17 of Housing and Urban Development develops or
18 chooses 1 or more methods of indexing as re-
19 quired under section 2(b)(9) of the National
20 Housing Act (12 U.S.C. 1703(b)(9)), as
21 amended by paragraph (1) of this subsection,
22 the method of indexing established by the Sec-
23 retary under such section 2(b)(9) before the
24 date of enactment of this Act shall apply.

25 (b) HUD STUDY OF OFFSITE CONSTRUCTION.—

1 (1) DEFINITIONS.—In this subsection:

2 (A) OFFSITE CONSTRUCTION HOUSING.—

3 The term “offsite construction housing” in-
4 cludes manufactured homes and modular
5 homes.

6 (B) MANUFACTURED HOME.—The term

7 “manufactured home” means any home con-
8 structed in accordance with the construction
9 and safety standards established under the Na-
10 tional Manufactured Housing Construction and
11 Safety Standards Act of 1974 (42 U.S.C. 5401
12 et seq.).

13 (C) MODULAR HOME.—The term “modular

14 home” means a home that is constructed in a
15 factory in 1 or more modules, each of which
16 meets applicable State and local building codes
17 of the area in which the home will be located,
18 and that are transported to the home building
19 site, installed on foundations, and completed.

20 (2) STUDY.—Not later than 1 year after the

21 date of the enactment of this section the Secretary
22 of Housing and Urban Development shall conduct a
23 study and submit to Congress a report on the cost
24 effectiveness of offsite construction housing, that in-
25 cludes—

1 (A) an analysis of the advantages and the
2 impact of centralization in a factory and trans-
3 portation to a construction site on cost, preci-
4 sion, and materials waste;

5 (B) the extent to which offsite construction
6 housing meets housing quality standards under
7 the National Standards for the Physical Inspec-
8 tion of Real Estate, or other standards as the
9 Secretary may prescribe, compared to the ex-
10 tent for site-built homes, for such standards;

11 (C) the expected replacement and mainte-
12 nance costs over the first 40 years of life of off-
13 site construction homes compared to those costs
14 for site-built homes; and

15 (D) opportunities for use beyond single-
16 family housing, such as applications in acces-
17 sory dwelling units, two- to four-unit housing,
18 and large multifamily housing.

19 **TITLE IV—ACCESSING THE**
20 **AMERICAN DREAM**

21 **SEC. 401. CREATING INCENTIVES FOR SMALL-DOLLAR**
22 **LOAN ORIGINATORS.**

23 (a) DEFINITIONS.—In this section:

1 (1) DIRECTOR.—The term “Director” means
2 the Director of the Bureau of Consumer Financial
3 Protection.

4 (2) SMALL-DOLLAR MORTGAGE.—The term
5 “small-dollar mortgage” means a mortgage loan
6 having an original principal obligation of not more
7 than \$100,000 that is—

8 (A) secured by real property designed for
9 1 to 4 dwelling units; and

10 (B)(i) insured by the Federal Housing Ad-
11 ministration under title II of the National
12 Housing Act (12 U.S.C. 1707 et seq.);

13 (ii) made, guaranteed, or insured by the
14 Department of Veterans Affairs;

15 (iii) made, guaranteed, or insured by the
16 Department of Agriculture; or

17 (iv) eligible to be purchased or securitized
18 by the Federal Home Loan Mortgage Corpora-
19 tion or the Federal National Mortgage Associa-
20 tion.

21 (b) REQUIREMENT REGARDING LOAN ORIGINATOR
22 COMPENSATION PRACTICES.—Not later than 270 days
23 after the date of enactment of this Act, the Director shall
24 submit to the Committee on Banking, Housing, and
25 Urban Affairs of the Senate and the Committee on Finan-

1 cial Services of the House of Representatives a report on
2 loan originator compensation practices throughout the res-
3 idential mortgage market, including the relative frequency
4 of loan originators being compensated—

5 (1) with a salary;

6 (2) with a commission reflecting a fixed per-
7 centage of the amount of credit extended;

8 (3) with a commission based on a factor other
9 than a fixed percentage of the amount of credit ex-
10 tended;

11 (4) with a combination of salary and commis-
12 sion;

13 (5) on a loan volume basis; and

14 (6) with a commission reflecting a percentage of
15 the amount of credit extended, for which a minimum
16 or maximum compensation amount is set.

17 (c) COMMUNITY DEVELOPMENT FINANCIAL INSTITU-
18 TION LOAN ORIGINATORS.—In performing the study re-
19 quired under subsection (b), the Secretary shall, in coordi-
20 nation with relevant Federal agencies that regulate feder-
21 ally backed small-dollar mortgages and in consultation
22 with the Director of the Community Development Finan-
23 cial Institutions Fund established under section 104 of the
24 Community Development Banking and Financial Institu-
25 tions Act of 1994 (12 U.S.C. 4703), give due consider-

1 ation to the practices for compensating loan originators
2 that are employed by or originate loans on behalf of com-
3 munity development financial institutions.

4 (d) CONTENTS.—The report required under sub-
5 section (b) shall include—

6 (1) data and other analyses regarding the effect
7 of the approaches to loan originator compensation
8 described in subsection (b) on the availability of
9 small-dollar mortgage loans; and

10 (2) an analysis and a discussion regarding po-
11 tential barriers to small-dollar mortgage lending.

12 **SEC. 402. SMALL-DOLLAR MORTGAGE POINTS AND FEES.**

13 (a) SMALL-DOLLAR MORTGAGE DEFINED.—In this
14 section, the term “small-dollar mortgage” means a mort-
15 gage with an original principal obligation of less than
16 \$100,000.

17 (b) AMENDMENTS.—Not later than 270 days after
18 the date of enactment of this Act, the Director of the Bu-
19 reau of Consumer Financial Protection, in consultation
20 with the Secretary of Housing and Urban Development
21 and the Director of the Federal Housing Finance Agency,
22 shall evaluate the impact of the thresholds under section
23 1026.43 of title 12, Code of Federal Regulations (as in
24 effect on the date of enactment of this Act), on small-dol-
25 lar mortgage originations.

1 **SEC. 403. APPRAISAL INDUSTRY IMPROVEMENT ACT.**

2 (a) APPRAISAL STANDARDS.—

3 (1) CERTIFICATION OR LICENSING.—

4 (A) IN GENERAL.—Section 202(g)(5) of
5 the National Housing Act (12 U.S.C.
6 1708(g)(5)) is amended—

7 (i) by moving the paragraph two ems
8 to the left; and

9 (ii) by striking subparagraphs (A) and
10 (B) and inserting the following:

11 “(A) be certified or licensed by the State in
12 which the property to be appraised is located, except
13 that an appraiser who has as their primary duty
14 conducting appraisal-related activities and who
15 chooses to become a State-licensed or certified real
16 estate appraiser need only to be licensed or certified
17 in 1 State or territory to perform appraisals on
18 mortgages insured by the Federal Housing Adminis-
19 tration in all States and territories;

20 “(B) meet the requirements under the com-
21 petency rule set forth in the Uniform Standards of
22 Professional Appraisal Practice before accepting an
23 assignment; and

24 “(C) have demonstrated verifiable education in
25 the appraisal requirements established by the Fed-
26 eral Housing Administration under this subsection,

1 which shall include the completion of a course or
2 seminar that educates appraisers on those appraisal
3 requirements, which shall be provided by—

4 “(i) the Federal Housing Administration;

5 or

6 “(ii) a third party, if the course is ap-
7 proved by the Secretary or a State appraiser
8 certifying or licensing agency.”.

9 (B) APPLICATION.—Subparagraph (C) of
10 section 202(g)(5) of the National Housing Act
11 (12 U.S.C. 1708(g)(5)), as added by subpara-
12 graph (A), shall not apply with respect to any
13 certified appraiser approved by the Federal
14 Housing Administration to conduct appraisals
15 on property securing a mortgage to be insured
16 by the Federal Housing Administration on or
17 before the effective date described in paragraph
18 (3)(C).

19 (2) COMPLIANCE WITH VERIFIABLE EDUCATION
20 AND COMPETENCY REQUIREMENTS.—On and after
21 the effective date described in paragraph (3)(C), no
22 appraiser may conduct an appraisal on a property
23 securing a mortgage to be insured by the Federal
24 Housing Administration unless—

1 (A) the appraiser is in compliance with the
2 requirements of subparagraphs (A) and (B) of
3 section 202(g)(5) of the National Housing Act
4 (12 U.S.C. 1708(g)(5)), as amended by para-
5 graph (1); and

6 (B) if the appraiser was not approved by
7 the Federal Housing Administration to conduct
8 appraisals on mortgages insured by the Federal
9 Housing Administration before the date on
10 which the mortgagee letter or guidance takes
11 effect under paragraph (3)(C), the appraiser is
12 in compliance with subparagraph (C) of such
13 section 202(g)(5).

14 (3) IMPLEMENTATION.—Not later than the 240
15 days after the date of enactment of this Act, the
16 Secretary of Housing and Urban Development shall
17 issue a mortgagee letter or guidance that—

18 (A) implements the amendments made by
19 paragraph (1);

20 (B) clearly sets forth all of the specific re-
21 quirements under section 202(g)(5) of the Na-
22 tional Housing Act (12 U.S.C. 1708(g)(5)), as
23 amended by paragraph (1), for approval to con-
24 duct appraisals on property secured by a mort-

1 gage to be insured by the Federal Housing Ad-
2 ministration, which shall include—

3 (i) providing that, before the effective
4 date of the mortgagee letter or guidance,
5 compliance with the requirements under
6 subparagraphs (A), (B), and (C) of such
7 section 202(g)(5), as amended by para-
8 graph (1), shall be considered to fulfill the
9 requirements under such subparagraphs;
10 and

11 (ii) providing a method for appraisers
12 to demonstrate such prior compliance; and

13 (C) takes effect not later than the date
14 that is 180 days after the date on which the
15 Secretary issues the mortgagee letter or guid-
16 ance.

17 (b) ANNUAL REGISTRY FEES FOR APPRAISAL MAN-
18 AGEMENT COMPANIES.—Section 1109(a) of the Financial
19 Institutions Reform, Recovery, and Enforcement Act of
20 1989 (12 U.S.C. 3338(a)) is amended, in the matter fol-
21 lowing clause (ii) of paragraph (4)(B), by adding at the
22 end the following: “Subject to the approval of the Council,
23 the Appraisal Subcommittee may adjust fees established
24 under clause (i) or (ii) to carry out its functions under
25 this Act.”.

1 (c) STATE CREDENTIALLED TRAINEES.—

2 (1) MAINTENANCE ON NATIONAL REGISTRY.—

3 Section 1103(a) of the Financial Institutions Re-
4 form, Recovery, and Enforcement Act of 1989 (12
5 U.S.C. 3332(a)) is amended—

6 (A) in paragraph (3)—

7 (i) by inserting “and State
8 credentialed trainee appraisers” after “li-
9 censed appraisers”; and

10 (ii) by striking “and” at the end;

11 (B) by striking paragraph (4);

12 (C) by redesignating paragraphs (5) and
13 (6) as paragraphs (4) and (5), respectively; and

14 (D) in paragraph (4), as so redesignated—

15 (i) by striking “year. The report shall
16 also detail” and inserting “year, detailing”;

17 (ii) by striking “provide” and insert-
18 ing “provides”; and

19 (iii) by striking the period at the end
20 and inserting “; and”.

21 (2) ANNUAL REGISTRY FEES.—

22 (A) IN GENERAL.—Section 1109 of the Fi-
23 nancial Institutions Reform, Recovery, and En-
24 forcement Act of 1989 (12 U.S.C. 3338) is
25 amended—

1 (i) in the section heading, by striking
2 “certified or licensed” and inserting “, cer-
3 tified, licensed, and credentialed trainee”;
4 and

5 (ii) in subsection (a)—

6 (I) in paragraph (1), by inserting
7 “, and in the case of a State with a
8 supervisory or trainee program, a ros-
9 ter listing individuals who have re-
10 ceived a State trainee credential”
11 after “this title”; and

12 (II) by striking paragraph (2)
13 and inserting the following:

14 “(2) transmit reports on the issuance and re-
15 newal of licenses, certifications, credentials, sanc-
16 tions, and disciplinary actions, including license, cre-
17 dential, and certification revocations, on a timely
18 basis to the national registry of the Appraisal Sub-
19 committee;”.

20 (B) RULE OF CONSTRUCTION.—Nothing in
21 the amendments made by subparagraph (A)
22 shall require a State to establish or operate a
23 program for State credentialed trainee apprais-
24 ers, as defined in paragraph (12) of section
25 1121 of the Financial Institutions Reform, Re-

1 covery, and Enforcement Act of 1989, as added
2 by paragraph (4) of this subsection.

3 (3) TRANSACTIONS REQUIRING THE SERVICES
4 OF A STATE CERTIFIED APPRAISER.—Section 1113
5 of the Financial Institutions Reform, Recovery, and
6 Enforcement Act of 1989 (12 U.S.C. 3342) is
7 amended—

8 (A) by striking “In determining” and in-
9 serting “(a) IN GENERAL.—In determining”;
10 and

11 (B) by adding at the end the following:

12 “(b) USE OF STATE CREDENTIALLED TRAINEE AP-
13 PRAISERS.—In performing an appraisal under this sec-
14 tion, a State certified appraiser may use the assistance
15 of a State credentialed trainee appraiser or an unlicensed
16 trainee appraiser, except that the State certified appraiser
17 assisted by a trainee shall be liable for appraisal and valu-
18 ation work.”.

19 (4) DEFINITION.—Section 1121 of the Finan-
20 cial Institutions Reform, Recovery, and Enforcement
21 Act of 1989 (12 U.S.C. 3350) is amended by adding
22 at the end the following:

23 “(12) STATE CREDENTIALLED TRAINEE AP-
24 PRAISER.—The term ‘State credentialed trainee ap-
25 praiser’ means an individual who—

1 “(A) meets the minimum criteria estab-
2 lished by the Appraiser Qualification Board for
3 a trainee appraiser credential; and

4 “(B) is credentialed by a State appraiser
5 certifying and licensing agency.”.

6 (d) GRANTS FOR WORKFORCE AND TRAINING.—Sec-
7 tion 1109(b) of the Financial Institutions Reform, Recov-
8 ery, and Enforcement Act of 1989 (12 U.S.C. 3338(b))
9 is amended—

10 (1) in paragraph (5)(B), by striking “and” at
11 the end;

12 (2) in paragraph (6), by striking the period at
13 the end and inserting “; and”; and

14 (3) by adding at the end the following:

15 “(7) to make grants to State appraiser certi-
16 fying and licensing agencies to support the carrying
17 out of education and training activities or other ac-
18 tivities related to addressing appraiser industry
19 workforce needs, including recruiting and retaining
20 workforce talent, such as through scholarship assist-
21 ance and career pipeline development, and such
22 agencies shall report on the use of funds and out-
23 comes.”.

24 (e) APPRAISAL SUBCOMMITTEE.—Section 1011 of
25 the Federal Financial Institutions Examination Council

1 Act of 1978 (12 U.S.C. 3310) is amended, in the first
2 sentence, by inserting “the Department of Veterans Af-
3 fairs, the Rural Housing Service of the Department of Ag-
4 riculture, the Department of Housing and Urban Develop-
5 ment,” after “Financial Protection,”.

6 **SEC. 404. HELPING MORE FAMILIES SAVE ACT.**

7 Section 23 of the United States Housing Act of 1937
8 (42 U.S.C. 1437u) is amended by adding at the end the
9 following:

10 “(p) ESCROW EXPANSION PILOT PROGRAM.—

11 “(1) DEFINITIONS.—In this subsection:

12 “(A) COVERED FAMILY.—The term ‘cov-
13 ered family’ means a family that receives assist-
14 ance under section 8 or 9 of this Act and is en-
15 rolled in the Pilot Program.

16 “(B) ELIGIBLE ENTITY.—The term ‘eligi-
17 ble entity’ means an entity described in sub-
18 section (c)(2).

19 “(C) PILOT PROGRAM.—The term ‘Pilot
20 Program’ means the Pilot Program established
21 under paragraph (2).

22 “(D) WELFARE ASSISTANCE.—The term
23 ‘welfare assistance’ has the meaning given the
24 term in section 984.103 of title 24, Code of

1 Federal Regulations, or any successor regula-
2 tion.

3 “(2) ESTABLISHMENT.—The Secretary may es-
4 tablish a Pilot Program under which the Secretary
5 shall select not more than 25 eligible entities to es-
6 tablish and manage escrow accounts for not more
7 than 5,000 covered families, in accordance with this
8 subsection.

9 “(3) ESCROW ACCOUNTS.—

10 “(A) IN GENERAL.—An eligible entity se-
11 lected to participate in the Pilot Program—

12 “(i) shall establish an interest-bearing
13 escrow account and place into the account
14 an amount equal to any increase in the
15 amount of rent paid by each covered family
16 in accordance with the provisions of section
17 3, 8(o), or 8(y), as applicable, that is at-
18 tributable to increases in earned income by
19 the covered families during the participa-
20 tion of each covered family in the Pilot
21 Program; and

22 “(ii) notwithstanding any other provi-
23 sion of law, may use funds it controls
24 under section 8 or 9 for purposes of mak-
25 ing the escrow deposit for covered families

1 assisted under, or residing in units assisted
2 under, section 8 or 9, respectively, pro-
3 vided such funds are offset by the increase
4 in the amount of rent paid by the covered
5 family.

6 “(B) INCOME LIMITATION.—An eligible en-
7 tity may not escrow any amounts for any cov-
8 ered family whose adjusted income exceeds 80
9 percent of the area median income at the time
10 of enrollment.

11 “(C) WITHDRAWALS.—A covered family
12 may withdraw funds, including interest earned,
13 from an escrow account established by an eligi-
14 ble entity under the Pilot Program—

15 “(i) after the covered family ceases to
16 receive welfare assistance; and

17 “(ii)(I) not earlier than the date that
18 is 5 years after the date on which the eligi-
19 ble entity establishes the escrow account
20 under this subsection;

21 “(II) not later than the date that is 7
22 years after the date on which the eligible
23 entity establishes the escrow account under
24 this subsection, if the covered family choos-
25 es to continue to participate in the Pilot

1 Program after the date that is 5 years
2 after the date on which the eligible entity
3 establishes the escrow account;

4 “(III) on the date the covered family
5 ceases to receive housing assistance under
6 section 8 or 9, if such date is earlier than
7 5 years after the date on which the eligible
8 entity establishes the escrow account;

9 “(IV) earlier than 5 years after the
10 date on which the eligible entity establishes
11 the escrow account, if the covered family is
12 using the funds to advance a self-suffi-
13 ciency goal as approved by the eligible enti-
14 ty;

15 “(V) for any reason listed under sec-
16 tion 984.303(k) of title 24, Code of Fed-
17 eral Regulations; or

18 “(VI) under other circumstances in
19 which the Secretary determines an exemp-
20 tion for good cause is warranted.

21 “(D) INTERIM RECERTIFICATION.—For
22 purposes of the Pilot Program, a covered family
23 may recertify the income of the covered family
24 multiple times per year at the request of the
25 participating family, as determined by the Sec-

1 retary, and not less frequently than once per
2 year, unless the eligible entity has established
3 an alternative rent structure with approval from
4 the Secretary.

5 “(E) CONTRACT OR PLAN.—A covered
6 family is not required to complete a standard
7 contract of participation or an individual train-
8 ing and services plan in order to participate in
9 the Pilot Program.

10 “(4) EFFECT OF INCREASES IN FAMILY IN-
11 COME.—Any increase in the earned income of a cov-
12 ered family during the enrollment of the family in
13 the Pilot Program may not be considered as income
14 or a resource for purposes of eligibility of the family
15 for other benefits, or amount of benefits payable to
16 the family, under any program administered by the
17 Secretary.

18 “(5) APPLICATION.—

19 “(A) IN GENERAL.—An eligible entity
20 seeking to participate in the Pilot Program
21 shall submit to the Secretary an application—

22 “(i) at such time, in such manner,
23 and containing such information as the
24 Secretary may require by notice; and

1 “(ii) that includes the number of pro-
2 posed covered families to be served by the
3 eligible entity under this subsection.

4 “(B) GEOGRAPHIC AND ENTITY VARI-
5 ETY.—The Secretary shall ensure that eligible
6 entities selected to participate in the Pilot Pro-
7 gram—

8 “(i) are located across various States
9 and in both urban and rural areas; and

10 “(ii) vary by size and type, including
11 both public housing agencies and private
12 owners of projects receiving project-based
13 rental assistance under section 8.

14 “(6) NOTIFICATION AND OPT-OUT.—An eligible
15 entity participating in the Pilot Program shall—

16 “(A) notify covered families of their enroll-
17 ment in the Pilot Program;

18 “(B) provide covered families with a de-
19 tailed description of the Pilot Program, includ-
20 ing how the Pilot Program will impact their
21 rent and finances;

22 “(C) inform covered families that the fami-
23 lies cannot simultaneously participate in the
24 Pilot Program and the Family Self-Sufficiency
25 program under this section; and

1 “(D) provide covered families with the abil-
2 ity to elect not to participate in the Pilot Pro-
3 gram—

4 “(i) not less than 2 weeks before the
5 date on which the escrow account is estab-
6 lished under paragraph (3); and

7 “(ii) at any point during the duration
8 of the Pilot Program.

9 “(7) MAXIMUM RENTS.—During the term of
10 participation by a covered family in the Pilot Pro-
11 gram, the amount of rent paid by the covered family
12 shall be calculated under the rental provisions of sec-
13 tion 3 or 8(o), as applicable.

14 “(8) PILOT PROGRAM TIMELINE.—

15 “(A) AWARDS.—Not later than 1 year
16 after establishing the Pilot Program, the Sec-
17 retary shall select the eligible entities to partici-
18 pate in the Pilot Program.

19 “(B) ESTABLISHMENT AND TERM OF AC-
20 COUNTS.—An eligible entity selected to partici-
21 pate in the Pilot Program shall—

22 “(i) not later than 6 months after se-
23 lection, establish escrow accounts under
24 paragraph (3) for covered families; and

1 “(ii) maintain those escrow accounts
2 for not less than 5 years, or until a deter-
3 mination is made for termination with FSS
4 escrow disbursement under section
5 984.303(k) of title 24, Code of Federal
6 Regulations, or until the date the family
7 ceases to receive assistance under section 8
8 or 9, and, at the discretion of the covered
9 family, not more than 7 years after the
10 date on which the escrow account is estab-
11 lished.

12 “(9) NONPARTICIPATION AND HOUSING ASSIST-
13 ANCE.—

14 “(A) IN GENERAL.—Assistance under sec-
15 tion 8 or 9 for a family that elects not to par-
16 ticipate in the Pilot Program shall not be de-
17 layed or denied by reason of such election.

18 “(B) NO TERMINATION.—Housing assist-
19 ance may not be terminated as a consequence
20 of participating, or not participating, in the
21 Pilot Program under this subsection for any pe-
22 riod.

23 “(10) STUDY.—Not later than 10 years after
24 the date the Secretary selects eligible entities to par-
25 ticipate in the Pilot Program under this subsection,

1 the Secretary shall, if awards were made, conduct a
2 study and submit to the Committee on Banking,
3 Housing, and Urban Affairs of the Senate and the
4 Committee on Financial Services of the House of
5 Representatives a report on outcomes for covered
6 families under the Pilot Program, which shall evalu-
7 ate the effectiveness of the Pilot Program in assist-
8 ing families to achieve economic independence and
9 self-sufficiency, and the impact coaching and sup-
10 portive services, or the lack thereof, had on indi-
11 vidual incomes.

12 “(11) WAIVERS.—To allow selected eligible en-
13 tities to effectively administer the Pilot Program and
14 make the required escrow account deposits under
15 this subsection, the Secretary may waive require-
16 ments under this section.

17 “(12) TERMINATION.—The Pilot Program
18 under this subsection shall terminate on the date
19 that is 10 years after the date of enactment of this
20 subsection.

21 “(13) ELIGIBLE USES OF APPROPRIATIONS.—
22 Subject to the appropriation of funds, the Secretary
23 may use funds—

24 “(A) for technical assistance related to im-
25 plementation of the Pilot Program; and

1 “(B) to carry out an evaluation of the
2 Pilot Program under paragraph (10).”.

3 **SEC. 405. CHOICE IN AFFORDABLE HOUSING ACT.**

4 (a) SATISFACTION OF INSPECTION REQUIREMENTS
5 THROUGH PARTICIPATION IN OTHER HOUSING PRO-
6 GRAMS.—Section 8(o)(8) of the United States Housing
7 Act of 1937 (42 U.S.C. 1437f(o)(8)) is amended by add-
8 ing at the end the following:

9 “(I) SATISFACTION OF INSPECTION RE-
10 QUIREMENTS THROUGH PARTICIPATION IN
11 OTHER HOUSING PROGRAMS.—

12 “(i) LOW-INCOME HOUSING TAX
13 CREDIT-FINANCED BUILDINGS.—A dwell-
14 ing unit shall be deemed to meet the in-
15 spection requirements under this para-
16 graph if—

17 “(I) the dwelling unit is in a
18 building, the acquisition, rehabilita-
19 tion, or construction of which was
20 done by a building owner who may be
21 eligible for low-income housing credits
22 because the building had been allo-
23 cated a housing credit dollar amount
24 under section 42(h) of the Internal
25 Revenue Code of 1986 or is described

1 in section 42(h)(4) of such Code (con-
2 cerning buildings that meet a criterion
3 for a certain amount of tax-exempt fi-
4 nancing);

5 “(II) the dwelling unit, during
6 the preceding 12-month period, was
7 physically inspected and satisfied the
8 suitability-for-occupancy requirement
9 in section 42(i)(3)(B)(ii) of such
10 Code; and

11 “(III) the applicable public hous-
12 ing agency performed the inspection
13 itself or is able to obtain the results of
14 the inspection described in subclause
15 (II).

16 “(ii) HOME INVESTMENT PARTNER-
17 SHIPS PROGRAM.—A dwelling shall be
18 deemed to meet the inspection require-
19 ments under this paragraph if—

20 “(I) the dwelling unit is assisted
21 under the HOME Investment Part-
22 nerships Program under title II of the
23 Cranston-Gonzalez National Afford-
24 able Housing Act (42 U.S.C. 12721 et
25 seq.);

1 “(II) the dwelling unit was phys-
2 ically inspected and passed inspection
3 as part of the program described in
4 subclause (I) during the preceding 12-
5 month period; and

6 “(III) the applicable public hous-
7 ing agency is able to obtain the re-
8 sults of the inspection described in
9 subclause (II).

10 “(iii) RURAL HOUSING SERVICE.—A
11 dwelling unit shall be deemed to meet the
12 inspection requirements under this para-
13 graph if—

14 “(I) the dwelling unit is assisted
15 by the Rural Housing Service of the
16 Department of Agriculture;

17 “(II) the dwelling unit was phys-
18 ically inspected and passed inspection
19 in connection with the assistance de-
20 scribed in subclause (I) during the
21 preceding 12-month period; and

22 “(III) the applicable public hous-
23 ing agency is able to obtain the re-
24 sults of the inspection described in
25 subclause (II).

1 “(iv) REMOTE OR VIDEO INSPEC-
2 TIONS.—When complying with inspection
3 requirements for a housing unit located in
4 a rural or small area using assistance
5 under this section, the Secretary may allow
6 a grantee to conduct a remote or video in-
7 spection of a unit if the remote or video in-
8 spection—

9 “(I) is thorough;

10 “(II) does not misrepresent the
11 condition of the unit; and

12 “(III) provides the information
13 necessary to fully and accurately
14 evaluate the conditions of the unit to
15 ensure that the unit meets the rel-
16 evant standards.

17 “(v) RULE OF CONSTRUCTION.—
18 Nothing in clause (i), (ii), (iii), or (iv) shall
19 be construed to affect the operation of a
20 housing program described in, or author-
21 ized under a provision of law described in,
22 that clause.”.

23 (b) PRE-APPROVAL OF UNITS.—Section 8(o)(8)(A) of
24 the United States Housing Act of 1937 (42 U.S.C.

1 1437f(o)(8)(A)) is amended by adding at the end the fol-
2 lowing:

3 “(iv) INITIAL INSPECTION PRIOR TO
4 LEASE AGREEMENT.—

5 “(I) DEFINITION.—In this
6 clause, the term ‘new landlord’ means
7 an owner of a dwelling unit who has
8 not previously entered into a housing
9 assistance payment contract with a
10 public housing agency under this sub-
11 section for any dwelling unit.

12 “(II) EARLY INSPECTION.—Upon
13 the request of a new landlord, a public
14 housing agency may inspect the dwell-
15 ing unit owned by the new landlord to
16 determine whether the unit meets the
17 housing quality standards under sub-
18 paragraph (B) before the unit is se-
19 lected by a tenant assisted under this
20 subsection.

21 “(III) EFFECT.—An inspection
22 conducted under subclause (II) that
23 determines that the dwelling unit
24 meets the housing quality standards
25 under subparagraph (B) shall satisfy

1 this subparagraph and subparagraph
2 (C) if the new landlord enters into a
3 lease agreement with a tenant assisted
4 under this subsection not later than
5 60 days after the date of the inspec-
6 tion.

7 “(IV) INFORMATION WHEN FAM-
8 ILY IS SELECTED.—When a public
9 housing agency selects a family to
10 participate in the tenant-based assist-
11 ance program under this subsection,
12 the public housing agency shall in-
13 clude in the information provided to
14 the family a list of dwelling units that
15 have been inspected under subclause
16 (II) and determined to meet the hous-
17 ing quality standards under subpara-
18 graph (B).”.

19 **TITLE V—PROGRAM REFORM**

20 **SEC. 501. HOME INVESTMENT PARTNERSHIPS REAUTHOR-** 21 **IZATION AND REFORM ACT.**

22 (a) AUTHORIZATION.—Section 205 of the Cranston-
23 Gonzalez National Affordable Housing Act (42 U.S.C.
24 12724) is amended to read as follows:

1 **“SEC. 205. AUTHORIZATION OF PROGRAM.**

2 “The HOME Investment Partnerships Program
3 under subtitle A is hereby authorized.”.

4 (b) DEFINITION OF COMMUNITY HOUSING DEVELOP-
5 MENT ORGANIZATION.—Section 104(6)(B) of the Cran-
6 ston-Gonzalez National Affordable Housing Act (42
7 U.S.C. 12704(6)(B)) is amended by striking “significant”.

8 (c) ASSISTANCE FOR LOW-INCOME FAMILIES.—Title
9 II of the Cranston-Gonzalez National Affordable Housing
10 Act (42 U.S.C. 12721 et seq.) is amended—

11 (1) in section 214(2) (42 U.S.C. 12742(2)), by
12 striking “households that qualify as low-income fam-
13 ilies” and inserting “families with a household in-
14 come that does not exceed 100 percent of the me-
15 dian family income of the area, as determined by the
16 Secretary”; and

17 (2) in section 271(c) (42 U.S.C. 12821(c))—

18 (A) in paragraph (1)(B), by striking “low-
19 income” and inserting “families with a house-
20 hold income that does not exceed 100 percent
21 of the median family income of the area as de-
22 termined by the Secretary with adjustments for
23 smaller and larger families”; and

24 (B) in paragraph (2)(A), by striking “low-
25 income families” and inserting “families with a
26 household income that does not exceed 100 per-

1 cent of the median family income of the area as
2 determined by the Secretary with adjustments
3 for smaller and larger families”.

4 (d) CHOICES MADE BY PARTICIPATING JURISDIC-
5 TIONS.—Section 212(a)(2) of the Cranston-Gonzalez Na-
6 tional Affordable Housing Act (42 U.S.C. 12742(a)(2)) is
7 amended to read as follows:

8 “(2) LIMITATION.—The Secretary may not re-
9 strict the choice by a participating jurisdiction of re-
10 habilitation, substantial rehabilitation, new construc-
11 tion, reconstruction, acquisition, or other eligible
12 housing uses authorized in paragraph (1) unless the
13 restriction is explicitly authorized under section
14 223(2).”.

15 (e) USE OF AMOUNTS BY CERTAIN JURISDICTIONS
16 FOR INFRASTRUCTURE IMPROVEMENTS.—

17 (1) IN GENERAL.—Section 212(a) of the Cran-
18 ston-Gonzalez National Affordable Housing Act (42
19 U.S.C. 12742(a)) is amended by inserting after
20 paragraph (3) the following:

21 “(4) INFRASTRUCTURE IMPROVEMENTS IN
22 NONENTITLEMENT AREAS.—

23 “(A) IN GENERAL.—A participating juris-
24 diction may use funds provided under this sub-
25 title for infrastructure improvements, including

1 the installation or repair of water and sewer
2 lines, sidewalks, roads, and utility connections
3 if—

4 “(i) such participating jurisdiction
5 does not receive assistance under title I of
6 the Housing and Community Development
7 Act of 1974 (42 U.S.C. 5310); and

8 “(ii) such improvements are directly
9 related to, and located within or imme-
10 diately adjacent to—

11 “(I) housing assisted under this
12 subtitle; or

13 “(II) housing assisted under sec-
14 tion 42 of the Internal Revenue Code
15 of 1986.

16 “(B) APPLICATION OF LABOR STAND-
17 ARDS.—The labor standards and requirements
18 set forth in section 110 of the Housing and
19 Community Development Act of 1974 (42
20 U.S.C. 5310) shall apply to any infrastructure
21 improvement conducted using funds provided
22 under this subtitle.

23 “(C) RULE OF CONSTRUCTION.—Nothing
24 in this paragraph may be construed to impose
25 any requirements of the HOME Investment

1 Partnerships program on housing that benefits
2 from an infrastructure improvement conducted
3 using funds provided under this subtitle but
4 was not otherwise assisted under the HOME
5 Investment Partnerships program.”.

6 (2) RULEMAKING.—Not later than 1 year after
7 the date of enactment of this Act, the Secretary of
8 Housing and Urban Development shall issue rules to
9 carry out the amendment made by paragraph (1).

10 (f) PER UNIT INVESTMENT LIMITATIONS.—Section
11 212(e)(1) of the Cranston-Gonzalez National Affordable
12 Housing Act (42 U.S.C. 12742(e)(1)) is amended by strik-
13 ing the second sentence.

14 (g) AFFORDABLE RENTAL HOUSING QUALIFICA-
15 TIONS.—Section 215(a) of the Cranston-Gonzalez Na-
16 tional Affordable Housing Act (42 U.S.C. 12745(a)) is
17 amended by adding at the end the following:

18 “(7) QUALIFICATION EXCEPTION.—Notwith-
19 standing paragraph (1)(A), a rental unit shall be
20 considered to qualify as affordable housing under
21 this title if—

22 “(A) the unit is occupied by a tenant re-
23 ceiving tenant-based rental assistance under
24 section 8 of the United States Housing Act of
25 1937 (42 U.S.C. 1437f);

1 “(B) the contribution of the tenant toward
2 rent does not exceed the amount permitted
3 under the assistance described in subparagraph
4 (A); and

5 “(C) the total rent for the unit does not
6 exceed the amount approved by the public hous-
7 ing agency administering the assistance de-
8 scribed in subparagraph (A).”.

9 (h) AFFORDABLE HOME-OWNERSHIP HOUSING
10 QUALIFICATIONS.—Section 215 of the Cranston-Gonzalez
11 National Affordable Housing Act (42 U.S.C. 12745) is
12 amended—

13 (1) in subsection (b)—

14 (A) in paragraph (2), by redesignating
15 subparagraphs (A), (B), and (C) as clauses (i),
16 (ii), and (iii), respectively, and adjusting the
17 margins accordingly;

18 (B) in paragraph (3)—

19 (i) in subparagraph (A), by redesi-
20 gnating clauses (i) and (ii) as subclauses (I)
21 and (II), respectively, and adjusting the
22 margins accordingly; and

23 (ii) by redesignating subparagraphs
24 (A) and (B) as clauses (i) and (ii), respec-

1 tively, and adjusting the margins accord-
2 ingly;

3 (C) by redesignating paragraphs (1)
4 through (4) as subparagraphs (A) through (D),
5 respectively, and adjusting the margins accord-
6 ingly;

7 (D) by striking “Housing that is for home-
8 ownership” and inserting the following:

9 “(1) QUALIFICATION.—Housing that is for
10 home-ownership”;

11 (E) in paragraph (1), as so designated—

12 (i) in subparagraph (A), as so redesign-
13 ated—

14 (I) by striking “95 percent” and
15 inserting “110 percent”; and

16 (II) by inserting “(defined as the
17 amount borrowed by the homebuyer to
18 purchase the home, or the estimated
19 value after rehabilitation, which may
20 be adjusted to account for the limits
21 on future value imposed by the resale
22 restriction)” after “purchase price”;

23 (ii) in subparagraph (B), as so redesi-
24 gnated, in the matter preceding clause (i),
25 by striking “whose family qualifies as a

1 low-income family” and inserting “with a
2 family income that does not exceed 100
3 percent of the median family income of the
4 area as determined by the Secretary with
5 adjustments for smaller and larger fami-
6 lies”;

7 (iii) in subparagraph (C), as so redес-
8 igned—

9 (I) in clause (i)(II)—

10 (aa) by striking “low-income
11 home-buyers” and inserting
12 “home-buyers with a household
13 income that does not exceed 100
14 percent of the median family in-
15 come of the area, as determined
16 by the Secretary with adjust-
17 ments for smaller and larger
18 families”; and

19 (bb) by striking “or” at the
20 end;

21 (II) in clause (ii), by striking
22 “and” at the end and inserting “or”;
23 and

24 (III) by adding at the end the
25 following:

1 “(iii) maintain long-term affordability
2 through a shared equity ownership model,
3 a community land trust, a limited equity
4 cooperative, a community development cor-
5 poration, or other mechanism approved by
6 the Secretary, that preserves affordability
7 for future eligible home-buyers and ensures
8 compliance with the purposes of this title,
9 including through the use of purchase op-
10 tions, rights of first refusal, or other pre-
11 emptive rights to purchase housing;”;

12 (iv) in subparagraph (D), as so redes-
13 ignated, by striking the period at the end
14 and inserting “; and”; and

15 (v) by adding at the end the following:

16 “(E) is subject to restrictions that are es-
17 tablished by the participating jurisdiction and
18 determined by the Secretary to be appropriate,
19 including with respect to the useful life of the
20 property, to—

21 “(i) require that any subsequent pur-
22 chase of the property be—

23 “(I) only by a person who meets
24 the qualifications specified under sub-
25 paragraph (B); and

1 “(II) at a price that is deter-
2 mined by a formula or method estab-
3 lished by the participating jurisdiction
4 that provides the owner with a reason-
5 able return on investment, which may
6 include a percentage of the cost of
7 any improvements; or

8 “(ii) recapture the investment pro-
9 vided under this title in order to assist
10 other persons in accordance with the re-
11 quirements of this title, except where there
12 are no net proceeds or where the net pro-
13 ceeds are insufficient to repay the full
14 amount of the assistance.”; and

15 (F) by adding at the end the following:

16 “(2) PURCHASE BY COMMUNITY LAND TRUST
17 OR COOPERATIVE HOUSING CORPORATION.—Not-
18 withstanding subparagraph (C)(i) of paragraph (1)
19 and under terms determined by the Secretary, the
20 Secretary may permit a participating jurisdiction to
21 allow a community land trust, housing cooperative,
22 or a community development corporation that used
23 assistance provided under this subtitle for the devel-
24 opment of housing that meets the criteria under
25 paragraph (1), to acquire the housing—

1 “(A) in accordance with the terms of the
2 preemptive purchase option, lease, covenant on
3 the land, or other similar legal instrument of
4 the community land trust or housing coopera-
5 tive when the terms and rights in the preemp-
6 tive purchase option, lease, covenant, or legal
7 instrument are and remain subject to the re-
8 quirements of this title;

9 “(B) when the purchase is for—

10 “(i) the purpose of—

11 “(I) entering into the chain of
12 title;

13 “(II) enabling a purchase by a
14 person who meets the qualifications
15 specified under paragraph (1)(B) and
16 is on a waitlist maintained by the
17 community land trust or housing co-
18 operative, subject to enforcement by
19 the participating jurisdiction of all ap-
20 plicable requirements of this title, as
21 determined by the Secretary;

22 “(III) performing necessary reha-
23 bilitation and improvements; or

1 “(IV) adding a subsidy to pre-
2 serve affordability, which may be from
3 Federal or non-Federal sources; or

4 “(ii) another purpose determined ap-
5 propriate by the Secretary; and

6 “(C) if, within a reasonable period of time
7 after the applicable purpose under subpara-
8 graph (B) of this paragraph is fulfilled, as de-
9 termined by the Secretary, the housing is then
10 sold to a person who meets the qualifications
11 specified under paragraph (1)(B).”; and

12 (2) by adding at the end the following:

13 “(c) QUALIFICATION EXCEPTIONS FOR HOME-OWN-
14 ERSHIP.—

15 “(1) MILITARY MEMBERS.—A participating ju-
16 risdiction, in accordance with terms established by
17 the Secretary, may suspend or waive the income
18 qualifications described in subsection (b)(1)(B) with
19 respect to housing that otherwise meets the criteria
20 described in subsection (b)(1) if the owner of the
21 housing—

22 “(A) is a member of a regular component
23 of the armed forces or a member of the Na-
24 tional Guard on full-time National Guard duty,
25 active Guard and Reserve duty, or inactive-duty

1 training (as those terms are defined in section
2 101 of title 10, United States Code); and

3 “(B) has received—

4 “(i) temporary duty orders to deploy
5 with a military unit or military orders to
6 deploy as an individual acting in support of
7 a military operation, to a location that is
8 not within a reasonable distance from the
9 housing, as determined by the Secretary,
10 for a period of not less than 90 days; or

11 “(ii) orders for a permanent change of
12 station.

13 “(2) HEIRS AND BENEFICIARIES OF DECEASED
14 OWNERS.—Housing that meets the criteria described
15 in subsection (b)(1)(C) prior to the death of an
16 owner of such housing shall continue to qualify as
17 affordable housing under this title if—

18 “(A) the housing is the principal residence
19 of an heir or beneficiary of the deceased owner,
20 as defined by the Secretary; and

21 “(B) the heir or beneficiary, in accordance
22 with terms established by the Secretary, as-
23 sumes the duties and obligations of the de-
24 ceased owner with respect to funds provided
25 under this title.”.

1 (i) ELIMINATION OF EXPIRATION OF RIGHT TO
2 DRAW HOME INVESTMENT TRUST FUNDS.—Section 218
3 of the Cranston-Gonzalez National Affordable Housing
4 Act (42 U.S.C. 12748) is amended—

5 (1) by striking subsection (g); and

6 (2) by redesignating subsection (h) as sub-
7 section (g).

8 (j) ADJUSTED RECAPTURE AND REUSE OF SET-
9 ASIDE FOR COMMUNITY HOUSING DEVELOPMENTAL OR-
10 GANIZATIONS.—Section 231(b) of the Cranston-Gonzalez
11 National Affordable Housing Act (42 U.S.C. 12771(b)) is
12 amended to read as follows:

13 “(b) RECAPTURE AND REUSE.—If any funds re-
14 served under subsection (a) remain uninvested for a period
15 of 24 months, the Secretary shall make such funds avail-
16 able to the participating jurisdiction for any eligible activi-
17 ties under this title without regard to whether a commu-
18 nity housing development organization materially partici-
19 pates in the use of such funds.”.

20 (k) ASSET RECYCLING INFORMATION DISSEMINA-
21 TION EXPANSION.—Section 245(b)(2) of the Cranston-
22 Gonzalez National Affordable Housing Act (42 U.S.C.
23 12785(b)(2)) is amended by striking “95 percent” and in-
24 serting “110 percent”.

25 (l) ENVIRONMENTAL REVIEW REQUIREMENTS.—

1 (1) IN GENERAL.—Section 288 of the Cran-
2 ston-Gonzalez National Affordable Housing Act (42
3 U.S.C. 12838) is amended by adding at the end the
4 following:

5 “(e) CATEGORICAL EXEMPTIONS.—The following
6 categories of activities carried out under this title shall
7 be statutorily exempt from environmental review under the
8 National Environmental Policy Act of 1969 (42 U.S.C.
9 4321 et seq.), and shall not require further review under
10 such Act—

11 “(1) new construction infill housing projects;

12 “(2) acquisition of real property for affordable
13 housing purposes;

14 “(3) rehabilitation projects carried out pursuant
15 to section 212(a)(1); and

16 “(4) new construction projects of 15 units or
17 less.

18 “(f) REMOVING DUPLICATIVE REVIEWS.—

19 “(1) IN GENERAL.—To the extent practicable
20 and permitted by law, the Secretary shall ensure
21 that a project that has undergone an environmental
22 review under this section shall not be subject to a
23 duplicative environmental review solely due to the
24 addition, substitution, or reallocation of other
25 sources of Federal assistance, if the scope, scale, and

1 location of the project remain substantially un-
2 changed.

3 “(2) COORDINATION OF ENVIRONMENTAL RE-
4 VIEW RESPONSIBILITIES.—The Secretary shall, by
5 regulation, provide for coordination of environmental
6 review responsibilities with other Federal agencies to
7 streamline interagency compliance and avoid unnec-
8 essary duplication of effort under the National Envi-
9 ronmental Policy Act of 1969 (42 U.S.C. 4321 et
10 seq.) and other applicable laws.

11 “(3) RECOGNITION OF PRIOR REVIEWS BY RE-
12 SPONSIBLE ENTITIES.—A project may not be subject
13 to an environmental review under this section if a
14 substantially similar review has already been com-
15 pleted by an entity designated under section
16 104(g)(1) of the Housing and Community Develop-
17 ment Act of 1974 (42 U.S.C. 5304(g)(1)) or by an-
18 other entity the Secretary determines to have equiv-
19 alent authority, if the scope, scale, and location of
20 the project remain substantially unchanged.”.

21 (2) RULEMAKING.—Not later than 1 year after
22 the date of the enactment of this Act, the Secretary
23 shall issue such rules as the Secretary determines
24 necessary to carry out the amendment made by this
25 subsection.

1 (3) APPLICABILITY.—Any activity generated
2 under this subsection would be subject to an author-
3 ization of appropriations.

4 (4) DEFINITION.—Section 104 of the Cranston-
5 Gonzalez National Affordable Housing Act (42
6 U.S.C. 12704) is amended by adding at end the fol-
7 lowing new paragraph:

8 “(27) The term ‘infill housing project’ means a
9 residential housing project that—

10 “(A) is located within the geographic limits
11 of a municipality;

12 “(B) is adequately served by existing utili-
13 ties and public services as required under appli-
14 cable law;

15 “(C) is located on a site of previously dis-
16 turbed land of not more than 5 acres; and

17 “(D) is substantially surrounded by resi-
18 dential or commercial development, as deter-
19 mined by the Secretary.”.

20 (m) APPLICATION OF BUILD AMERICA, BUY AMER-
21 ICA REQUIREMENTS FOR HOME INVESTMENT PARTNER-
22 SHIPS PROGRAM.—

23 (1) IN GENERAL.—Not later than 180 days
24 after the date of the enactment of this section, the
25 Secretary of Housing and Urban Development shall

1 complete a review of the implementation of the Build
2 America, Buy America Act (title IV of division G of
3 Public Law 117–58; 42 U.S.C. 8301 note) with re-
4 spect to the activities assisted under title II of the
5 Cranston-Gonzalez National Affordable Housing Act
6 (42 U.S.C. 12721 et seq.).

7 (2) UPDATED GUIDANCE.—Not later than 90
8 days after the review described in subsection (a) is
9 completed, the Secretary shall issue updated guid-
10 ance to clarify the application of the Build America,
11 Buy America Act (title IV of division G of Public
12 Law 117–58; 42 U.S.C. 8301 note) with respect to
13 the activities assisted under title II of the Cranston-
14 Gonzalez National Affordable Housing Act (42
15 U.S.C. 12721 et seq.).

16 (3) REPORT.—Not later than 270 days after
17 the date of the enactment of this section, the Sec-
18 retary shall submit to the Committee on Financial
19 Services of the House of Representatives and the
20 Committee on Banking, Housing, and Urban Affairs
21 of the Senate a report that describes—

22 (A) the results of the review required
23 under subsection (a); and

24 (B) the guidance issued as described in
25 subsection (b).

1 (n) APPLICATION OF OTHER SPECIFIED STATUTORY
2 REQUIREMENTS.—Title II of the Cranston-Gonzalez Na-
3 tional Affordable Housing Act (42 U.S.C. 12721 et seq.)
4 is amended by adding at the end the following:

5 **“SEC. 291. NONAPPLICABILITY OF CERTAIN REQUIRE-**
6 **MENTS FOR SMALL PROJECTS.**

7 “Notwithstanding any other provision of law, the re-
8 quirements of section 3 of the Housing and Urban Devel-
9 opment Act of 1968 (12 U.S.C. 1701u), and any imple-
10 menting regulations or guidance, shall not apply to an ac-
11 tivity assisted under this title that involves rehabilitation,
12 construction, or other development of housing if—

13 “(1) the recipient of assistance under this title
14 is—

15 “(A) a State recipient pursuant to section
16 216; or

17 “(B) a participating jurisdiction that re-
18 ceived a total allocation of less than \$3,000,000
19 in the most recent fiscal year pursuant to sec-
20 tion 216; and

21 “(2) the total number of dwelling units assisted
22 as a part of such activity is not more than 50.”.

23 (o) REALLOCATION NOT AVAILABLE FOR CERTAIN
24 JURISDICTIONS.—Section 217(d) of the Cranston-Gon-

1 zalez National Affordable Housing Act (42 U.S.C.
2 12747(d)) is amended—

3 (1) in paragraph (1), by striking the second
4 sentence and inserting the following: “Subject to
5 paragraph (4), jurisdictions eligible for such re-
6 allocations shall include participating jurisdictions
7 and jurisdictions meeting the requirements of this
8 title, including the requirements in paragraphs (3),
9 (4), and (5) of section 216.”; and

10 (2) by adding at the end the following:

11 “(4) REALLOCATION NOT AVAILABLE FOR CER-
12 TAIN JURISDICTIONS.—The Secretary may decline to
13 make a reallocation available to a jurisdiction eligible
14 for such reallocation if such jurisdiction has failed to
15 meet or comply with any requirement under this
16 title.”.

17 (p) AMENDMENTS TO QUALIFICATION AS AFFORD-
18 ABLE HOUSING.—Section 215(a)(1)(E) of the Cranston-
19 Gonzalez National Affordable Housing Act (42 U.S.C.
20 12745(a)) is amended by striking “except upon a fore-
21 closure by a lender (or upon other transfer in lieu of fore-
22 closure) if such action (i) recognizes any contractual or
23 legal rights of public agencies, nonprofit sponsors, or oth-
24 ers to take actions that would avoid termination of low-
25 income affordability in the case of foreclosure or transfer

1 in lieu of foreclosure, and (ii) is not for the purpose of
2 avoiding low-income affordability restrictions, as deter-
3 mined by the Secretary; and” and inserting the following:

4 “except—

5 “(i) upon a foreclosure by a lender (or
6 upon other transfer in lieu of foreclosure)
7 if such action—

8 “(I) recognizes any contractual
9 or legal rights of public agencies, non-
10 profit sponsors, or others to take ac-
11 tions that would avoid termination of
12 low-income affordability in the case of
13 foreclosure or transfer in lieu of fore-
14 closure; and

15 “(II) is not for the purpose of
16 avoiding low-income affordability re-
17 strictions, as determined by the Sec-
18 retary; or

19 “(ii) where existing affordable housing
20 is no longer financially viable due to un-
21 foreseen acts or occurrences beyond the
22 reasonable contemplation or control of the
23 participating jurisdiction in which the af-
24 fordable housing is located or the owner of
25 the affordable housing that significantly

1 impact the financial or physical condition
2 of the affordable housing, as determined by
3 the Secretary; and”.

4 (q) TENANT AND PARTICIPANT PROTECTIONS FOR
5 AFFORDABLE HOUSING.—Section 225 of the Cranston-
6 Gonzalez National Affordable Housing Act (42 U.S.C.
7 12755) is amended by adding at the end the following:
8 “(e) EXCEPTION.—Paragraphs (2), (3), and (4) of
9 subsection (d) shall not apply to housing under this sec-
10 tion that meets the following criteria:

11 “(1) The housing is affordable housing with not
12 more than 4 dwelling units, each of which is made
13 available for rental.

14 “(2) Each dwelling unit in the housing bears
15 rent in an amount that complies with the require-
16 ments described in paragraph (1)(A).

17 “(3) Each dwelling unit in the housing is ac-
18 companied by a low-income family.

19 “(4) No dwelling in the housing is refused for
20 leasing to a holder of a voucher under section 8 of
21 the United States Housing Act of 1937 (42 U.S.C.
22 1437f) because of the status of the prospective ten-
23 ant as a holder of that voucher.

24 “(5) The housing complies with the requirement
25 described in paragraph (1)(E).

1 “(6) The participating jurisdiction in which the
2 housing is located monitors the compliance of the
3 housing with the requirements of this title in a man-
4 ner consistent with the purposes of section 226(b),
5 as determined by the Secretary.”.

6 (r) REVISION OF DEFINITION OF COMMUNITY LAND
7 TRUST.—Section 104 of the Cranston-Gonzalez National
8 Affordable Housing Act (42 U.S.C. 12704) is amended by
9 adding at the end the following:

10 “(26) The term ‘community land trust’ means
11 a nonprofit entity, a State, a unit of local govern-
12 ment, or an instrumentality of a State or unit of
13 local government that—

14 “(A) is not managed by, or an affiliate of,
15 a forprofit organization;

16 “(B) has as a primary purpose of acquir-
17 ing, developing, or holding land to provide hous-
18 ing that is permanently affordable to low- and
19 moderate-income persons;

20 “(C) monitors properties to ensure afford-
21 ability is preserved;

22 “(D) provides housing that is permanently
23 affordable to low- and moderate-income persons
24 using a ground lease, deed covenant, or other

1 similar legally enforceable measure, determined
2 acceptable by the Secretary, that—

3 “(i) keeps housing affordable to low-
4 and moderate-income persons for not less
5 than 30 years; and

6 “(ii) enables low- and moderate-in-
7 come persons to rent or purchase the hous-
8 ing for home-ownership; and

9 “(E) maintains preemptive purchase op-
10 tions to purchase the property if such purchase
11 would allow the housing to remain affordable to
12 low-and moderate-income persons.”.

13 (s) SET-ASIDE FOR COMMUNITY HOUSING DEVELOP-
14 MENT ORGANIZATIONS.—Section 231(a) of the Cranston-
15 Gonzalez National Affordable Housing Act (42 U.S.C.
16 12771(a)) is amended, in the first sentence, by striking
17 “to be developed, sponsored, or owned by community hous-
18 ing development organizations” and inserting “when a
19 community housing development organization materially
20 participates in the ownership or development of that hous-
21 ing, as determined by the Secretary”.

22 (t) ADMINISTRATIVE REFORMS.—

23 (1) INCREASE IN PROGRAM ADMINISTRATION
24 RESOURCES.—Section 220(b) of the Cranston-Gon-

1 zalez National Affordable Housing Act (42 U.S.C.
2 12750(b)) is amended—

3 (A) by striking “RECOGNITION.—” and all
4 that follows through “A contribution” and in-
5 serting “RECOGNITION.—A contribution”;

6 (B) by redesignating subparagraphs (A)
7 and (B) as paragraphs (1) and (2), respectively
8 and

9 (C) by striking paragraph (2).

10 (2) MODIFICATION OF JURISDICTIONS ELIGIBLE
11 FOR REALLOCATIONS.—Section 217(d)(3) of the
12 Cranston-Gonzalez National Affordable Housing Act
13 (42 U.S.C. 12747(d)(3)) is amended—

14 (A) in the paragraph heading, by striking
15 “LIMITATION” and inserting “LIMITATIONS”;
16 and

17 (B) by striking “Unless otherwise speci-
18 fied” and inserting the following:

19 “(A) REMOVAL OF PARTICIPATING JURIS-
20 DICTIONS FROM REALLOCATION.—The Sec-
21 retary may, upon a finding that the partici-
22 pating jurisdiction has failed to meet or comply
23 with the requirements of this title, remove a
24 participating jurisdiction from participation in

1 reallocations of funds made available under this
2 title.

3 “(B) REALLOCATION TO SAME TYPE OF
4 ENTITY.—Unless otherwise specified”.

5 (3) HOME PROPERTY INSPECTIONS.—Section
6 226(b) of the Cranston-Gonzalez National Afford-
7 able Housing Act (42 U.S.C. 12756(b)) is amend-
8 ed—

9 (A) by striking “Each participating jurisdic-
10 tion” and inserting the following:

11 “(1) IN GENERAL.—Each participating jurisdic-
12 tion”; and

13 (B) by striking “Such review shall include”
14 and all that follows and inserting the following:

15 “(2) ONSITE INSPECTIONS.—

16 “(A) INSPECTIONS BY UNITS OF GENERAL
17 LOCAL GOVERNMENT.—A review conducted
18 under paragraph (1) by a participating jurisdic-
19 tion that is a unit of general local government
20 shall include an onsite inspection to determine
21 compliance with housing codes and other appli-
22 cable regulations.

23 “(B) INSPECTIONS BY STATES.—A review
24 conducted under paragraph (1) by a partici-
25 pating jurisdiction that is a State shall include

1 an onsite inspection to determine compliance
2 with a national standard as determined by the
3 Secretary.

4 “(3) INCLUSION IN PERFORMANCE REPORT AND
5 PUBLICATION.—A participating jurisdiction shall in-
6 clude in the performance report of the participating
7 jurisdiction submitted to the Secretary under section
8 108(a), and make available to the public, the results
9 of each review conducted under paragraph (1).”.

10 (4) REVISIONS TO STRENGTHEN ENFORCEMENT
11 AND PENALTIES FOR NONCOMPLIANCE.—Section
12 223 of the Cranston-Gonzalez National Affordable
13 Housing Act (42 U.S.C. 12753) is amended—

14 (A) in the section heading, by striking
15 “**PENALTIES FOR MISUSE OF FUNDS**” and
16 inserting “**PROGRAM ENFORCEMENT AND**
17 **PENALTIES FOR NONCOMPLIANCE**”;

18 (B) in the matter preceding paragraph (1),
19 by inserting after “any provision of this sub-
20 title” the following: “, including any provision
21 applicable throughout the period required by
22 section 215(a)(1)(E) and applicable regula-
23 tions,”;

24 (C) in paragraph (2), by striking “or” at
25 the end;

1 (D) in paragraph (3), by striking the pe-
2 riod at the end and inserting “; or”; and

3 (E) by adding at the end the following:

4 “(4) reduce payments to the participating juris-
5 diction under this subtitle by an amount equal to the
6 amount of such payments that were not expended by
7 the participating jurisdiction in accordance with this
8 title.”.

9 (u) MINIMUM ALLOCATIONS.—Section 217(b) of the
10 Cranston-Gonzalez National Affordable Housing Act (42
11 U.S.C. 12747 (b)) is amended—

12 (1) in paragraph (2), by striking “\$500,000”
13 each place that term appears and inserting
14 “\$750,000”;

15 (2) in paragraph (3)—

16 (A) by striking “jurisdictions that are allo-
17 cated an amount of \$500,000 or more” and in-
18 serting “jurisdictions that are allocated an
19 amount of \$750,000 or more”;

20 (B) by striking “that are allocated an
21 amount less than \$500,000” and inserting
22 “that are allocated an amount less than
23 \$500,000 before the date of enactment of the
24 21st Century ROAD to Housing Act or less
25 than \$750,000 on or after the date of enact-

1 ment of the 21st Century ROAD to Housing
2 Act”; and

3 (C) by striking “, except as provided in
4 paragraph (4)”; and
5 (3) by striking paragraph (4).

6 (v) TECHNICAL AND CONFORMING AMENDMENTS.—
7 The Cranston-Gonzalez National Affordable Housing Act
8 (42 U.S.C. 12701 et seq.) is amended—

9 (1) by striking “Stewart B. McKinney Home-
10 less Assistance Act” each place that term appears
11 and inserting “McKinney-Vento Homeless Assist-
12 ance Act”;

13 (2) by striking “Committee on Banking, Fi-
14 nance and Urban Affairs” each place that term ap-
15 pears and inserting “Committee on Financial Serv-
16 ices”;

17 (3) in the table of contents in section 1(b)
18 (Public Law 101–625; 104 Stat. 4079)—

19 (A) by striking the item relating to section
20 205 and inserting the following:

“Sec. 205. Authorization of program.”;

21 (B) by striking the item relating to section
22 223 and inserting the following:

“Sec. 223. Program enforcement and penalties for noncompliance.”; and

1 (C) by inserting after the item relating to
2 section 290 the following:

“Sec. 291. Nonapplicability of certain requirements for small projects.”;

3 (4) in section 104 (42 U.S.C. 12704)—

4 (A) by redesignating paragraph (23) (re-
5 lating to the definition of the term “to dem-
6 onstrate to the Secretary”) as paragraph (22);
7 and

8 (B) by redesignating paragraph (24) (re-
9 lating to the definition of the term “insular
10 area”, as added by section 2(2) of Public Law
11 102–230) as paragraph (23);

12 (5) in section 105(b)(8) (42 U.S.C.
13 12705(b)(8)), by striking “subparagraphs” and in-
14 serting “paragraphs”;

15 (6) in section 108(a)(1) (42 U.S.C.
16 12708(a)(1)), by striking “section 105(b)(15)” and
17 inserting “section 105(b)(18)”;

18 (7) in section 212 (42 U.S.C. 12742)—

19 (A) in subsection (a)(3)(A)(ii), by inserting
20 “United States” before “Housing Act”;

21 (B) in subsection (d)(5), by inserting
22 “United States” before “Housing Act”; and

23 (C) in subsection (e)(1)—

24 (i) by striking “section 221(d)(3)(ii)”
25 and inserting “section 221(d)(4)”;

1 (ii) by striking “not to exceed 140
2 percent” and inserting “as determined by
3 the Secretary”;

4 (8) in section 215(a)(6)(B) (42 U.S.C.
5 12745(a)(6)(B)), by striking “grand children” and
6 inserting “grandchildren”;

7 (9) in section 217 (42 U.S.C. 12747)—

8 (A) in subsection (a)—

9 (i) in paragraph (1), by striking “(3)”
10 and inserting “(2)”;

11 (ii) by striking paragraph (3), as
12 added by section 211(a)(2)(D) of the
13 Housing and Community Development Act
14 of 1992 (Public Law 102–550; 106 Stat.
15 3756); and

16 (iii) by redesignating the remaining
17 paragraph (3), as added by the matter
18 under the heading “HOME INVESTMENT
19 PARTNERSHIPS PROGRAM” under the head-
20 ing “HOUSING PROGRAMS” in title II of
21 the Departments of Veterans Affairs and
22 Housing and Urban Development, and
23 Independent Agencies Appropriations Act,
24 1993 (Public Law 102–389; 106 Stat.
25 1581), as paragraph (2); and

1 (B) in subsection (b)(1)—

2 (i) in subparagraph (A), in the first
3 sentence—

4 (I) by striking “in regulation”
5 and inserting “, by regulation,”; and

6 (II) by striking “eligible jurisdic-
7 tion” and inserting “eligible jurisdic-
8 tions”; and

9 (ii) in subparagraph (F), in the first
10 sentence—

11 (I) in clause (i), by striking
12 “Subcommittee on Housing and
13 Urban Affairs” and inserting “Sub-
14 committee on Housing, Transpor-
15 tation, and Community Development”;
16 and

17 (II) in clause (ii), by striking
18 “Subcommittee on Housing and Com-
19 munity Development” and inserting
20 “Subcommittee on Housing and In-
21 surance”;

22 (10) in section 220(c) (42 U.S.C. 12750(c))—

23 (A) in paragraph (3), by striking “Sec-
24 retary” and all that follows and inserting “Sec-
25 retary;”;

1 (B) in paragraph (4), by striking “under
2 this title” and all that follows and inserting
3 “under this title;”; and

4 (C) by redesignating paragraphs (6), (7),
5 and (8) as paragraphs (5), (6), and (7), respec-
6 tively;

7 (11) in section 225(d)(4)(B) (42 U.S.C.
8 12755(d)(4)(B)), by striking “for” the first place
9 that term appears; and

10 (12) in section 233 (42 U.S.C. 12773)—

11 (A) in subsection (b)(6), by striking “to
12 community land trusts (as such term is defined
13 in subsection (f))” and inserting “to community
14 land trusts (as such term is defined in section
15 104)”; and

16 (B) by striking subsection (f).

17 **SEC. 502. RURAL HOUSING SERVICE REFORM ACT.**

18 (a) APPLICATION OF MULTIFAMILY MORTGAGE
19 FORECLOSURE PROCEDURES TO MULTIFAMILY MORT-
20 GAGES HELD BY THE SECRETARY OF AGRICULTURE AND
21 PRESERVATION OF THE RENTAL ASSISTANCE CONTRACT
22 UPON FORECLOSURE.—

23 (1) MULTIFAMILY MORTGAGE PROCEDURES.—

24 Section 363(2) of the Multifamily Mortgage Fore-

1 closure Act of 1981 (12 U.S.C. 3702(2)) is amend-
2 ed—

3 (A) in subparagraph (E), by striking
4 “and” at the end;

5 (B) in subparagraph (F), by striking the
6 period at the end and inserting “; or”; and

7 (C) by adding at the end the following:

8 “(F) section 514, 515, or 538 of the Hous-
9 ing Act of 1949 (42 U.S.C. 1484, 1485,
10 1490p–2).”.

11 (2) PRESERVATION OF CONTRACT.—Section
12 521(d) of the Housing Act of 1949 (42 U.S.C.
13 1490a(d)) is amended by adding at the end the fol-
14 lowing:

15 “(3) Notwithstanding any other provision of law, in
16 managing and disposing of any multifamily property that
17 is owned or has a mortgage held by the Secretary, and
18 during the process of foreclosure on any property with a
19 contract for rental assistance under this section—

20 “(A) the Secretary shall maintain any rental as-
21 sistance payments that are attached to any dwelling
22 units in the property; and

23 “(B) the rental assistance contract may be used
24 to provide further assistance to existing projects
25 under 514, 515, or 516.”.

1 (b) STUDY ON RURAL HOUSING LOANS FOR HOUS-
2 ING FOR LOW- AND MODERATE-INCOME FAMILIES.—Not
3 later than 6 months after the date of enactment of this
4 Act, the Secretary of Agriculture shall conduct a study
5 and submit to Congress a publicly available report on the
6 loan program under section 521 of the Housing Act of
7 1949 (42 U.S.C. 1490a), including—

8 (1) the total amount provided by the Secretary
9 in subsidies under such section 521 to borrowers
10 with loans made pursuant to section 502 of such Act
11 (42 U.S.C. 1472);

12 (2) how much of the subsidies described in
13 paragraph (1) are being recaptured; and

14 (3) the amount of time and costs associated
15 with recapturing those subsidies.

16 (c) STAFFING AND INFORMATION TECHNOLOGY UP-
17 GRADES.—Utilizing funds appropriated for such purposes,
18 the Secretary of Agriculture may increase staffing capac-
19 ity and upgrade information technology to support all
20 Rural Housing Service programs.

21 (d) TECHNICAL IMPROVEMENTS.—

22 (1) AUTHORIZATION OF APPROPRIATIONS.—
23 Utilizing funds appropriated for such purposes, the
24 Secretary of Agriculture may make improvements to
25 the technology of the Rural Housing Service of the

1 Department of Agriculture used to process and man-
2 age housing loans.

3 (2) AVAILABILITY.—Amounts appropriated pur-
4 suant to paragraph (1) shall remain available until
5 the date that is 5 years after the date of the appro-
6 priation.

7 (3) TIMELINE.—The Secretary of Agriculture
8 shall make the improvements described in paragraph
9 (1) during the 5-year period beginning on the date
10 on which amounts are appropriated under paragraph
11 (1).

12 (e) PERMANENT ESTABLISHMENT OF HOUSING
13 PRESERVATION AND REVITALIZATION PROGRAM.—Title
14 V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.)
15 is amended by adding at the end the following:

16 **“SEC. 545. HOUSING PRESERVATION AND REVITALIZATION**
17 **PROGRAM.**

18 “(a) ESTABLISHMENT.—The Secretary shall carry
19 out a program under this section for the preservation and
20 revitalization of multifamily rental housing projects fi-
21 nanced under section 514, 515, or 516.

22 “(b) NOTICE OF MATURING LOANS.—

23 “(1) TO OWNERS.—On an annual basis, the
24 Secretary shall provide written notice to each owner
25 of a property financed under section 514, 515, or

1 516 that will mature within the 4-year period begin-
2 ning upon the provision of the notice, setting forth
3 the options and financial incentives that are avail-
4 able to facilitate the extension of the loan term or
5 the option to decouple a rental assistance contract
6 pursuant to subsection (f).

7 “(2) TO TENANTS.—

8 “(A) IN GENERAL.—On an annual basis,
9 for each property financed under section 514,
10 515, or 516, not later than the date that is 2
11 years before the date that the loan will mature,
12 the Secretary shall provide written notice to
13 each household residing in the property that in-
14 forms them of—

15 “(i) the date of the loan maturity;

16 “(ii) the possible actions that may
17 happen with respect to the property upon
18 that maturity; and

19 “(iii) how to protect their right to re-
20 side in federally assisted housing, or how
21 to secure housing voucher, after that ma-
22 turity.

23 “(B) LANGUAGE.—Notice under this para-
24 graph shall be provided in plain English and
25 shall be translated to other languages in the

1 case of any property located in an area in which
2 a significant number of residents speak such
3 other languages.

4 “(c) LOAN RESTRUCTURING.—Under the program
5 under this section, in any circumstance in which the Sec-
6 retary proposes a restructuring to an owner or an owner
7 proposes a restructuring to the Secretary, the Secretary
8 may restructure such existing housing loans, as the Sec-
9 retary considers appropriate, for the purpose of ensuring
10 that those projects have sufficient resources to preserve
11 the projects to provide safe and affordable housing for low-
12 income residents and farm laborers, by—

13 “(1) reducing or eliminating interest;

14 “(2) deferring loan payments;

15 “(3) subordinating, reducing, or reamortizing
16 loan debt;

17 “(4) providing other financial assistance, in-
18 cluding advances, payments, and incentives (includ-
19 ing the ability of owners to obtain reasonable re-
20 turns on investment) required by the Secretary; and

21 “(5) permanently removing a portion of the
22 housing units from income restrictions when sus-
23 tained vacancies have occurred.

24 “(d) RENEWAL OF RENTAL ASSISTANCE.—

1 “(1) IN GENERAL.—When the Secretary pro-
2 poses to restructure a loan or agrees to the proposal
3 of an owner to restructure a loan pursuant to sub-
4 section (c), the Secretary shall offer to renew the
5 rental assistance contract under section 521(a)(2)
6 for a term that is the shorter of 20 years and the
7 term of the restructured loan, subject to annual ap-
8 propriations, provided that the owner agrees to bring
9 the property up to such standards that will ensure
10 maintenance of the property as decent, safe, and
11 sanitary housing for the full term of the rental as-
12 sistance contract.

13 “(2) ADDITIONAL RENTAL ASSISTANCE.—With
14 respect to a project described in paragraph (1), if
15 rental assistance is not available for all households
16 in the project for which the loan is being restruc-
17 tured pursuant to subsection (c), the Secretary may
18 extend such additional rental assistance to unas-
19 sisted households at that project as is necessary to
20 make the project safe and affordable to low-income
21 households.

22 “(e) RESTRICTIVE USE AGREEMENTS.—

23 “(1) REQUIREMENT.—As part of the preserva-
24 tion and revitalization agreement for a project, the
25 Secretary shall obtain a restrictive use agreement

1 that is recorded and obligates the owner to operate
2 the project in accordance with this title.

3 “(2) TERM.—

4 “(A) NO EXTENSION OF RENTAL ASSIST-
5 ANCE CONTRACT.—Except when the Secretary
6 enters into a 20-year extension of the rental as-
7 sistance contract for a project, the term of the
8 restrictive use agreement for the project shall
9 be consistent with the term of the restructured
10 loan for the project.

11 “(B) EXTENSION OF RENTAL ASSISTANCE
12 CONTRACT.—If the Secretary enters into a 20-
13 year extension of the rental assistance contract
14 for a project, the term of the restrictive use
15 agreement for the project shall be for the longer
16 of—

17 “(i) 20 years; or

18 “(ii) the remaining term of the loan
19 for that project.

20 “(C) TERMINATION.—The Secretary may
21 terminate the 20-year restrictive use agreement
22 for a project before the end of the term of the
23 agreement if the 20-year rental assistance con-
24 tract for the project with the owner is termi-

1 nated at any time for reasons outside the con-
2 trol of the owner.

3 “(f) DECOUPLING OF RENTAL ASSISTANCE.—

4 “(1) RENEWAL OF RENTAL ASSISTANCE CON-
5 TRACT.—If the Secretary determines that a loan ma-
6 turing during the 4-year period beginning upon the
7 provision of the notice required under subsection
8 (b)(1) for a project cannot reasonably be restruc-
9 tured in accordance with subsection (c) because it is
10 not financially feasible or the owner does not agree
11 with the proposed restructuring, and the project was
12 operating with rental assistance under section 521
13 and the recipient is a borrower under section 514 or
14 515, the Secretary may renew the rental assistance
15 contract, notwithstanding any requirement under
16 section 521 that the recipient be a current borrower
17 under section 514 or 515, for a term of 20 years,
18 subject to annual appropriations.

19 “(2) ADDITIONAL RENTAL ASSISTANCE.—With
20 respect to a project described in paragraph (1), if
21 rental assistance is not available for all households
22 in the project for which the loan is being restruc-
23 tured pursuant to subsection (c), the Secretary may
24 extend such additional rental assistance to unas-
25 sisted households at that project as is necessary to

1 make the project safe and affordable to low-income
2 households.

3 “(3) RENTS.—

4 “(A) IN GENERAL.—Any agreement to ex-
5 tend the term of the rental assistance contract
6 under section 521 for a project shall obligate
7 the owner to continue to maintain the project
8 as decent, safe, and sanitary housing and to op-
9 erate the development as affordable housing in
10 a manner that meets the goals of this title.

11 “(B) RENT AMOUNTS.—Subject to sub-
12 paragraph (C), in setting rents, the Secretary—

13 “(i) shall determine the maximum ini-
14 tial rent based on current fair market
15 rents established under section 8 of the
16 United States Housing Act of 1937 (42
17 U.S.C. 1437f); and

18 “(ii) may annually adjust the rent de-
19 termined under clause (i) by the operating
20 cost adjustment factor as provided under
21 section 524 of the Multifamily Assisted
22 Housing Reform and Affordability Act of
23 1997 (42 U.S.C. 1437f note).

24 “(C) HIGHER RENT.—

1 “(i) IN GENERAL.—Subparagraph (B)
2 shall not apply if the Secretary determines
3 that the budget-based needs of a project
4 require a higher rent than the rent de-
5 scribed in subparagraph (B).

6 “(ii) RENT.—If the Secretary makes a
7 positive determination under clause (i), the
8 Secretary may approve a budget-based rent
9 level for the project.

10 “(4) CONDITIONS FOR APPROVAL.—Before the
11 approval of a rental assistance contract authorized
12 under this section, the Secretary shall require,
13 through an annual notice in the Federal Register,
14 the owner to submit to the Secretary a plan that
15 identifies financing sources and a timetable for ren-
16 ovations and improvements determined to be nec-
17 essary by the Secretary to maintain and preserve the
18 project.

19 “(g) MULTIFAMILY HOUSING TRANSFER TECHNICAL
20 ASSISTANCE.—Under the program under this section, the
21 Secretary may provide grants to qualified nonprofit orga-
22 nizations, housing cooperative corporations, and public
23 housing agencies to provide technical assistance, including
24 financial and legal services, to borrowers under loans
25 under this title for multifamily housing to facilitate the

1 acquisition or preservation of such multifamily housing
2 properties in areas where the Secretary determines there
3 is a risk of loss of affordable housing.

4 “(h) ADMINISTRATIVE EXPENSES.—Of any amounts
5 made available for the program under this section for any
6 fiscal year, the Secretary may use not more than
7 \$1,000,000 for administrative expenses for carrying out
8 such program.

9 “(i) RULEMAKING.—

10 “(1) IN GENERAL.—Not later than 180 days
11 after the date of enactment of the 21st Century
12 ROAD to Housing Act, the Secretary shall—

13 “(A) publish an advance notice of proposed
14 rulemaking; and

15 “(B) consult with appropriate stake-
16 holders.

17 “(2) INTERIM FINAL RULE.—Not later than 1
18 year after the date of enactment of the 21st Century
19 ROAD to Housing Act, the Secretary shall publish
20 an interim final rule to carry out this section.”.

21 (f) RENTAL ASSISTANCE CONTRACT AUTHORITY.—
22 Section 521(d) of the Housing Act of 1949 (42 U.S.C.
23 1490a(d)), as amended by this section, is amended—

24 (1) in paragraph (1)—

1 (A) by redesignating subparagraphs (B)
2 and (C) as subparagraphs (C) and (D), respec-
3 tively;

4 (B) by inserting after subparagraph (A)
5 the following:

6 “(B) upon request of an owner of a project fi-
7 nanced under section 514 or 515, the Secretary is
8 authorized to enter into renewal of such agreements
9 for a period of 20 years or the term of the loan,
10 whichever is shorter, subject to amounts made avail-
11 able in appropriations Acts;”;

12 (C) in subparagraph (C), as so redesign-
13 ated, by striking “subparagraph (A)” and in-
14 serting “subparagraphs (A) and (B)”; and

15 (D) in subparagraph (D), as so redesign-
16 ated, by striking “subparagraphs (A) and
17 (B)” and inserting “subparagraphs (A), (B),
18 and (C)”; and

19 (2) in paragraph (2), by striking “shall” and
20 inserting “may”; and

21 (3) by adding at the end the following:

22 “(4) In the case of any rental assistance contract au-
23 thority that becomes available because of the termination
24 of assistance on behalf of an assisted family—

1 “(A) at the option of the owner of the rental
2 project, the Secretary shall provide the owner a pe-
3 riod of not more than 6 months before unused as-
4 sistance is made available pursuant to subparagraph
5 (B) during which the owner may use such authority
6 to provide assistance on behalf of an eligible unas-
7 sisted family that—

8 “(i) is residing in the same rental project
9 in which the assisted family resided before the
10 termination; or

11 “(ii) newly occupies a dwelling unit in the
12 rental project during that 6-month period; and

13 “(B) except for assistance used as provided in
14 subparagraph (A), the Secretary shall use such re-
15 maining authority to provide assistance on behalf of
16 eligible families residing in other rental projects
17 originally financed under section 514, 515, or 516.”.

18 (g) MODIFICATIONS TO LOANS AND GRANTS FOR
19 MINOR IMPROVEMENTS TO FARM HOUSING AND BUILD-
20 INGS; INCOME ELIGIBILITY.—Section 504(a) of the Hous-
21 ing Act of 1949 (42 U.S.C. 1474(a)) is amended—

22 (1) in the first sentence, by inserting “and may
23 make a loan to an eligible low-income applicant”
24 after “applicant”; and

1 sistance to eligible entities to develop the capacity and
2 ability of eligible entities to carry out projects to improve
3 housing, community facilities, and community and eco-
4 nomic development projects in rural areas.

5 “(c) AMOUNT OF GRANTS.—The amount of a grant
6 provided to an eligible intermediary under this section
7 shall be not more than \$500,000.

8 “(d) MATCHING FUNDS.—

9 “(1) IN GENERAL.—An eligible intermediary re-
10 ceiving a grant under this section shall provide
11 matching funds from other sources, including Fed-
12 eral funds for related activities, in an amount not
13 less than the amount of the grant.

14 “(2) WAIVER.—The Secretary may waive para-
15 graph (1) with respect to a project that would be
16 carried out in a persistently poor rural region, as de-
17 termined by the Secretary.”.

18 (i) ANNUAL REPORT ON RURAL HOUSING PRO-
19 GRAMS.—Title V of the Housing Act of 1949 (42 U.S.C.
20 1471 et seq.), as amended by this section, is amended by
21 adding at the end the following:

22 **“SEC. 546. ANNUAL REPORT.**

23 “(a) IN GENERAL.—The Secretary shall submit to
24 the appropriate committees of Congress and publish on
25 the website of the Department of Agriculture an annual

1 report on rural housing programs carried out under this
2 title, which shall include significant details on the health
3 of Rural Housing Service programs, including—

4 “(1) raw data sortable by programs and by re-
5 gion regarding loan performance;

6 “(2) the housing stock of those programs, in-
7 cluding information on why properties end participa-
8 tion in those programs, such as for maturation, pre-
9 payment, foreclosure, or other servicing issues; and

10 “(3) risk ratings for properties assisted under
11 those programs.

12 “(b) PROTECTION OF INFORMATION.—The data in-
13 cluded in each report required under subsection (a) may
14 be aggregated or anonymized to protect participant finan-
15 cial or personal information.”.

16 (j) GAO REPORT ON RURAL HOUSING SERVICE
17 TECHNOLOGY.—Not later than 1 year after the date of
18 enactment of this Act, the Comptroller General of the
19 United States shall submit to Congress a report that in-
20 cludes—

21 (1) an analysis of how the outdated technology
22 used by the Rural Housing Service impacts partici-
23 pants in the programs of the Rural Housing Service;

1 (2) an estimate of the amount of funding that
2 is needed to modernize the technology used by the
3 Rural Housing Service; and

4 (3) an estimate of the number and type of new
5 employees the Rural Housing Service needs to mod-
6 ernize the technology used by the Rural Housing
7 Service.

8 (k) ADJUSTMENT TO RURAL DEVELOPMENT VOUCH-
9 ER AMOUNT.—

10 (1) IN GENERAL.—Not later than 2 years after
11 the date of enactment of this Act, the Secretary of
12 Agriculture shall issue regulations to establish a
13 process for adjusting the voucher amount provided
14 under section 542 of the Housing Act of 1949 (42
15 U.S.C. 1490r) after the issuance of the voucher fol-
16 lowing an interim or annual review of the amount of
17 the voucher.

18 (2) INTERIM REVIEW.—The interim review de-
19 scribed in paragraph (1) shall, at the request of a
20 tenant, allow for a recalculation of the voucher
21 amount when the tenant experiences a reduction in
22 income, change in family composition, or change in
23 rental rate.

24 (3) ANNUAL REVIEW.—

1 (A) IN GENERAL.—The annual review de-
2 scribed in paragraph (1) shall require tenants
3 to annually recertify the family composition of
4 the household and that the family income of the
5 household does not exceed 80 percent of the
6 area median income at a time determined by
7 the Secretary of Agriculture.

8 (B) CONSIDERATIONS.—If a tenant does
9 not recertify the family composition and family
10 income of the household within the time frame
11 required under subparagraph (A), the Secretary
12 of Agriculture—

13 (i) shall consider whether extenuating
14 circumstances caused the delay in recertifi-
15 cation; and

16 (ii) may alter associated consequences
17 for the failure to recertify based on those
18 circumstances.

19 (C) EFFECTIVE DATE.—Following the an-
20 nual review of a voucher under paragraph (1),
21 the updated voucher amount shall be effective
22 on the 1st day of the month following the expi-
23 ration of the voucher.

24 (4) DEADLINE.—The process established under
25 paragraph (1) shall require the Secretary of Agri-

1 culture to review and update the voucher amount de-
2 scribed in paragraph (1) for a tenant not later than
3 60 days before the end of the voucher term.

4 (l) ELIGIBILITY FOR RURAL HOUSING VOUCHERS.—
5 Section 542 of the Housing Act of 1949 (42 U.S.C.
6 1490r) is amended by adding at the end the following:

7 “(c) ELIGIBILITY OF HOUSEHOLDS IN SECTIONS
8 514, 515, AND 516 PROJECTS.—The Secretary may pro-
9 vide rural housing vouchers under this section for any low-
10 income household (including those not receiving rental as-
11 sistance) residing for a term longer than the remaining
12 term of their lease that is in effect on the date of prepay-
13 ment, foreclosure, or mortgage maturity, in a property fi-
14 nanced with a loan under section 514 or 515 or a grant
15 under section 516 that has—

16 “(1) been prepaid with or without restrictions
17 imposed by the Secretary pursuant to section
18 502(c)(5)(G)(ii)(I);

19 “(2) been foreclosed; or

20 “(3) matured after September 30, 2005.”.

21 (m) AMOUNT OF VOUCHER ASSISTANCE.—Notwith-
22 standing any other provision of law, in the case of any
23 rural housing voucher provided pursuant to section 542
24 of the Housing Act of 1949 (42 U.S.C. 1490r), the
25 amount of the monthly assistance payment for the house-

1 hold on whose behalf the assistance is provided shall be
2 determined as provided in subsection (a) of such section
3 542, including providing for interim and annual review of
4 the voucher amount in the event of a change in household
5 composition or income or rental rate.

6 (n) TRANSFER OF MULTIFAMILY RURAL HOUSING
7 PROJECTS.—Section 515 of the Housing Act of 1949 (42
8 U.S.C. 1485) is amended—

9 (1) in subsection (h), by adding at the end the
10 following:

11 “(3) TRANSFER TO NONPROFIT ORGANIZA-
12 TIONS.—A nonprofit or public body purchaser, in-
13 cluding a limited partnership with a general partner
14 with the principal purpose of providing affordable
15 housing, may purchase a property for which a loan
16 is made or insured under this section that has re-
17 ceived a market value appraisal, without addressing
18 rehabilitation needs at the time of purchase, if the
19 purchaser—

20 “(A) makes a commitment to address re-
21 habilitation needs during ownership and long-
22 term use restrictions on the property; and

23 “(B) at the time of purchase, accepts long-
24 term use restrictions on the property.”; and

1 (2) in subsection (w)(1), in the first sentence in
2 the matter preceding subparagraph (A), by striking
3 “9 percent” and inserting “25 percent”.

4 (o) EXTENSION OF LOAN TERM.—

5 (1) IN GENERAL.—Section 502(a)(2) of the
6 Housing Act of 1949 (42 U.S.C. 1472(a)(2)) is
7 amended—

8 (A) by inserting “(A)” before “The Sec-
9 retary”;

10 (B) in subparagraph (A), as so designated,
11 by striking “paragraph” and inserting “sub-
12 paragraph”; and

13 (C) by adding at the end the following:

14 “(B) The Secretary may refinance or modify
15 the period of any loan, including any refinanced
16 loan, made under this section in accordance with
17 terms and conditions as the Secretary shall pre-
18 scribe, but in no event shall the total term of the
19 loan from the date of the refinance or modification
20 exceed 40 years.”.

21 (2) APPLICATION.—The amendment made
22 under paragraph (1) shall apply with respect to
23 loans made under section 502 of the Housing Act of
24 1949 (42 U.S.C. 1472) before, on, or after the date
25 of enactment of this Act.

1 (p) RELEASE OF LIABILITY FOR SECTION 502 GUAR-
2 ANTEED BORROWER UPON ASSUMPTION OF ORIGINAL
3 LOAN BY NEW BORROWER.—Section 502(h) of the Hous-
4 ing Act of 1949 (42 U.S.C. 1472(h)) is amended—

5 (1) by striking paragraph (10) and inserting
6 the following:

7 “(10) TRANSFER AND ASSUMPTION.—Upon the
8 transfer of property for which a guaranteed loan
9 under this subsection was made, and the assumption
10 of the guaranteed loan by an approved eligible bor-
11 rower, the original borrower of a guaranteed loan
12 under this subsection shall be relieved of liability
13 with respect to the loan.”;

14 (2) by redesignating paragraph (16) as para-
15 graph (17); and

16 (3) by inserting after paragraph (15) the fol-
17 lowing:

18 “(16) FEE.—

19 “(A) IN GENERAL.—The mortgagee may
20 charge an assuming borrower a reasonable and
21 customary processing fee for an assumption re-
22 quest made under this subsection.

23 “(B) MAXIMUM FEE.—The Secretary shall
24 set a maximum allowable fee described in sub-

1 paragraph (A), which may be indexed for infla-
2 tion.”.

3 (q) DEPARTMENT OF AGRICULTURE LOAN RESTRIC-
4 TIONS.—

5 (1) DEFINITIONS.—In this subsection, the
6 terms “State” and “tribal organization” have the
7 meanings given those terms in section 658P of the
8 Child Care and Development Block Grant Act of
9 1990 (42 U.S.C. 9858n).

10 (2) REVISION.—The Secretary of Agriculture
11 shall revise section 3555.102(c) of title 7, Code of
12 Federal Regulations, to exclude from the restriction
13 under that section—

14 (A) a home-based business that is a li-
15 censed, registered, or regulated child care pro-
16 vider under State law or by a tribal organiza-
17 tion; and

18 (B) an applicant that has applied to be-
19 come a licensed, registered, or regulated child
20 care provider under State law or by a tribal or-
21 ganization.

22 (r) LOAN GUARANTEES.—Section 502(h)(4) of the
23 Housing Act of 1949 (42 U.S.C. 1472(h)(4)) is amend-
24 ed—

1 (1) by redesignating subparagraphs (A), (B),
2 and (C) as clauses (i), (ii), and (iii), respectively,
3 and adjusting the margins accordingly;

4 (2) by striking “Loans may be guaranteed” and
5 inserting the following:

6 “(A) DEFINITION.—In this paragraph, the
7 term ‘accessory dwelling unit’ means a single,
8 habitable living unit—

9 “(i) with means of separate ingress
10 and egress;

11 “(ii) that is usually subordinate in
12 size;

13 “(iii) that can be added to, created
14 within, or detached from a primary 1-unit,
15 single-family dwelling; and

16 “(iv) in combination with a primary
17 1-unit, single-family dwelling, constitutes a
18 single interest in real estate.

19 “(B) SINGLE-FAMILY REQUIREMENT.—
20 Loans may be guaranteed”; and

21 (3) by adding at the end the following:

22 “(C) RULE OF CONSTRUCTION.—Nothing
23 in this paragraph shall be construed to prohibit
24 the leasing of an accessory dwelling unit or the
25 use of rental income derived from such a lease

1 to qualify for a loan guaranteed under this sub-
2 section—

3 “(i) after the date of enactment of the
4 21st Century ROAD to Housing Act; and

5 “(ii) if the property that is the subject
6 of the loan was constructed before the date
7 of enactment of the 21st Century ROAD
8 to Housing Act.”.

9 (s) APPLICATION REVIEW.—

10 (1) SENSE OF CONGRESS.—It is the sense of
11 Congress, not later than 90 days after the date on
12 which the Secretary of Agriculture receives an appli-
13 cation for a loan, grant, or combined loan and grant
14 under section 502 or 504 of the Housing Act of
15 1949 (42 U.S.C. 1472, 1474), the Secretary of Agri-
16 culture should—

17 (A) review the application;

18 (B) complete the underwriting;

19 (C) make a determination of eligibility with
20 respect to the application; and

21 (D) notify the applicant of determination.

22 (2) REPORT.—

23 (A) IN GENERAL.—Not later than 90 days
24 after the date of enactment of this Act, and an-
25 nually thereafter until the date described in

1 subparagraph (B), the Secretary of Agriculture
2 shall submit to the Committee on Banking,
3 Housing, and Urban Affairs of the Senate and
4 the Committee on Financial Services of the
5 House of Representatives a report—

6 (i) detailing the timeliness of eligi-
7 bility determinations and final determina-
8 tions with respect to applications under
9 sections 502 and 504 of the Housing Act
10 of 1949 (42 U.S.C. 1472, 1474), including
11 justifications for any eligibility determina-
12 tions taking longer than 90 days; and

13 (ii) that includes recommendations to
14 shorten the timeline for notifications of eli-
15 gibility determinations described in clause
16 (i) to not more than 90 days.

17 (B) DATE DESCRIBED.—The date de-
18 scribed in this subparagraph is the date on
19 which, during the preceding 5-year period, the
20 Secretary of Agriculture provides each eligibility
21 determination described in subparagraph (A)
22 during the 90-day period beginning on the date
23 on which each application is received.

1 **SEC. 503. INCENTIVIZING LOCAL SOLUTIONS TO HOME-**
2 **LESSNESS.**

3 Section 414 of the McKinney-Vento Homeless Assist-
4 ance Act (42 U.S.C. 11373) is amended by adding at the
5 end the following:

6 “(f) **FUNDING CAP WAIVER AUTHORITY.**—

7 “(1) **IN GENERAL.**—Notwithstanding any other
8 provision of law or regulation, a recipient may re-
9 quest a waiver to the expenditure limit established
10 pursuant to section 415(b) for amounts provided for
11 each of fiscal years 2027 through 2030.

12 “(2) **WAIVER REQUEST.**—

13 “(A) **IN GENERAL.**—A recipient seeking a
14 waiver described in paragraph (1) shall submit
15 to the Secretary a waiver request that includes
16 not more than the following:

17 “(i) A demonstration of local needs
18 and circumstances that necessitate a waiv-
19 er.

20 “(ii) A detailed plan for how the re-
21 cipient intends to use funds.

22 “(iii) A justification for how the pro-
23 posed use of funds supports the most re-
24 cent Consolidated Plan submitted by the
25 recipient.

1 “(iv) Any public input solicited under
2 subparagraph (B)(ii).

3 “(B) NOTIFICATION.—Each recipient
4 shall—

5 “(i) notify all subrecipients and local
6 Continuums of Care that serve the recipi-
7 ent’s geographic area of the availability of
8 waivers under this subsection; and

9 “(ii) prior to the submission of a
10 waiver request under subparagraph (A),
11 solicit public input regarding the potential
12 need for and proposed uses of such waiver.

13 “(C) APPROVAL; PUBLICATION.—The Sec-
14 retary shall—

15 “(i) make all waiver requests sub-
16 mitted under subparagraph (A) publicly
17 available on the website of the Department
18 of Housing and Urban Development;

19 “(ii) not later than 60 days after the
20 date on which the Secretary receives a
21 waiver request under subparagraph (A),
22 approve or deny the request; and

23 “(iii) deny any waiver request sub-
24 mitted under subparagraph (A) by a re-
25 cipient that relocates or threaten to relo-

1 cate individuals or their property without
2 providing emergency shelter, rapid rehous-
3 ing, transitional housing, permanent sup-
4 portive housing, or other permanent hous-
5 ing options.

6 “(3) REVOCATION.—

7 “(A) IN GENERAL.—A waiver approved
8 under this subsection shall remain in effect for
9 the duration of the period of performance of fis-
10 cal year 2027 through 2030 grants, unless the
11 recipient notifies the Secretary in writing that
12 the recipient wishes to revoke the waiver.

13 “(B) NOTIFICATION.—If a recipient in-
14 tends to revoke a waiver under subparagraph
15 (A), the recipient shall—

16 “(i) solicit input from subrecipients
17 regarding the revocation before submitting
18 the revocation; and

19 “(ii) provide subrecipients with a sum-
20 mary of the input and the justification for
21 the revocation in its submittal prior to no-
22 tifying the Secretary in writing.

23 “(C) PUBLICATION.—The Secretary shall
24 publish any revocation of a waiver under sub-
25 paragraph (A) and the justification of the re-

1 recipient for the waiver on the website of the De-
2 partment of Housing and Urban Develop-
3 ment.”.

4 **TITLE VI—VETERANS AND** 5 **HOUSING**

6 **SEC. 601. MILITARY SERVICE QUESTION.**

7 (a) IN GENERAL.—Subpart A of part 2 of the Fed-
8 eral Housing Enterprises Financial Safety and Soundness
9 Act of 1992 (12 U.S.C. 4541 et seq.) is amended by add-
10 ing at the end the following:

11 **“SEC. 1329. UNIFORM RESIDENTIAL LOAN APPLICATION.**

12 “Not later than 6 months after the date of enactment
13 of this section, the Director shall, by regulation or order,
14 require each enterprise to include a disclosure below the
15 military service question which shall be above the signa-
16 ture line on the form known as the Uniform Residential
17 Loan Application stating, ‘If yes, you may qualify for a
18 VA Home Loan. Consult your lender regarding eligi-
19 bility.’.”.

20 (b) GAO STUDY.—Not later than 18 months after
21 the date of enactment of this Act, the Comptroller General
22 of the United States shall conduct a study and submit to
23 the Congress a report on whether or not less than 80 per-
24 cent of lenders using the Uniform Residential Loan Appli-
25 cation have included on that form the disclaimer required

1 under section 1329 of the Federal Housing Enterprises
2 Financial Safety and Soundness Act of 1992, as added
3 by subsection (a).

4 **SEC. 602. HOUSING UNHOUSED DISABLED VETERANS ACT.**

5 (a) EXCLUSION OF CERTAIN DISABILITY BENE-
6 FITS.—Section 3(b)(4)(B) of the United States Housing
7 Act of 1937 (42 U.S.C. 1437a(b)(4)(B)) is amended—

8 (1) by redesignating clauses (iv) and (v) as
9 clauses (vi) and (vii), respectively; and

10 (2) by inserting after clause (iii) the following:

11 “(iv) for the purpose of determining
12 income eligibility with respect to the sup-
13 ported housing program under section
14 8(o)(19), any disability benefits received
15 under chapter 11 or chapter 15 of title 38,
16 United States Code, received by a veteran,
17 except that this exclusion shall not apply
18 to the income in the definition of adjusted
19 income;

20 “(v) for the purpose of determining
21 income eligibility with respect to any
22 household receiving rental assistance under
23 the supported housing program under sec-
24 tion 8(o)(19) as it relates to eligibility for
25 other types of housing assistance, any dis-

1 ability benefits received under chapter 11
2 or chapter 15 of title 38, United States
3 Code, received by a veteran, but such
4 amounts shall not be excluded from income
5 when determining adjusted income;”.

6 (b) TREATMENT OF CERTAIN DISABILITY BENE-
7 FITS.—

8 (1) IN GENERAL.—When determining the eligi-
9 bility of a veteran to rent a residential dwelling unit
10 constructed on Department property on or after the
11 date of the enactment of this Act, for which assist-
12 ance is provided as part of a housing assistance pro-
13 gram administered by the Secretary, the Secretary
14 shall exclude from income any disability benefits re-
15 ceived under chapter 11 or chapter 15 of title 38,
16 United States Code by such person.

17 (2) DEFINITIONS.—In this subsection:

18 (A) SECRETARY.—The term “Secretary”
19 means the Secretary of Housing and Urban De-
20 velopment.

21 (B) DEPARTMENT PROPERTY.—The term
22 “Department property” has the meaning given
23 the term in section 901 of title 38, United
24 States Code.

1 **TITLE VII—OVERSIGHT AND**
2 **ACCOUNTABILITY**

3 **SEC. 701. REQUIRING ANNUAL TESTIMONY AND OVER-**
4 **SIGHT FROM HOUSING REGULATORS.**

5 Section 7 of the Department of Housing and Urban
6 Development Act (42 U.S.C. 3535) is amended by adding
7 at the end the following:

8 “(u) ANNUAL TESTIMONY.—The Secretary shall ap-
9 pear before the Committee on Banking, Housing, and
10 Urban Affairs of the Senate and the Committee on Finan-
11 cial Services of the House of Representatives at an annual
12 hearing and present testimony regarding the operations
13 of the Department during the preceding year, including—

14 “(1) the current programs and operations of
15 the Department;

16 “(2) the physical condition of all public housing
17 and other housing assisted by the Department;

18 “(3) the financial health of the mortgage insur-
19 ance funds of the Federal Housing Agency;

20 “(4) oversight by the Department of grantees
21 and subgrantees for purposes of preventing waste,
22 fraud, and abuse;

23 “(5) the progress made by the Federal Govern-
24 ment in ending the affordable housing and homeless-
25 ness crises;

1 “(6) the capacity of the Department to deliver
2 on its statutory mission; and

3 “(7) other ongoing activities of the Department,
4 as appropriate.”.

5 **SEC. 702. FHA REPORTING REQUIREMENTS ON SAFETY**
6 **AND SOUNDNESS.**

7 Section 202(a) of the National Housing Act (12
8 U.S.C. 1708(a)) is amended by adding at the end the fol-
9 lowing:

10 “(8) OTHER REQUIRED REPORTING.—The Sec-
11 retary shall—

12 “(A) submit to Congress monthly reports
13 on the capital ratio required under section
14 205(f)(2); and

15 “(B) notify Congress as soon as prac-
16 ticable after the Fund falls below the capital
17 ratio required under section 205(f)(2).”.

18 **SEC. 703. UNITED STATES INTERAGENCY COUNCIL ON**
19 **HOMELESSNESS OVERSIGHT.**

20 Section 203(a) of the McKinney-Vento Homeless As-
21 sistance Act (42 U.S.C. 11313(a)) is amended—

22 (1) in paragraph (1)—

23 (A) by striking “Homeless Emergency As-
24 sistance and Rapid Transition to Housing Act

1 of 2009” and inserting “21st Century ROAD to
2 Housing Act”; and

3 (B) by striking “update such plan annu-
4 ally” and inserting “submit to the President
5 and Congress a report every year thereafter
6 that includes—

7 “(A) the status of completion of the plan;
8 and

9 “(B) any modifications that were made to
10 the plan and the reasons for those modifica-
11 tions;”;

12 (2) by redesignating paragraphs (10) through
13 (13) as paragraphs (11) through (14), respectively;

14 (3) by redesignating the second paragraph (9)
15 (relating to collecting and disseminating informa-
16 tion) as paragraph (10);

17 (4) in paragraph (13), as so redesignated, by
18 striking “and” at the end;

19 (5) in paragraph (14), as so redesignated, by
20 striking the period at the end and inserting “; and”;
21 and

22 (6) by adding at the end the following:

23 “(15) testify annually before Congress, if re-
24 quested.”.

1 **SEC. 704. APPRAISAL MODERNIZATION ACT.**

2 (a) RECONSIDERATION OF VALUE.—

3 (1) FEDERALLY BACKED MORTGAGE LOAN DE-
4 FINED.—In this subsection, the term “federally
5 backed mortgage loan” has the meaning given the
6 term in section 4022 of the CARES Act (15 U.S.C.
7 9056).

8 (2) REQUIREMENT.—The Secretary of Agri-
9 culture, the Secretary of Veterans Affairs, the Com-
10 missioner of the Federal Housing Administration,
11 and the Director of the Federal Housing Finance
12 Agency shall each implement and maintain require-
13 ments that creditors of a federally backed mortgage
14 loan have a review and resolution procedure for a
15 consumer-initiated reconsideration of value or subse-
16 quent appraisal in connection with a consumer credit
17 transaction secured by a consumer’s principal dwell-
18 ing.

19 (b) PUBLIC APPRAISAL DATABASE.—

20 (1) COVERED AGENCIES DEFINED.—In this
21 subsection, the term “covered agencies” means—

22 (A) the Federal Housing Finance Agency,
23 on behalf of the Federal National Mortgage As-
24 sociation and the Federal Home Loan Mortgage
25 Corporation;

1 (B) the Department of Housing and
2 Urban Development, including the Federal
3 Housing Administration;

4 (C) the Department of Agriculture; and

5 (D) the Department of Veterans Affairs.

6 (2) FEASIBILITY REPORT.—No later than 240
7 days after the date of enactment of this Act, the
8 Comptroller General of the United States shall sub-
9 mit to Congress a public report assessing the feasi-
10 bility of creating a publicly available appraisal data-
11 base that consists of a searchable and downloadable
12 appraisal-level public use file that consolidates ap-
13 praisal data held or aggregated by covered agencies,
14 including—

15 (A) the costs and benefits associated with
16 establishing and maintaining the public data-
17 base;

18 (B) the benefits and risks associated with
19 the Federal Housing Finance Agency or the
20 Bureau of Consumer Financial Protection being
21 responsible for the public database and whether
22 there is another Federal agency best suited for
23 implementing and administering such database;

24 (C) any safety and soundness, antitrust, or
25 consumer privacy-related risks associated with

1 making certain appraisal data factors publicly
2 available, including whether—

3 (i) there are any existing legal re-
4 quirements, including under the Home
5 Mortgage Disclosure Act of 1975 (12
6 U.S.C. 2801 et seq.) and section 552 of
7 title 5, United States Code (commonly
8 known as the “Freedom of Information
9 Act”), or additional actions Federal agen-
10 cies could take to mitigate such risks, such
11 as modifying or aggregating data or elimi-
12 nating personally identifiable information;
13 and

14 (ii) there are any data factors that, if
15 made public, may violate conduct, ethics,
16 or other professional standards as they re-
17 late to appraisals and appraisal or valu-
18 ation professionals;

19 (D) the feasibility of consolidating or
20 matching appraisal data held by covered agen-
21 cies with corresponding data that are required
22 and made public under the Home Mortgage
23 Disclosure Act of 1975 (12 U.S.C. 2801 et
24 seq.);

1 (E) whether the publication of any ap-
2 praisal data factors may pose unfair business
3 advantages within the valuation industry;

4 (F) the feasibility of including all valuation
5 data held by covered agencies, including data
6 produced by automated valuation models;

7 (G) the feasibility and benefits of making
8 the full appraisal dataset, including any modi-
9 fied fields, available to—

10 (i) Federal agencies, including for
11 purposes related to enforcement and super-
12 vision responsibilities;

13 (ii) relevant State licensing, super-
14 vision, and enforcement agencies and State
15 attorneys general;

16 (iii) approved researchers, including
17 academics and nonprofit organizations
18 that, in connection with their mission,
19 work to ensure the fairness and consist-
20 ency of home valuations, including apprais-
21 als; and

22 (iv) any other entities identified by
23 the Comptroller General as having a com-
24 pelling use for disaggregated data;

1 (H) what appraisal data are already avail-
2 able in the public domain; and

3 (I) the feasibility of incorporating legacy
4 data held by covered agencies during the period
5 beginning on January 1, 2017, and ending on
6 the date of enactment of this Act, and whether
7 there are specific data points not easily consoli-
8 dated or matched, as described in subparagraph
9 (D), with more recent data.

10 (3) PURPOSE.—The database described in para-
11 graph (2) shall be used to provide the public, the
12 Federal Government, and State governments with
13 residential real estate appraisal data to help deter-
14 mine whether financial institutions, appraisal man-
15 agement companies, appraisers, valuation tech-
16 nologies, such as automated valuation models, and
17 other valuation professionals are effectively serving
18 the entire housing market.

19 (4) CONSULTATION.—As part of the informa-
20 tion used in the report required under paragraph
21 (2), the Comptroller General of the United States
22 shall conduct interviews with—

23 (A) relevant Federal agencies;

1 (B) relevant State licensing, supervision,
2 and enforcement agencies and State attorneys
3 general;

4 (C) appraisers and other home valuation
5 industry professionals;

6 (D) mortgage lending institutions;

7 (E) fair housing and fair lending experts;
8 and

9 (F) any other relevant stakeholders as de-
10 termined by the Comptroller General.

11 (5) HEARING.—Upon the completion of the re-
12 port under paragraph (2), the Committee on Bank-
13 ing, Housing, and Urban Affairs of the Senate and
14 the Committee on Financial Services of the House of
15 Representatives shall each hold a hearing on the
16 findings of the report and the feasibility of estab-
17 lishing a public appraisal-level appraisal database.

18 **TITLE VIII—ACCOUNTABILITY,**
19 **COORDINATION, STUDIES,**
20 **AND REPORTING**

21 **SEC. 801. HUD-USDA-VA INTERAGENCY COORDINATION**
22 **ACT.**

23 (a) MEMORANDUM OF UNDERSTANDING.—The Sec-
24 retary of Housing and Urban Development, the Secretary
25 of Agriculture, and the Secretary of Veterans Affairs shall

1 establish a memorandum of understanding, or other ap-
2 propriate interagency agreement, to share relevant hous-
3 ing-related research and market data that facilitate evi-
4 dence-based policymaking.

5 (b) INTERAGENCY REPORT.—

6 (1) REPORT.—Not later than 180 days after
7 the date of enactment of this Act, the Secretary of
8 Housing and Urban Development, the Secretary of
9 Agriculture, and the Secretary of Veterans Affairs
10 shall jointly submit to the Committee on Banking,
11 Housing, and Urban Affairs of the Senate and the
12 Committee on Financial Services of the House of
13 Representatives a report containing—

14 (A) a description of opportunities for in-
15 creased collaboration between the Secretary of
16 Housing and Urban Development, the Secretary
17 of Agriculture, and the Secretary of Veterans
18 Affairs to reduce inefficiencies in housing pro-
19 grams;

20 (B) a list of Federal laws (including regu-
21 lations) that adversely affect the availability
22 and affordability of new construction of assisted
23 housing and single-family and multifamily resi-
24 dential housing subject to mortgages insured
25 under title II of the National Housing Act (12

1 U.S.C. 1707 et seq.), insured, guaranteed, or
2 made by the Secretary of Agriculture under
3 title V of the Housing Act of 1949 (42 U.S.C.
4 1471 et seq.), or insured, guaranteed, or made
5 by the Secretary of Veterans Affairs under
6 chapter 37 of title 38, United States Code; and

7 (C) recommendations for Congress regard-
8 ing the Federal laws (including regulations) de-
9 scribed in subparagraph (B).

10 (2) PUBLICATION.—The report required under
11 paragraph (1) shall, prior to submission under this
12 subsection, be published in the Federal Register and
13 open for comment for a period of 30 days.

14 **SEC. 802. STREAMLINING RURAL HOUSING ACT.**

15 (a) IN GENERAL.—Not later than 180 days after the
16 date of enactment of this Act, the Secretary of Housing
17 and Urban Development and the Secretary of Agriculture
18 shall enter into a memorandum of understanding to—

19 (1) evaluate categorical exclusions under the en-
20 vironmental review process for housing projects
21 funded by amounts from the Department of Housing
22 and Urban Development and the Department of Ag-
23 riculture;

24 (2) develop a process to designate a lead agency
25 and streamline adoption of environmental impact

1 statements and environmental assessments approved
2 by the other Department to construct housing
3 projects funded by both agencies;

4 (3) maintain compliance with environmental
5 regulations under part 58 of title 24, Code of Fed-
6 eral Regulations, as in effect on January 1, 2025,
7 except as required to amend, add, or remove cat-
8 egorical exclusions identified under section 58.35 of
9 title 24, Code of Federal Regulations, through
10 standard rulemaking procedures; and

11 (4) evaluate the feasibility of a joint physical in-
12 spection process for housing projects funded by
13 amounts from the Department of Housing and
14 Urban Development and the Department of Agri-
15 culture.

16 (b) REPORT.—Not later than 1 year after the date
17 of enactment of this Act, the Secretary of Housing and
18 Urban Development and the Secretary of Agriculture shall
19 submit to the Committee on Banking, Housing, and
20 Urban Affairs of the Senate and the Committee on Finan-
21 cial Services of the House of Representatives a report that
22 includes recommendations for legislative, regulatory, or
23 administrative actions—

24 (1) to improve the efficiency and effectiveness
25 of housing projects funded by amounts from the De-

1 partment of Housing and Urban Development and
2 the Department of Agriculture; and

3 (2) that do not materially, with respect to resi-
4 dents of housing projects described in paragraph
5 (1)—

6 (A) reduce the safety of those residents;

7 (B) shift long-term costs onto those resi-
8 dents; or

9 (C) undermine the environmental stand-
10 ards of those residents.

11 **SEC. 803. IMPROVING SELF-SUFFICIENCY OF FAMILIES IN**
12 **HUD-SUBSIDIZED HOUSING.**

13 (a) IN GENERAL.—

14 (1) STUDY.—Subject to subsection (b), the Sec-
15 retary of Housing and Urban Development shall
16 conduct a study on the implementation of work re-
17 quirements implemented prior to the date of enact-
18 ment of this Act by public housing agencies de-
19 scribed in paragraph (4) participating in the Moving
20 to Work demonstration authorized under section 204
21 of the Departments of Veterans Affairs and Housing
22 and Urban Development, and Independent Agencies
23 Appropriations Act, 1996 (42 U.S.C. 1437f note).

24 (2) SCOPE.—The study required under para-
25 graph (1) shall—

1 (A) consider the short-, medium-, and
2 long-term benefits and challenges of work re-
3 quirements on public housing agencies described
4 in paragraph (4) and on program participants
5 who are subject to such requirements, including
6 the effects work requirements have on home-
7 lessness rates, poverty rates, asset building,
8 earnings growth, job attainment and retention,
9 and public housing agencies' administrative ca-
10 pacity; and

11 (B) include quantitative and qualitative
12 evidence, including interviews with program
13 participants described in subparagraph (A) and
14 their respective resident councils.

15 (3) REPORT.—Not later than 1 year after the
16 date of enactment of this Act, the Secretary shall
17 submit to the Committee on Banking, Housing, and
18 Urban Affairs of the Senate and the Committee on
19 Financial Services of the House of Representatives
20 a report on the initial findings of the study required
21 under paragraph (1).

22 (4) PUBLIC HOUSING AGENCIES DESCRIBED.—
23 The public housing agencies described in this para-
24 graph are public housing agencies that, as part of an
25 application to participate in the demonstration au-

1 thorized under section 204 of the Departments of
2 Veterans Affairs and Housing and Urban Develop-
3 ment, and Independent Agencies Appropriations Act,
4 1996 (42 U.S.C. 1437f note), submit a proposal
5 identifying work requirements as an innovative pro-
6 posal.

7 (b) DETERMINATION.—The requirement under sub-
8 section (a) shall apply if the Secretary of Housing and
9 Urban Development determines that—

10 (1) there are a sufficient number of public
11 housing agencies described in subsection (a)(4) such
12 that the Secretary of Housing and Urban Develop-
13 ment can rigorously evaluate the impact of the im-
14 plementation of work requirements described in that
15 subsection; and

16 (2) the study would not negatively impact low-
17 income families receiving assistance through a public
18 housing agency described in subsection (a)(4).

19 **SEC. 804. GAO STUDIES.**

20 (a) WORKFORCE HOUSING STUDY.—

21 (1) MIDDLE-INCOME HOUSEHOLD DEFINED.—
22 In this subsection, the term “middle-income house-
23 hold” means a household with an income above 80
24 percent but that does not exceed 120 percent of the
25 median family income of the area, as determined by

1 the Secretary of Housing and Urban Development
2 with adjustments for smaller and larger families.

3 (2) STUDY.—Not later than 1 year after the
4 date of enactment of this Act, the Comptroller Gen-
5 eral of the United States shall conduct a study and
6 submit to Congress a report that—

7 (A) identifies obstacles middle-income
8 households face when looking to secure afford-
9 able housing;

10 (B) identifies geographic areas where hous-
11 ing is the most unaffordable and unavailable for
12 middle-income households;

13 (C) includes a list of Federal housing pro-
14 grams, including Federal tax credits, grants,
15 and loan programs, that are not available to
16 middle-income households due to their income
17 status, including Federal housing programs de-
18 signed to promote affordability;

19 (D) recommends income and other param-
20 eters to establish a clear and consistent Federal
21 definition for the term “workforce housing” for
22 use when describing the segment of housing
23 that could be made available to those middle-in-
24 come households in Federal housing programs

1 if funding commensurate with the additional eli-
2 gibility were to be made available; and

3 (E) analyzes how to modify or newly de-
4 velop new Federal housing programs and incen-
5 tives to include “workforce housing” if funding
6 commensurate with the additional eligibility
7 were to be made available.

8 (b) HOUSING FOR ELDERLY OR DISABLED.—Not
9 later than 1 year after the date of enactment of this Act,
10 the Comptroller General of the United States shall carry
11 out a study and submit to Congress a report that identifies
12 options to remove barriers and improve housing for per-
13 sons who are elderly or disabled, including any potential
14 impacts of providing capital advances for—

15 (1) the program for supportive housing for the
16 elderly under section 202 of the Housing Act of
17 1959 (12 U.S.C. 1701q); and

18 (2) the program for supportive housing for per-
19 sons with disabilities under section 811 of the Cran-
20 ston-Gonzalez National Affordable Housing Act (42
21 U.S.C. 8013).

22 (c) PROXIMITY OF HOUSING TO SUPERFUND
23 SITES.—Not later than 1 year after the date of enactment
24 of this Act, the Comptroller General of the United States
25 shall carry out a study and submit to Congress a report

1 that identifies how many residential dwelling units, and
2 how many dwelling units that are a part of public housing
3 (as defined in section 3(b) of the United States Housing
4 Act of 1937 (42 U.S.C. 1437a(b))), are located less than
5 1 mile from a site that is included on the National Prior-
6 ities List established pursuant to section 105 of the Com-
7 prehensive Environmental Response, Compensation, and
8 Liability Act of 1980 (42 U.S.C. 9605).

9 (d) RESIDENTIAL HEIRS PROPERTY.—Not later than
10 1 year after the date of enactment of this Act, the Comp-
11 troller General of the United States shall carry out a study
12 and submit to the Committee on Banking, Housing, and
13 Urban Affairs of the Senate and the Committee on Finan-
14 cial Services of the House of Representatives a report
15 that—

16 (1) establishes a comprehensive definition of
17 residential heirs property, or family land inherited
18 without a will or legal documentation of ownership;

19 (2) examines the occurrence of and con-
20 sequences to owners of residential heirs property,
21 and provides an estimate regarding the number of
22 current residential heirs properties;

23 (3) describes the objectives and requirements of
24 the Uniform Partition of Heirs Property Act as ap-

1 proved by the National Conference of Commissioners
2 on Uniform State Laws in 2010;

3 (4) details the various resources that may be
4 available to the owners of residential heirs prop-
5 erties, including housing counseling, legal services,
6 and financial assistance to resolve residential heirs
7 property title issues from the Federal Government,
8 nonprofit organizations, and institutions of higher
9 education; and

10 (5) makes recommendations with respect to how
11 to reduce the number of residential heirs properties,
12 including—

13 (A) by incentivizing States and other juris-
14 dictions which enact or adopt the Uniform Par-
15 tition of Heirs Property Act or similar such re-
16 forms;

17 (B) by awarding grants to States and
18 other jurisdictions to assist residents of those
19 States and jurisdictions to establish and docu-
20 ment property ownership rights or settle a dece-
21 dent's estate;

22 (C) by awarding grants to entities that—

23 (i) provide housing counseling, legal
24 assistance, and financial assistance to
25 home-owners and their heirs relating to

1 title clearing and home retention efforts of
2 heirs' property; and

3 (ii) target services to low- and mod-
4 erate-income persons or provide services in
5 neighborhoods that have a high concentra-
6 tion of low- and moderate-income persons;
7 and

8 (D) by conducting other activities that as-
9 sist individuals to clear title with respect to
10 heirs' property and with general estate plan-
11 ning.

12 **SEC. 805. IMPROVING PUBLIC HOUSING AGENCY ACCOUNT-**
13 **ABILITY.**

14 (a) IN GENERAL.—The Secretary shall require each
15 covered public housing agency to provide a notice each
16 year to the Secretary that—

17 (1) indicates that if a receiver or Federal mon-
18 itor remains appointed for the covered public hous-
19 ing agency as of October 1 of the calendar year to
20 which such notice relates;

21 (2) provides the date on which the receiver or
22 Federal monitor was first appointed and the pro-
23 jected date, if known, the appointment of the re-
24 ceiver or Federal monitor will be terminated; and

1 (3) identifies the current receiver or Federal
2 monitor appointed to oversee the public housing
3 agency.

4 (b) FEDERAL MONITOR AND RECEIVER TRANS-
5 PARENCY.—

6 (1) Notwithstanding any other provision of law,
7 not later than October 1 of each year, each receiver
8 or Federal monitor that is currently appointed to
9 oversee a covered public housing agency shall pro-
10 vide to the Committee on Financial Services of the
11 House of Representatives and the Committee on
12 Banking, Housing, and Urban Affairs of the Senate
13 a written assessment that—

14 (A) describes the management and over-
15 sight activities of the receiver or Federal mon-
16 itor for the covered public housing agency;

17 (B) identifies the significant factors that
18 led to the appointment of the receiver or Fed-
19 eral monitor for the covered public housing
20 agency;

21 (C) identifies the factors that remain unre-
22 solved at the covered public housing agency that
23 have led to the continued oversight of the re-
24 ceiver or Federal monitor; and

1 (D) includes a timeline developed by the
2 receiver or Federal monitor that projects when
3 the factors identified under subparagraphs (B)
4 and (C) will be resolved.

5 (2) In addition to the written assessment re-
6 quired in paragraph (1), upon written request by the
7 Committee on Financial Services of the House of
8 Representatives or the Committee on Banking,
9 Housing, and Urban Affairs of the Senate, each re-
10 ceiver or Federal monitor appointed to oversee a
11 covered public housing agency shall promptly furnish
12 additional or supplemental information requested by
13 the Committee on Financial Services of the House of
14 Representatives or the Committee on Banking,
15 Housing, and Urban Affairs of the Senate with re-
16 spect to the covered public housing agency which
17 such receiver or Federal monitor is appointed to
18 oversee, including presenting testimony upon re-
19 quest.

20 (c) DISCLOSURE REQUIRED.—The Secretary shall,
21 not later than 1 year after the date of the enactment of
22 this section, require each covered public housing agency
23 to publicly disclose, on the website of the covered public
24 housing agency, with respect to each contract entered into

1 by such covered public housing agency in the preceding
2 year, the following information:

3 (1) All material information about the contract,
4 including the goods and service provided.

5 (2) The identity of the vendor selected to re-
6 ceive the contract.

7 (3) The date of the solicitation of the contract.

8 (4) The relevant information pertaining to the
9 bids and quotes solicited for the contract.

10 (5) The name of the official who solicited the
11 contract.

12 (d) INSPECTOR GENERAL REVIEW.—Not later than
13 180 days after receiving a written request from the Com-
14 mittee on Financial Services of the House of Representa-
15 tives or the Committee on Banking, Housing, and Urban
16 Affairs of the Senate, the Inspector General shall provide
17 to the requesting committee an analysis of—

18 (1) the status of any covered public housing
19 agency's compliance with any agreements entered
20 into between the covered public housing agency and
21 the Department of Housing and Urban Develop-
22 ment, including specific areas of deficiency and
23 progress toward compliance;

24 (2) a review of actions taken by the receiver or
25 Federal monitor appointed to oversee a covered pub-

1 lic housing agency and any private sector housing
2 development partners pursuant to such agreement,
3 including any gaps in oversight by the receiver or
4 Federal monitor;

5 (3) an assessment of the physical conditions of
6 housing provided by the covered public housing
7 agency, including the status of the covered public
8 housing agency's compliance with relevant health
9 and safety requirements;

10 (4) an examination of any allegations of waste,
11 fraud, abuse or violations of Federal law committed
12 by employees or contractors of the covered public
13 housing agency;

14 (5) any additional pertinent information, as de-
15 termined necessary and appropriate by the inspector
16 general; and

17 (6) any recommendations of the inspector gen-
18 eral that relate to how to improve the compliance of
19 the covered public housing agency with any agree-
20 ments entered into with the Department of Housing
21 and Urban Development or enhance the oversight of
22 the receiver or Federal monitor over such covered
23 public housing agency.

24 (e) DEFINITIONS.—

1 (1) COVERED PUBLIC HOUSING AGENCY.—The
2 term “covered public housing agency” means a pub-
3 lic housing agency (as such term is defined in sec-
4 tion 3(b) of the United States Housing Act of 1937
5 (42 U.S.C. 1437a(b))) for which an administrative
6 or judicial receiver or Federal monitor was ap-
7 pointed.

8 (2) INSPECTOR GENERAL.—The term “inspec-
9 tor general” means the inspector general of the De-
10 partment of Housing and Urban Development.

11 (3) SECRETARY.—The term “Secretary” means
12 the Secretary of Housing and Urban Development.

13 **TITLE IX—STRENGTHENING**
14 **COMMUNITY BANKS’ ROLE IN**
15 **HOUSING**

16 **SEC. 901. COMMUNITY BANK DEPOSIT ACCESS.**

17 (a) IN GENERAL.—Section 29 of the Federal Deposit
18 Insurance Act (12 U.S.C. 1831f) is amended by adding
19 at the end the following:

20 “(j) LIMITED EXCEPTION FOR CUSTODIAL DEPOS-
21 ITS.—

22 “(1) IN GENERAL.—Custodial deposits of an el-
23 igible institution shall not be considered to be funds
24 obtained, directly or indirectly, by or through a de-
25 posit broker to the extent that the total amount of

1 such custodial deposits does not exceed an amount
2 equal to 20 percent of the total liabilities of the eligi-
3 ble institution.

4 “(2) DEFINITIONS.—In this subsection:

5 “(A) CUSTODIAL DEPOSIT.—The term
6 ‘custodial deposit’ means a deposit that is not
7 deposited at an insured depository institution in
8 return for fees paid by the insured depository
9 institution pursuant to an agreement with a
10 third party and that would otherwise be consid-
11 ered to be obtained, directly or indirectly, by or
12 through a deposit broker, if the deposit is de-
13 posited at 1 or more insured depository institu-
14 tions, for the purpose of providing or maintain-
15 ing deposit insurance for the benefit of a third
16 party, by or through any of the following, each
17 acting in a formal custodial or fiduciary capac-
18 ity for the benefit of a third party:

19 “(i) An insured depository institution
20 serving as agent, trustee, or custodian.

21 “(ii) A trust entity controlled by an
22 insured depository institution serving as
23 agent, trustee, or custodian.

24 “(iii) A State-chartered trust company
25 serving as agent, trustee, or custodian.

1 “(iv) A plan administrator or invest-
2 ment advisor, acting in a formal custodial
3 or fiduciary capacity for the benefit of a
4 plan.

5 “(B) ELIGIBLE INSTITUTION.—The term
6 ‘eligible institution’ means an insured deposi-
7 tory institution that accepts custodial deposits,
8 if the insured depository institution has less
9 than \$10,000,000,000 in total assets as re-
10 ported on the consolidated report of condition
11 and income as reported quarterly to the appro-
12 priate Federal banking agency and—

13 “(i)(I) when most recently examined
14 under section 10(d) was assigned a com-
15 posite rating of 1, 2, or 3 under the Uni-
16 form Financial Institutions Rating System
17 (or an equivalent rating under a com-
18 parable rating system); and

19 “(II) is well capitalized; or

20 “(ii) has obtained a waiver pursuant
21 to subsection (c).

22 “(C) PLAN.—The term ‘plan’ has the
23 meaning given the term in section 3 of the Em-
24 ployee Retirement Income Security Act of 1974
25 (29 U.S.C. 1002).

1 “(D) PLAN ADMINISTRATOR.—The term
2 ‘plan administrator’ has the meaning given the
3 term ‘administrator’ in section 3 of the Em-
4 ployee Retirement Income Security Act of 1974
5 (29 U.S.C. 1002).

6 “(E) WELL CAPITALIZED.—The term ‘well
7 capitalized’ has the meaning given the term in
8 section 38(b).”.

9 (b) INTEREST RATE RESTRICTION.—Section 29 of
10 the Federal Deposit Insurance Act (12 U.S.C. 1831f), as
11 amended by subsection (a), is further amended by adding
12 at the end the following:

13 “(k) RESTRICTION ON INTEREST RATE PAID ON
14 CERTAIN CUSTODIAL DEPOSITS.—

15 “(1) DEFINITIONS.—In this subsection—

16 “(A) the terms ‘custodial deposit’, ‘eligible
17 institution’, and ‘well capitalized’ have the
18 meanings given those terms in subsection (j);
19 and

20 “(B) the term ‘covered insured depository
21 institution’ means an insured depository institu-
22 tion that while acting as an eligible institution
23 under subsection (j), accepts custodial deposits
24 while not well capitalized.

1 “(2) PROHIBITION.—A covered insured deposi-
2 tory institution may not pay a rate of interest on
3 custodial deposits that are accepted while not well
4 capitalized that, at the time the funds or custodial
5 deposits are accepted, significantly exceeds the limit
6 set forth in paragraph (3).

7 “(3) LIMIT ON INTEREST RATES.—The limit on
8 the rate of interest referred to in paragraph (2) shall
9 be not greater than—

10 “(A) the rate paid on deposits of similar
11 maturity in the normal market area of the cov-
12 ered insured depository institution for deposits
13 accepted in the normal market area of the cov-
14 ered insured depository institution; or

15 “(B) the national rate paid on deposits of
16 comparable maturity, as established by the Cor-
17 poration, for deposits accepted outside the nor-
18 mal market area of the covered insured deposi-
19 tory institution.”.

20 **SEC. 902. KEEPING DEPOSITS LOCAL.**

21 (a) AMOUNT OF RECIPROCAL DEPOSITS THAT ARE
22 NOT CONSIDERED TO BE FUNDS OBTAINED BY OR
23 THROUGH A DEPOSIT BROKER.—Section 29(i) of the
24 Federal Deposit Insurance Act (12 U.S.C. 1831f(i)) is

1 amended by striking paragraph (1) and inserting the fol-
2 lowing:

3 “(1) IN GENERAL.—The sum of the following
4 amounts of reciprocal deposits of an agent institu-
5 tion shall not be considered to be funds obtained, di-
6 rectly or indirectly, by or through a deposit broker:

7 “(A) An amount equal to 50 percent of the
8 portion of the total liabilities of the agent insti-
9 tution that is less than or equal to
10 \$1,000,000,000.

11 “(B) An amount equal to 40 percent of the
12 portion, if any, of the total liabilities of the
13 agent institution that is greater than
14 \$1,000,000,000, but less than or equal to
15 \$10,000,000,000.

16 “(C) An amount equal to 30 percent of the
17 portion, if any, of the total liabilities of the
18 agent institution that is greater than
19 \$10,000,000,000, but less than or equal to
20 \$250,000,000,000.”.

21 (b) DEFINITION OF AGENT INSTITUTION.—Section
22 29(i)(2)(A)(i) of the Federal Deposit Insurance Act (12
23 U.S.C. 1831f(i)(2)(A)(i)) is amended by striking sub-
24 clause (I) and inserting the following:

1 “(I) when most recently examined under
2 section 10(d) was assigned a CAMELS rating
3 of 1, 2, or 3 under the Uniform Financial Insti-
4 tutions Rating System (or an equivalent rating
5 under a comparable rating system); and”.

6 (c) RECIPROCAL DEPOSITS STUDY.—

7 (1) IN GENERAL.—The Federal Deposit Insur-
8 ance Corporation, in consultation with the Board of
9 Governors of the Federal Reserve System, shall
10 carry out a study on reciprocal deposits.

11 (2) CONTENTS.—The study required under
12 paragraph (1) shall include—

13 (A) an analysis of how reciprocal deposits
14 have performed since 2018, which shall in-
15 clude—

16 (i) the use of quantitative and quali-
17 tative data;

18 (ii) a breakdown of the usage of recip-
19 rocal deposits by size of insured depository
20 institution;

21 (iii) the usage of reciprocal deposits
22 during periods of stress; and

23 (iv) an analysis, to the extent prac-
24 ticable, of end-user depositors, such as mu-
25 nicipalities, businesses, and nonprofit orga-

1 nizations, that drive demand for reciprocal
2 products;

3 (B) an analysis, to the extent practicable,
4 of how reciprocal deposits compare to other de-
5 posit arrangements; and

6 (C) an analysis of the benefits and poten-
7 tial risks of reciprocal deposits.

8 (3) REPORT.—Not later than 6 months after
9 the date of enactment of this Act, the Federal De-
10 posit Insurance Corporation shall issue a report to
11 the Committee on Financial Services of the House of
12 Representatives and the Committee on Banking,
13 Housing, and Urban Affairs of the Senate con-
14 taining all findings and determinations made in car-
15 rying out the study required under paragraph (1).

16 **SEC. 903. TAILORED REGULATORY UPDATES FOR SUPER-**
17 **VISORY TESTING.**

18 Section 10(d) of the Federal Deposit Insurance Act
19 (12 U.S.C. 1820(d)) is amended—

20 (1) in paragraph (4)(A), by striking
21 “\$3,000,000,000” and inserting “\$6,000,000,000”;
22 and

23 (2) in paragraph (10), by striking
24 “\$3,000,000,000” and inserting “\$6,000,000,000”.

1 **SEC. 904. CREDIT UNION BOARD MODERNIZATION.**

2 Section 113 of the Federal Credit Union Act (12
3 U.S.C. 1761b) is amended—

4 (1) by striking “monthly” each place such term
5 appears;

6 (2) in the matter preceding paragraph (1), by
7 striking “The board of directors” and inserting the
8 following:

9 “(a) IN GENERAL.—The board of directors”;

10 (3) in subsection (a) (as so designated), by
11 striking “shall meet at least once a month and”; and

12 (4) by adding at the end the following:

13 “(b) MEETINGS.—The board of directors of a Federal
14 credit union shall meet as follows:

15 “(1) With respect to a de novo Federal credit
16 union, not less frequently than monthly during each
17 of the first five years of the existence of such Fed-
18 eral credit union.

19 “(2) Not less than six times annually, with at
20 least one meeting held during each fiscal quarter,
21 with respect to a Federal credit union—

22 “(A) with a composite rating of either 1 or
23 2 under the Uniform Financial Institutions
24 Rating System (or an equivalent rating under a
25 comparable rating system); and

1 “(B) with a capability of management rat-
2 ing under such composite rating of either 1 or
3 2.

4 “(3) Not less frequently than once a month,
5 with respect to a Federal credit union—

6 “(A) with a composite rating of either 3,
7 4, or 5 under the Uniform Financial Institu-
8 tions Rating System (or an equivalent rating
9 under a comparable rating system); or

10 “(B) with a capability of management rat-
11 ing under such composite rating of either 3, 4,
12 or 5.”.

13 **SEC. 905. SYSTEMIC RISK AUTHORITY TRANSPARENCY.**

14 (a) GAO REVIEW.—Section 13(c)(4)(G)(iv) of the
15 Federal Deposit Insurance Act (12 U.S.C.
16 1823(c)(4)(G)(iv)) is amended to read as follows:

17 “(iv) GAO REVIEW.—

18 “(I) IN GENERAL.—The Comp-
19 troller General of the United States
20 shall, not later than 60 days after a
21 determination is made under clause
22 (i), and again 180 days thereafter, re-
23 view and report to the Congress on
24 the determination under clause (i), in-
25 cluding—

- 1 “(aa) the basis for the deter-
- 2 mination;
- 3 “(bb) the purpose for which
- 4 any action was taken pursuant to
- 5 such clause;
- 6 “(cc) the likely effect of the
- 7 determination and such action on
- 8 the incentives and conduct of in-
- 9 sured depository institutions and
- 10 uninsured depositors;
- 11 “(dd) any mismanagement
- 12 by the executives and board of
- 13 the insured depository institution
- 14 that contributed to the failure of
- 15 the insured depository institu-
- 16 tion;
- 17 “(ee) a review of the com-
- 18 pensation practices of the insured
- 19 depository institution;
- 20 “(ff) any supervisory or reg-
- 21 ulatory shortcomings with respect
- 22 to the appropriate Federal bank-
- 23 ing agency of the insured deposi-
- 24 tory institution;

1 “(gg) any actions taken by
2 the Federal banking regulators,
3 Financial Stability Oversight
4 Council, Department of the
5 Treasury, and other relevant fi-
6 nancial regulators in relation to
7 the failure of the insured deposi-
8 tory institution; and

9 “(hh) any additional rel-
10 evant entities or activities that
11 may have contributed to the fail-
12 ure of the insured depository in-
13 stitution, including with respect
14 to auditing, accounting, credit
15 rating agencies, investment bank
16 underwriters, and emergency li-
17 quidity options such as loans
18 from the Federal reserve banks
19 or advances through the Federal
20 Home Loan Bank system.

21 “(II) RULE OF CONSTRUC-
22 TION.—Nothing in this clause or a re-
23 port issued pursuant to this clause
24 may be construed to limit the author-
25 ity of a Federal agency to enforce vio-

1 lations of Federal statutes, rules, or
2 orders.”.

3 (b) APPROPRIATE FEDERAL BANKING AGENCY RE-
4 PORT.—Section 13(c) of the Federal Deposit Insurance
5 Act (12 U.S.C. 1823(c)) is amended by adding at the end
6 the following:

7 “(12) APPROPRIATE FEDERAL BANKING AGEN-
8 CY REPORT.—

9 “(A) IN GENERAL.—The appropriate Fed-
10 eral banking agency of an insured depository
11 institution about which a determination is made
12 under paragraph (4)(G)(i) shall, not later than
13 90 days after the date of such determination,
14 and again 210 days thereafter, submit a report
15 to the Congress that discloses the following:

16 “(i) Subject to such redactions as the
17 appropriate Federal banking agency deter-
18 mines appropriate to protect personally
19 identifiable information about customers
20 and other financial institutions (as such
21 term is defined under section
22 11(e)(9)(D))—

23 “(I) all reports of examination
24 and inspection that relate to the failed

1 insured depository institution in the
2 previous 3-year period;

3 “(II) all formal communications
4 of a material supervisory determina-
5 tion conveyed to the failed insured de-
6 pository institution in the previous 3-
7 year period; and

8 “(III) any additional exam re-
9 ports and correspondence that the ap-
10 propriate Federal banking agency de-
11 termines may be relevant to the fail-
12 ure of the insured depository institu-
13 tion.

14 “(ii) An examination of any mis-
15 management by the executives and board
16 of the insured depository institution that
17 contributed to the failure of the insured
18 depository institution.

19 “(iii) Any supervisory or regulatory
20 shortcomings by such appropriate Federal
21 banking agency with respect to the insured
22 depository institution.

23 “(iv) Any dynamics that the appro-
24 priate Federal banking agency determines

1 may have contributed to the failure of the
2 insured depository institution.

3 “(v) Any supervisory, regulatory, or
4 legislative recommendations such appro-
5 priate Federal banking agency may have to
6 improve the safety and soundness of simi-
7 larly situated insured depository institu-
8 tions, the banking system, and financial
9 stability.

10 “(B) PROTECTION OF SENSITIVE INFOR-
11 MATION.—

12 “(i) EFFECT ON PRIVILEGE.—The
13 provision of any information by a Federal
14 banking agency under this paragraph may
15 not be construed as—

16 “(I) waiving, destroying, or oth-
17 erwise affecting any privilege applica-
18 ble to the information; or

19 “(II) waiving any exemption ap-
20 plicable to the information under sec-
21 tion 552 of title 5, United States
22 Code (commonly known as the ‘Free-
23 dom of Information Act’).

24 “(ii) TRANSPARENCY.—

1 “(I) IN GENERAL.—A Federal
2 banking agency shall publish mate-
3 rials contained in a report required
4 under subparagraph (A) to the fullest
5 extent possible to promote trans-
6 parency.

7 “(II) CONSULTATION ON OMIT-
8 TING MATERIALS.—If a Federal bank-
9 ing agency determines particular ma-
10 terials described under subclause (I)
11 should not be published, the Federal
12 banking agency shall consult with the
13 chair and ranking member of the
14 Committee on Financial Services of
15 the House of Representatives and the
16 chair and ranking member of the
17 Committee on Banking, Housing, and
18 Urban Affairs of the Senate.

19 “(III) OMITTING MATERIALS.—
20 If, after the consultation required
21 under subclause (II), the Federal
22 banking agency determines there is a
23 substantial public interest in not pub-
24 lishing such materials, the Federal
25 banking agency shall provide those

1 materials to the Committee on Finan-
2 cial Services of the House of Rep-
3 resentatives and the Committee on
4 Banking, Housing, and Urban Affairs
5 of the Senate with a written expla-
6 nation describing the reasons for not
7 publishing those materials.

8 “(iii) PRIVILEGE.—For purposes of
9 this subparagraph, the term ‘privilege’ in-
10 cludes any work-product, attorney-client,
11 or other privilege recognized under Federal
12 or State law.

13 “(C) REPORT EXTENSION.—A Federal
14 banking agency may extend a deadline de-
15 scribed under subparagraph (A) for an addi-
16 tional 60 days, if the Federal banking agency—

17 “(i) faces ongoing circumstances that
18 require the Federal banking agency to
19 prioritize activities to promote stability of
20 the United States banking system; and

21 “(ii) notifies the Congress of such ex-
22 tension and the reasons for such extension.

23 “(D) CONSOLIDATED REPORTS.—A Fed-
24 eral banking agency may consolidate multiple
25 reports required under this paragraph so long

1 as the individual reports being consolidated all
2 meet the timing requirements under this para-
3 graph.

4 “(E) RULE OF CONSTRUCTION.—Nothing
5 in this paragraph or reports or materials pro-
6 vided pursuant to this paragraph may be con-
7 strued to limit the authority of a Federal agen-
8 cy to enforce violations of Federal statutes,
9 rules, or orders.”.

10 **SEC. 906. LEAST COST EXCEPTION.**

11 (a) IN GENERAL.—Section 13(c)(4) of the Federal
12 Deposit Insurance Act (12 U.S.C. 1823(c)(4)) is amend-
13 ed—

14 (1) in subparagraph (A)(ii), by inserting “ex-
15 cept as provided in subparagraph (I),” before “the
16 total amount”;

17 (2) in subparagraph (E)(i), by inserting “and
18 except as provided in subparagraph (I),” after “ap-
19 propriate,”; and

20 (3) by adding at the end the following:

21 “(I) LEAST COST RESOLUTION EXCEP-
22 TION.—

23 “(i) IN GENERAL.—With respect to an
24 exercise of authority by the Corporation
25 described in subparagraph (A), the Cor-

1 poration may, at the discretion of the Cor-
2 poration, select an alternative method of
3 exercising such authority that is not the
4 least costly to the Deposit Insurance Fund,
5 if—

6 “(I) the Corporation determines
7 that the selected alternative complies
8 with the requirements of clause (iii);
9 and

10 “(II) the Corporation and the
11 Board of Governors of the Federal
12 Reserve System, after consultation
13 with the Secretary of the Treasury,
14 determine that the potential addi-
15 tional risks to the Deposit Insurance
16 Fund of the selected alternative are
17 outweighed by the reasonably expected
18 benefits of limiting further concentra-
19 tion of the United States banking sys-
20 tem in global systemically important
21 banking organizations.

22 “(ii) MAXIMUM COST TO THE DEPOSIT
23 INSURANCE FUND.—Not later than 1 year
24 after the date of enactment of this sub-
25 paragraph, the Corporation, by rule, shall

1 establish criteria for determining on a
2 case-by-case basis the maximum allowable
3 cost against the net worth of the Deposit
4 Insurance Fund that may be utilized to ac-
5 count for any determination under clause
6 (i).

7 “(iii) REQUIREMENTS DESCRIBED.—
8 The requirements for the selected alter-
9 native described in clause (i) are as fol-
10 lows:

11 “(I) The selected alternative is
12 the least costly to the Deposit Insur-
13 ance Fund of all alternatives that do
14 not involve a transaction with a global
15 systemically important banking orga-
16 nization and that do not exceed the
17 cost of liquidating the insured deposi-
18 tory institution.

19 “(II) The difference between the
20 cost of the selected alternative and the
21 cost of a covered alternative is less
22 than or equal to the maximum cost to
23 the Deposit Insurance Fund specified
24 pursuant to the rule adopted under
25 clause (ii).

1 “(III) In the case of a selected
2 alternative that involves another per-
3 son purchasing assets of the insured
4 depository institution or assuming de-
5 posit liabilities of the insured deposi-
6 tory institution, such person agrees to
7 pay an assessment to the Corporation
8 comprised of payments—

9 “(aa) made over a period to
10 be determined by the Corpora-
11 tion, but which may not be less
12 than 5 years; and

13 “(bb) in an amount that
14 takes into account, on a case-by-
15 case basis, criteria the Corpora-
16 tion, by rule, shall establish, in-
17 cluding a realistic discount rate,
18 the aggregate amount equal to
19 the difference calculated in sub-
20 clause (II), and any bid incon-
21 sistent with the purposes of this
22 Act, with such rule to be estab-
23 lished by the Corporation not
24 later than 1 year after the date

1 of enactment of this subpara-
2 graph.

3 “(iv) REPORT TO CONGRESS.—Not
4 later than 30 days after selecting an alter-
5 native described in clause (i), the Corpora-
6 tion shall issue a report to the Committee
7 on Financial Services of the House of Rep-
8 resentatives and the Committee on Bank-
9 ing, Housing, and Urban Affairs of the
10 Senate containing an analysis of the eco-
11 nomic difference between the cost to the
12 Deposit Insurance Fund of the selected al-
13 ternative and the cost to the Deposit In-
14 surance Fund of the least costly alternative
15 that would have been selected absent the
16 application of this subparagraph.

17 “(v) COST DETERMINATIONS.—All
18 cost determinations required under this
19 subparagraph shall be made in accordance
20 with subparagraphs (B) and (C).

21 “(vi) DEFINITIONS.—In this subpara-
22 graph:

23 “(I) COVERED ALTERNATIVE.—
24 The term ‘covered alternative’ means
25 a method of exercising authority de-

1 scribed in subparagraph (A) that is
2 the least costly to the Deposit Insur-
3 ance Fund of all such methods that
4 involve a sale of all or substantially all
5 assets of the insured depository insti-
6 tution to, and assumption of all or
7 substantially all deposit liabilities of
8 the insured depository institution by,
9 a global systemically important bank-
10 ing organization.

11 “(II) GLOBAL SYSTEMICALLY IM-
12 PORTANT BANKING ORGANIZATION.—
13 The term ‘global systemically impor-
14 tant banking organization’ means a
15 global systemically important BHC
16 (as such term is defined in section
17 217.402 of title 12, Code of Federal
18 Regulations, or any successor thereto)
19 and any affiliate thereof.”.

20 (b) RULE OF CONSTRUCTION.—Section 13(c)(4)(H)
21 of the Federal Deposit Insurance Act (12 U.S.C.
22 1823(c)(4)(H)) does not apply to the amendments made
23 by subsection (a).

1 **SEC. 907. FAILING BANK ACQUISITION FAIRNESS.**

2 (a) CONCENTRATION LIMIT EXCEPTIONS ONLY
3 AVAILABLE TO AVOID SERIOUS ADVERSE ECONOMIC OR
4 FINANCIAL EFFECTS.—

5 (1) CONCENTRATION LIMITS WITH RESPECT TO
6 DEPOSITS.—

7 (A) FEDERAL DEPOSIT INSURANCE ACT.—
8 The Federal Deposit Insurance Act (12 U.S.C.
9 1811 et seq.) is amended—

10 (i) in section 18(c)(13)—

11 (I) by amending subparagraph
12 (B) to read as follows:

13 “(B) Subparagraph (A) shall not apply to
14 an interstate merger transaction if—

15 “(i) such interstate merger trans-
16 action involves 1 or more insured deposi-
17 tory institutions in default or in danger of
18 default and the responsible agency deter-
19 mines, based on clear and convincing evi-
20 dence, that consummation of the proposed
21 interstate merger transaction is necessary
22 to prevent significant economic disruption
23 or significant adverse effects on financial
24 stability, and the Corporation has not re-
25 ceived any qualified bid from a company

1 that is not subject to the prohibition in
2 subparagraph (A); or

3 “(ii) the Corporation provides assist-
4 ance under section 13 to facilitate such
5 interstate merger transaction and the re-
6 sponsible agency determines, based on
7 clear and convincing evidence, that con-
8 summation of the proposed interstate
9 merger transaction is necessary to prevent
10 significant economic disruption or signifi-
11 cant adverse effects on financial stability,
12 and the Corporation has not received any
13 qualified bid from a company that is not
14 subject to the prohibition in subparagraph
15 (A).”; and

16 (II) in subparagraph (C)—

17 (aa) in clause (i), by striking
18 “and” at the end;

19 (bb) in clause (ii), by strik-
20 ing the period at the end and in-
21 serting a semicolon; and

22 (cc) by adding at the end
23 the following:

1 “(iii) the term ‘qualified bid’ means
2 an application, proposed application, or bid
3 from a company where—

4 “(I) if applicable, the company,
5 any affiliate insured depository insti-
6 tution, and any affiliate depository in-
7 stitution holding company are well
8 capitalized and well managed, as of
9 the date of the application, proposed
10 application, or bid; and

11 “(II) upon consummation of the
12 transaction, the resulting insured de-
13 pository institution is well capitalized;

14 “(iv) the term ‘well capitalized’—

15 “(I) with respect to an insured
16 depository institution, has the mean-
17 ing given such term in section 38(b)
18 of the Federal Deposit Insurance Act
19 (12 U.S.C. 1831o(b));

20 “(II) with respect to a bank hold-
21 ing company, has the meaning given
22 such term in section 2(o)(1)(B) of the
23 Bank Holding Company Act of 1956
24 (12 U.S.C. 1841(o)(1)(B));

1 “(III) with respect to a savings
2 and loan holding company, has the
3 meaning given such term in section
4 238.2 of title 12, Code of Federal
5 Regulations; and

6 “(IV) with respect to a company
7 that is not an insured depository insti-
8 tution, bank holding company, or sav-
9 ings and loan holding company,
10 means maintaining equity capital that
11 the Corporation determines is com-
12 mensurate with the capital maintained
13 by an insured depository institution
14 that is well capitalized; and

15 “(v) the term ‘well managed’ has the
16 meaning given such term in section 2(o)(9)
17 of the Bank Holding Company Act of 1956
18 (12 U.S.C. 1841(o)(9)).”; and

19 (ii) in section 44, by amending sub-
20 section (e) to read as follows:

21 “(e) EXCEPTION FOR BANKS IN DEFAULT OR IN
22 DANGER OF DEFAULT.—

23 “(1) GENERAL EXCEPTION.—The responsible
24 agency may, without regard to paragraph (1), (3),
25 (4), or (5) of subsection (b) or paragraph (2), (4),

1 or (5) of subsection (a), approve an application
2 under subsection (a)(1) for approval of a merger
3 transaction if—

4 “(A) the merger transaction involves 1 or
5 more banks in default or in danger of default;
6 or

7 “(B) the Corporation provides assistance
8 under section 13(c) to facilitate such merger
9 transaction.

10 “(2) CONCENTRATION LIMIT EXCEPTION.—The
11 responsible agency may, without regard to sub-
12 section (b)(2), approve an application under sub-
13 section (a)(1) for approval of a merger transaction
14 if—

15 “(A) the merger transaction involves 1 or
16 more banks in default or in danger of default
17 and the responsible agency determines, based
18 on clear and convincing evidence, that con-
19 summation of the proposed interstate merger
20 transaction is necessary to prevent significant
21 economic disruption or significant adverse ef-
22 fects on financial stability, and the Corporation
23 has not received any qualified bid from another
24 institution that is not subject to the prohibition
25 in subsection (b)(2); or

1 “(B) the Corporation provides assistance
2 under section 13(c) to facilitate such merger
3 transaction and the responsible agency deter-
4 mines, based on clear and convincing evidence,
5 that consummation of the proposed interstate
6 merger transaction is necessary to prevent sig-
7 nificant economic disruption or significant ad-
8 verse effects on financial stability, and the Cor-
9 poration has not received any qualified bid from
10 another institution that is not subject to the
11 prohibition in subsection (b)(2).

12 “(3) QUALIFIED BID DEFINED.—In this sub-
13 section, the term ‘qualified bid’ has the meaning
14 given that term in section 18(c)(13)(C).”.

15 (B) BANK HOLDING COMPANY ACT OF
16 1956.—The Bank Holding Company Act of
17 1956 (12 U.S.C. 1841 et seq.) is amended—

18 (i) in section 3(d), by amending para-
19 graph (5) to read as follows:

20 “(5) EXCEPTION FOR BANKS IN DEFAULT OR
21 IN DANGER OF DEFAULT.—

22 “(A) GENERAL EXCEPTION.—The Board
23 may, without regard to subparagraph (B) or
24 (D) of paragraph (1) or paragraph (3), approve

1 an application pursuant to paragraph (1)(A)
2 if—

3 “(i) the application is for an acquisi-
4 tion of 1 or more banks in default or in
5 danger of default; or

6 “(ii) the application is for an acquisi-
7 tion with respect to which assistance is
8 provided under section 13(c) of the Fed-
9 eral Deposit Insurance Act.

10 “(B) CONCENTRATION LIMIT EXCEP-
11 TION.—The Board may, without regard to
12 paragraph (2), approve an application pursuant
13 to paragraph (1)(A) if—

14 “(i) the application is for the acquisi-
15 tion of 1 or more banks in default or in
16 danger of default and the Board deter-
17 mines, based on clear and convincing evi-
18 dence, that consummation of the proposed
19 acquisition is necessary to prevent signifi-
20 cant economic disruption or significant ad-
21 verse effects on financial stability, and the
22 Corporation has not received any qualified
23 bid from another institution that is not
24 subject to the prohibition in paragraph (2);
25 or

1 “(ii) the application is for an acquisi-
2 tion with respect to which assistance is
3 provided under section 13(c) of the Fed-
4 eral Deposit Insurance Act and the Board
5 determines, based on clear and convincing
6 evidence, that consummation of the pro-
7 posed acquisition is necessary to prevent
8 significant economic disruption or signifi-
9 cant adverse effects on financial stability,
10 and the Corporation has not received any
11 qualified bid from another institution that
12 is not subject to the prohibition in para-
13 graph (2).

14 “(C) QUALIFIED BID DEFINED.—In this
15 paragraph, the term ‘qualified bid’ has the
16 meaning given that term in section
17 18(c)(13)(C) of the Federal Deposit Insurance
18 Act.”; and

19 (ii) in section 4(i)(8), by amending
20 subparagraph (B) to read as follows:

21 “(B) EXCEPTION.—Subparagraph (A)
22 shall not apply to an acquisition if—

23 “(i) such acquisition involves an in-
24 sured depository institution in default or in
25 danger of default and the Board deter-

1 mines, based on clear and convincing evi-
2 dence, that consummation of the proposed
3 acquisition is necessary to prevent signifi-
4 cant economic disruption or significant ad-
5 verse effects on financial stability, and the
6 Corporation has not received any qualified
7 bid (as defined in section 18(c)(13)(C) of
8 the Federal Deposit Insurance Act) from
9 another institution that is not subject to
10 the prohibition in paragraph (2); or

11 “(ii) the Federal Deposit Insurance
12 Corporation provides assistance under sec-
13 tion 13 of the Federal Deposit Insurance
14 Act to facilitate such acquisition and the
15 Board determines, based on clear and con-
16 vincing evidence, that consummation of the
17 proposed acquisition is necessary to pre-
18 vent significant economic disruption or sig-
19 nificant adverse effects on financial sta-
20 bility, and the Corporation has not received
21 any qualified bid (as defined in section
22 18(c)(13)(C) of the Federal Deposit Insur-
23 ance Act) from another institution that is
24 not subject to the prohibition in paragraph
25 (2).”.

1 (2) CONCENTRATION LIMIT WITH RESPECT TO
2 CONSOLIDATED LIABILITIES.—Section 14(c) of the
3 Bank Holding Company Act of 1956 (12 U.S.C.
4 1852(e)) is amended—

5 (A) by redesignating paragraphs (1), (2),
6 and (3) as subparagraphs (A), (B), and (C), re-
7 spectively;

8 (B) by striking “With the” and inserting
9 the following:

10 “(1) IN GENERAL.—With the”; and

11 (C) by adding at the end the following:

12 “(2) LIMITATION.—The Board may provide
13 written consent for an acquisition described in para-
14 graph (1)(A) or in paragraph (1)(B) only if the
15 Board determines, based on clear and convincing
16 evidence, that consummation of the proposed acqui-
17 sition is necessary to prevent significant economic
18 disruption or significant adverse effects on financial
19 stability, and the Corporation has not received any
20 qualified bid (as defined in section 18(c)(13)(C) of
21 the Federal Deposit Insurance Act) from another in-
22 stitution that is not subject to the prohibition in
23 subsection (b).”.

24 (b) CONGRESSIONAL NOTIFICATION AND JUSTIFICA-
25 TION FOR WAIVERS.—

1 (1) IN GENERAL.—Whenever the Board of Gov-
2 ernors of the Federal Reserve System, the Comp-
3 troller of the Currency, or the Federal Deposit In-
4 surance Corporation waives a concentration limit
5 under section 18(c)(13)(B) or section 44(e) of the
6 Federal Deposit Insurance Act or under section
7 3(d)(5), section 4(i)(8)(B), or section 14(c)(2) of the
8 Bank Holding Company Act of 1956, in connection
9 with the acquisition of a bank or insured depository
10 institution in default or in danger of default, or in
11 connection with an acquisition with respect to which
12 the Federal Deposit Insurance Corporation provides
13 assistance under section 13 of the Federal Deposit
14 Insurance Act, the waiving agency and the Federal
15 Deposit Insurance Corporation, jointly, shall, not
16 later than 30 days after such waiver, submit a writ-
17 ten report to the Committee on Financial Services of
18 the House of Representatives and the Committee on
19 Banking, Housing, and Urban Affairs of the Senate
20 containing—

21 (A) a justification for the waiver, including
22 an analysis of why it was necessary to prevent
23 significant economic disruption or significant
24 adverse effects on financial stability;

1 (B) a description of alternative bids or out-
2 comes considered, including efforts to solicit
3 and encourage bids from entities that would not
4 require a waiver;

5 (C) an explanation of why alternative bids
6 were not selected, if applicable; and

7 (D) any recommendations for legislative or
8 regulatory changes to improve competition in
9 future insured depository institution resolu-
10 tions.

11 (2) PUBLIC DISCLOSURE.—The waiving agency
12 submitting a report under paragraph (1) and the
13 Federal Deposit Insurance Corporation shall make
14 the report publicly available on their respective
15 websites, subject to redactions for confidential super-
16 visory information and any other information de-
17 scribed under section 552(b) of title 5, United
18 States Code.

19 (c) LIMITATION ON CONSIDERING BAD FAITH BIDS
20 IN LEAST COST DETERMINATION.—Section 13(c)(4) of
21 the Federal Deposit Insurance Act (12 U.S.C.
22 1823(c)(4)), as amended by section 906(a)(3), is further
23 amended by adding at the end the following:

24 “(J) LIMITATION ON CONSIDERING BAD
25 FAITH BIDS.—In making a determination under

1 this paragraph of whether an exercise of au-
2 thority is the least costly to the Deposit Insur-
3 ance Fund, the Corporation may not consider
4 any application, proposed application, or bid
5 from a company, if such application, proposed
6 application, or bid would result in violation of—

7 “(i) section 18(c)(13) or 44(b)(2); or

8 “(ii) section 3(d)(2), 4(i)(8), or 14 of
9 the Bank Holding Company Act of 1956.”.

10 **SEC. 908. ADVANCING THE MENTOR-PROTÉGÉ PROGRAM**
11 **FOR SMALL FINANCIAL INSTITUTIONS.**

12 Section 308 of the Financial Institutions Reform, Re-
13 covery, and Enforcement Act of 1989 (12 U.S.C. 1463
14 note) is amended by adding at the end the following new
15 subsection:

16 “(d) FINANCIAL AGENT MENTOR-PROTÉGÉ PRO-
17 GRAM.—

18 “(1) IN GENERAL.—The Secretary of the
19 Treasury shall establish a program to be known as
20 the ‘Financial Agent Mentor-Protégé Program’ (in
21 this subsection referred to as the ‘Program’) under
22 which a financial agent designated by the Secretary
23 or a large financial institution may serve as a men-
24 tor, under guidance or regulations prescribed by the

1 Secretary, to a small financial institution to allow
2 such small financial institution—

3 “(A) to be prepared to perform as a finan-
4 cial agent; or

5 “(B) to improve capacity to provide serv-
6 ices to the customers of the small financial in-
7 stitution.

8 “(2) OUTREACH.—The Secretary shall hold
9 outreach events to promote the participation of fi-
10 nancial agents, large financial institutions, and small
11 financial institutions in the Program at least once a
12 year.

13 “(3) EXCLUSION.—The Secretary shall issue
14 guidance or regulations to establish a process under
15 which a financial agent, large financial institution,
16 or small financial institution may be excluded from
17 participation in the Program.

18 “(4) REPORT.—The Secretary shall report to
19 Congress information pertaining to the Program, in-
20 cluding—

21 “(A) the number of financial agents, large
22 financial institutions, and small financial insti-
23 tutions participating in such Program; and

1 “(B) the number of outreach events de-
2 scribed in paragraph (2) held during the year
3 covered by such report.

4 “(5) DEFINITIONS.—In this subsection:

5 “(A) FINANCIAL AGENT.—The term ‘fi-
6 nancial agent’ means any national banking as-
7 sociation designated by the Secretary of the
8 Treasury to be employed as a financial agent of
9 the Government.

10 “(B) LARGE FINANCIAL INSTITUTION.—
11 The term ‘large financial institution’ means any
12 entity regulated by the Comptroller of the Cur-
13 rency, the Board of Governors of the Federal
14 Reserve System, the Federal Deposit Insurance
15 Corporation, or the National Credit Union Ad-
16 ministration that has total consolidated assets
17 greater than or equal to \$50,000,000,000.

18 “(C) RURAL DEPOSITORY INSTITUTION.—
19 The term ‘rural depository institution’ means a
20 depository institution (as defined in section 3 of
21 the Federal Deposit Insurance Act)—

22 “(i) with total consolidated assets of
23 less than \$10,000,000,000; and

1 “(ii) located in a rural area, as de-
2 fined under section 1026.35(b)(2)(iv)(A) of
3 title 12, Code of Federal Regulations.

4 “(D) SMALL FINANCIAL INSTITUTION.—

5 The term ‘small financial institution’ means—

6 “(i) any entity regulated by the
7 Comptroller of the Currency, the Board of
8 Governors of the Federal Reserve System,
9 the Federal Deposit Insurance Corpora-
10 tion, or the National Credit Union Admin-
11 istration that has total consolidated assets
12 less than or equal to \$2,000,000,000;

13 “(ii) a minority depository institution;

14 or

15 “(iii) a rural depository institution.”.

16 **SEC. 909. AMERICAN ACCESS TO BANKING.**

17 (a) STREAMLINING APPLICATION PROCESS AND RE-
18 VIEW OF CAPITAL RAISING BY DE NOVO REGULATED IN-
19 STITUTIONS.—

20 (1) IN GENERAL.—Each of the Federal finan-
21 cial institutions regulatory agencies shall—

22 (A) for the purpose of streamlining the
23 process of applying to become a de novo regu-
24 lated institution, conduct a review of any appli-
25 cation forms related to such process;

1 (B) to the extent practicable, gather infor-
2 mation needed from applicants seeking to be-
3 come a de novo regulated institution from other
4 Federal Government agencies or public sources
5 to minimize information requests of such appli-
6 cants; and

7 (C) in consultation with the Securities and
8 Exchange Commission, review how de novo reg-
9 ulated institutions raise capital while maintain-
10 ing investor protections, including the impact
11 of—

12 (i) general capital raising restrictions;

13 and

14 (ii) capital raising restrictions related
15 to individuals who are not accredited inves-
16 tors.

17 (2) REPORT.—Not later than 1 year after the
18 date of the enactment of this section, and annually
19 for 5 years thereafter, each of the Federal financial
20 institutions regulatory agencies shall submit to the
21 Committee on Financial Services of the House of
22 Representatives and the Committee on Banking,
23 Housing, and Urban Affairs of the Senate and pub-
24 lish on a public website of such agency a report that
25 contains—

1 (A) a description of the actions taken by
2 such agency pursuant to paragraph (1); and

3 (B) as appropriate, any administrative or
4 legislative recommendations with respect to the
5 purpose described in paragraph (1)(C).

6 (b) IMPROVING COMMUNICATION WITH DE NOVO
7 REGULATED INSTITUTIONS.—

8 (1) IN GENERAL.—Each of the Federal finan-
9 cial institutions regulatory agencies shall, at the re-
10 quest of an applicant to become a de novo regulated
11 institution, designate an employee of the agency as
12 a caseworker, who may perform such duty in addi-
13 tion to the other duties of the employee.

14 (2) CASEWORKER DUTIES.—Each caseworker
15 described in paragraph (1) shall, to the maximum
16 extent practicable—

17 (A) meet with the lead organizers applying
18 to become a de novo regulated institution to
19 provide a tutorial with respect to the applica-
20 tion process; and

21 (B) be the primary point of contact of the
22 respective Federal financial institutions regu-
23 latory agency for such organizers during the ap-
24 plication process.

1 (3) NEW CASEWORKER.—Each agency de-
2 scribed in paragraph (1) may designate a new case-
3 worker, as appropriate, to support continuity based
4 on staffing and responsibilities assigned to the cur-
5 rent caseworker.

6 (c) DE NOVO MENTOR-PROTÉGÉ PARTNERSHIPS.—

7 (1) IN GENERAL.—At the request of an institu-
8 tion that seeks to become a de novo regulated insti-
9 tution, each of the Federal financial institutions reg-
10 ulatory agencies shall, to the maximum extent prac-
11 ticable, provide a list to such institution of similar
12 types of institutions that—

13 (A) were recently approved to become a de
14 novo regulated institution; and

15 (B) are interested in volunteering to serve
16 as a mentor to provide advice about the de novo
17 application process.

18 (2) MENTORSHIP INFORMATION.—Not later
19 than 1 year after the date of the enactment of this
20 section, each of the Federal financial institutions
21 regulatory agencies shall provide public information
22 and directions on how an institution may request a
23 mentor or serve as a mentor as described in para-
24 graph (1).

1 (d) STATE AND STAKEHOLDER ENGAGEMENT
2 PLAN.—

3 (1) IN GENERAL.—Each of the Federal finan-
4 cial institutions regulatory agencies shall develop a
5 plan to—

6 (A) regularly consult with State regulators
7 to promote cooperation between State and Fed-
8 eral banking and credit union agencies in the
9 creation of de novo regulated institutions, in-
10 cluding responding to any State regulator that
11 requests assistance on how a State-chartered fi-
12 nancial institution can request Federal insur-
13 ance;

14 (B) regularly consult with stakeholders, in-
15 cluding applicants to become de novo regulated
16 institutions and recently approved regulated in-
17 stitutions, to inform any reforms that may sup-
18 port the creation of de novo regulated institu-
19 tions, including rural institutions, community
20 development financial institutions, and minority
21 depository institutions; and

22 (C) provide guidance, training material,
23 and regular workshops to assist any interested
24 parties to understand such agencies' processes.

25 (2) SUBMISSION TO CONGRESS.—

1 (A) IN GENERAL.—Not later than 2 years
2 after the date of the enactment of this section,
3 and every 5 years thereafter, each of the Fed-
4 eral financial institutions regulatory agencies
5 shall submit to the Committee on Financial
6 Services of the House of Representatives and
7 the Committee on Banking, Housing, and
8 Urban Affairs of the Senate the respective plan
9 of such agency described in paragraph (1).

10 (B) PUBLIC COMMENT.—With respect to
11 developing the plan described in paragraph (1),
12 each of the Federal financial institutions regu-
13 latory agencies shall—

14 (i) provide an opportunity for public
15 comments; and

16 (ii) take such public comments into
17 consideration.

18 (e) DEFINITIONS.—

19 (1) IN GENERAL.—In this section:

20 (A) FEDERAL BANKING AGENCY.—The
21 term “Federal banking agency” has the mean-
22 ing given the term in section 3 of the Federal
23 Deposit Insurance Act (12 U.S.C. 1813).

24 (B) FEDERAL FINANCIAL INSTITUTIONS
25 REGULATORY AGENCIES.—The term “Federal

1 financial institutions regulatory agencies” has
2 the meaning given the term in section 1003 of
3 the Federal Financial Institutions Examination
4 Council Act of 1978 (12 U.S.C. 3302).

5 (C) REGULATED INSTITUTION.—The term
6 “regulated institution” means—

7 (i) with respect to a Federal banking
8 agency, a depository institution (as such
9 term is defined in section 3 of the Federal
10 Deposit Insurance Act (12 U.S.C. 1813))
11 for which the Federal banking agency is
12 the appropriate Federal banking agency
13 (as such term is defined in such section 3);
14 and

15 (ii) with respect to the National Cred-
16 it Union Administration, an insured credit
17 union (as such term is defined in section
18 101 of the Federal Credit Union Act (12
19 U.S.C. 1752)).

20 (D) STATE.—The term “State” means
21 each of the several States, the District of Co-
22 lumbia, and each territory of the United States.

23 (E) STATE REGULATOR.—The term “State
24 regulator” means—

1 (i) with respect to a Federal banking
2 agency, a State banking regulator; and

3 (ii) with respect to the National Cred-
4 it Union Administration, the State regu-
5 latory agency having jurisdiction over a
6 State credit union (as such term is defined
7 in section 101 of the Federal Credit Union
8 Act (12 U.S.C. 1752)).

9 (2) **RULE OF CONSTRUCTION.**—For purposes of
10 this section, the process of applying to become a de
11 novo regulated institution shall include the process
12 of applying for Federal deposit insurance, Federal
13 share insurance, or membership in the Federal Re-
14 serve System.

15 **SEC. 910. PROMOTING NEW BANK FORMATION.**

16 (a) **PILOT PHASE-IN OF CAPITAL STANDARDS.**—The
17 Federal banking agencies may issue rules that provide for
18 a 2-year phase-in period for a qualifying community bank
19 or its depository institution holding company to meet any
20 Federal capital requirements that would otherwise be ap-
21 plicable to the qualifying community bank or its depository
22 institution holding company, beginning on—

23 (1) the date on which the qualifying community
24 bank became an insured depository institution; or

1 (2) in the case of its depository institution hold-
2 ing company, the date on which the qualifying com-
3 munity bank of the depository institution holding
4 company became an insured depository institution.

5 (b) PILOT CHANGES TO BUSINESS PLANS.—

6 (1) IN GENERAL.—During the 2-year period be-
7 ginning on the date on which a qualifying commu-
8 nity bank became an insured depository institution,
9 the qualifying community bank or its depository in-
10 stitution holding company may request to deviate
11 from a business plan that has been approved by the
12 appropriate Federal banking agency by submitting a
13 request to such agency pursuant to this section.

14 (2) REVIEW OF CHANGES.—The appropriate
15 Federal banking agency shall, not later than the end
16 of the 90-day period beginning on the receipt of a
17 request under paragraph (1)—

18 (A) approve, conditionally approve, or deny
19 such request; and

20 (B) notify the applicant of such decision
21 and, if the agency denies the request—

22 (i) provide the applicant with the rea-
23 son for such denial; and

1 (ii) suggest changes to the request
2 that, if adopted, would allow the agency to
3 approve such request.

4 (3) RESULT OF FAILURE TO ACT.—If the ap-
5 propriate Federal banking agency fails to approve or
6 deny a request within the 90-day period required
7 under paragraph (2), such request shall be deemed
8 to be approved.

9 (c) PILOT PROGRAM STUDY.—

10 (1) STUDY.—The Federal banking agencies
11 shall, jointly, carry out a study on the impact of the
12 Pilot Program carried out pursuant to subsections
13 (a) and (b) of this section on the formation of de
14 novo insured depository institutions, including such
15 institutions which are rural depository institutions,
16 community development financial institutions, and
17 minority depository institutions, taking into account
18 safety and soundness, promoting competition, and
19 expanding access to affordable financial products
20 and services to underserved communities.

21 (2) REPORT TO CONGRESS.—Not later than De-
22 cember 31, 2031, the Federal banking agencies
23 shall, jointly, issue a report to the Committee on Fi-
24 nancial Services of the House of Representatives and
25 the Committee on Banking, Housing, and Urban Af-

1 fairs of the Senate containing all findings and deter-
2 minations made in carrying out the study required
3 under paragraph (1).

4 (d) STUDY ON DE NOVO INSURED DEPOSITORY IN-
5 STITUTIONS.—

6 (1) STUDY.—The Federal banking agencies
7 shall, jointly, carry out a study on—

8 (A) the principal causes for the low num-
9 ber of de novo insured depository institutions in
10 the 10-year period ending on the date of enact-
11 ment of this subsection;

12 (B) ways to promote more de novo insured
13 depository institutions in areas currently under-
14 served by insured depository institutions; and

15 (C) ways to ensure de novo depository in-
16 stitutions, including institutions which are rural
17 depository institutions, community development
18 financial institutions, and minority depository
19 institutions, can utilize the Community Bank
20 Leverage Ratio.

21 (2) REPORT TO CONGRESS.—Not later than the
22 end of the 1-year period beginning on the date of en-
23 actment of this Act, the Federal banking agencies
24 shall, jointly, issue a report to the Committee on Fi-
25 nancial Services of the House of Representatives and

1 the Committee on Banking, Housing, and Urban Af-
2 fairs of the Senate containing all findings and deter-
3 minations made in carrying out the study required
4 under paragraph (1).

5 (e) DEFINITIONS.—In this section:

6 (1) APPROPRIATE FEDERAL BANKING AGEN-
7 CY.—The term “appropriate Federal banking agen-
8 cy” has the meaning given the term in section 3 of
9 the Federal Deposit Insurance Act (12 U.S.C.
10 1813).

11 (2) DEPOSITORY INSTITUTION.—The term “de-
12 pository institution” has the meaning given the term
13 in section 3 of the Federal Deposit Insurance Act
14 (12 U.S.C. 1813).

15 (3) DEPOSITORY INSTITUTION HOLDING COM-
16 PANY.—The term “depository institution holding
17 company” has the meaning given the term in section
18 3 of the Federal Deposit Insurance Act (12 U.S.C.
19 1813).

20 (4) FEDERAL BANKING AGENCY.—The term
21 “Federal banking agency” has the meaning given
22 the term in section 3 of the Federal Deposit Insur-
23 ance Act (12 U.S.C. 1813).

24 (5) INSURED DEPOSITORY INSTITUTION.—The
25 term “insured depository institution” has the mean-

1 ing given the term in section 3 of the Federal De-
2 posit Insurance Act (12 U.S.C. 1813).

3 (6) QUALIFYING COMMUNITY BANK.—The term
4 “qualifying community bank” means a depository in-
5 stitution that—

6 (A) including its holding company and all
7 of its subsidiaries and affiliates, has total com-
8 bined assets of less than \$10,000,000,000; and

9 (B) became an insured depository institu-
10 tion between January 1, 2026, and December
11 31, 2028.

12 **SEC. 911. RURAL DEPOSITORIES REVITALIZATION STUDY.**

13 (a) STUDY.—The Federal banking agencies shall,
14 jointly, carry out a study—

15 (1) to identify methods to improve the growth,
16 capital adequacy, and profitability of depository in-
17 stitutions in the United States that primarily serve
18 rural areas; and

19 (2) to identify Federal statutes (other than ap-
20 propriations Acts) or regulations of the Federal
21 banking agencies that limit—

22 (A) the methods identified under para-
23 graph (1); or

24 (B) the establishment of de novo deposi-
25 tory institutions in rural areas.

1 (b) REPORT.—Not later than 1 year after the date
2 of enactment of this Act, the Federal banking agencies
3 shall, jointly, issue a report to Congress containing all
4 findings and determinations made in carrying out the
5 study required under subsection (a).

6 (c) STUDY ON RURAL CREDIT UNIONS.—The Na-
7 tional Credit Union Administration shall carry out a
8 study—

9 (1) to identify methods to improve the growth,
10 capital adequacy, and profitability of credit unions
11 in the United States that primarily serve rural
12 areas; and

13 (2) to identify Federal statutes (other than ap-
14 propriations Acts) or regulations of the National
15 Credit Union Administration that limit—

16 (A) the methods identified under para-
17 graph (1); or

18 (B) the establishment of de novo credit
19 unions in rural areas.

20 (d) REPORT ON RURAL CREDIT UNIONS.—Not later
21 than 1 year after the date of enactment of this Act, the
22 National Credit Union Administration shall issue a report
23 to Congress containing all findings and determinations
24 made in carrying out the study required under subsection
25 (c).

1 (e) DEFINITIONS.—In this section:

2 (1) DEPOSITORY INSTITUTION.—The term “de-
3 pository institution” has the meaning given that
4 term in section 3 of the Federal Deposit Insurance
5 Act (12 U.S.C. 1813).

6 (2) FEDERAL BANKING AGENCIES.—The term
7 “Federal banking agencies” means the Board of
8 Governors of the Federal Reserve System, the
9 Comptroller of the Currency, and the Federal De-
10 posit Insurance Corporation.

11 (3) RURAL.—With respect to an area, the term
12 “rural” has the meaning given that term in section
13 1026.35(b)(2)(iv)(A) of title 12, Code of Federal
14 Regulations.

15 **SEC. 912. DISCRETIONARY SURPLUS FUND.**

16 (a) IN GENERAL.—The dollar amount specified
17 under section 7(a)(3)(A) of the Federal Reserve Act (12
18 U.S.C. 289(a)(3)(A)) is reduced by \$115,000,000.

19 (b) EFFECTIVE DATE.—The amendment made by
20 subsection (a) shall take effect on September 30, 2035.

1 **TITLE X—HOME-OWNERSHIP**
2 **FOR MAIN STREET AMERICA**

3 **SECTION 1001. HOMES ARE FOR PEOPLE, NOT CORPORA-**
4 **TIONS.**

5 (a) PROHIBITION ON PURCHASES BY LARGE INSTI-
6 TUTIONAL INVESTORS.—

7 (1) IN GENERAL.—No covered large institu-
8 tional investor may purchase, or enter into a con-
9 tract to directly or indirectly purchase, any covered
10 single-family home.

11 (2) EXCEPTIONS.—The prohibition under para-
12 graph (1) shall not apply to—

13 (A) any excepted purchase as defined in
14 this section; or

15 (B) any purchase of a covered single-fam-
16 ily home in connection with a restructuring or
17 other reorganization of ownership of a covered
18 single-family home that was owned or pur-
19 chased on or before the date of enactment of
20 this Act.

21 (3) RULE OF CONSTRUCTION.—Nothing in this
22 section may be construed to—

23 (A) require any covered large institutional
24 investor to divest or otherwise sell any covered

1 single-family home purchased before or after
2 the date of enactment of this Act; or

3 (B) prevent the filing of a petition, or oth-
4 erwise affect any bankruptcy proceeding, under
5 title 11, United States Code.

6 (b) IMPLEMENTATION AND ENFORCEMENT.—

7 (1) IN GENERAL.—In consultation with the Sec-
8 retary of Housing and Urban Development, the Di-
9 rector of the Federal Housing Finance Agency, and
10 the Chair of the Securities and Exchange Commis-
11 sion, the Secretary of the Treasury may issue regu-
12 lations in accordance with the notice and comment
13 rulemaking procedures under section 553 of title 5,
14 United States Code, to carry out the purposes of
15 this section, including regulations to—

16 (A) minimize market disruptions upon
17 identifying a risk of material negative impact
18 on the housing market, including an impact on
19 the ability of market participants to dispose of
20 covered single-family homes in an orderly fash-
21 ion;

22 (B) mitigate, to the extent possible, nega-
23 tive impacts on the residents of covered single-
24 family homes, consumers, and communities; and

1 (C) advance the goal of expanding the
2 number of single-family homes available to indi-
3 vidual households for purchase.

4 (2) CIVIL PENALTIES.—Any covered large insti-
5 tutional investor that violates subsection (a) shall be
6 subject to a civil penalty of not more than
7 \$1,000,000 per violation, or 3 times the purchase
8 price of the property involved, whichever is greater,
9 enforced by the Secretary of the Treasury.

10 (3) TRANSFER TO HUD FOR HOME-OWNERSHIP
11 EXPANSION ACTIVITIES.—For fiscal year 2027 and
12 each fiscal year thereafter, to the extent and in the
13 amounts provided in advance in appropriations Acts,
14 civil penalties assessed under this section shall be
15 transferred to and available to the Secretary of
16 Housing and Urban Development to provide addi-
17 tional funding for the HOME Investment Partner-
18 ships program under subtitle A of title II of the
19 Cranston-Gonzalez National Affordable Housing Act
20 (42 U.S.C. 12741 et seq.), to be allocated in accord-
21 ance with the formula under that program, for new
22 construction, acquisition, and rehabilitation of sin-
23 gle-family homes and to provide assistance grants to
24 first-time home-buyers, which may be for

1 downpayments, closing costs, and interest rate
2 buydowns.

3 (c) STUDIES ON COVERED LARGE INSTITUTIONAL
4 INVESTORS.—

5 (1) GAO REPORT.—Not later than 4 years
6 after the date on which the prohibition under sub-
7 section (a)(1) takes effect, and again not later than
8 10 years after that date, the Comptroller General of
9 the United States shall submit to the Senate Com-
10 mittee on Banking, Housing, and Urban Affairs and
11 the Committee on Financial Services of the House of
12 Representatives a report on—

13 (A) the impact of the ownership by covered
14 large institutional investors on housing avail-
15 ability and affordability for renters and home-
16 buyers; and

17 (B) the effectiveness of this section in re-
18 ducing demand by covered large institutional in-
19 vestors for single-family homes and expanding
20 home-ownership for renters and home-buyers.

21 (2) HUD REPORT.—Not later than 2 years
22 after the date on which the prohibition under sub-
23 section (a)(1) takes effect, and again not later than
24 10 years after that date, the Secretary of Housing
25 and Urban Development, in consultation with the

1 Secretary of the Treasury, the Administrator of the
2 Rural Housing Service, the Executive Director of
3 the Loan Guaranty Service of the Department of
4 Veterans Affairs, the Chair of the Securities and Ex-
5 change Commission, and the Director of the Federal
6 Housing Finance Agency, shall submit to the Com-
7 mittee on Banking, Housing, and Urban Affairs of
8 the Senate and the Committee on Financial Services
9 of the House of Representatives a report on—

10 (A) whether there should be adjustments
11 to the definition of the term “covered large in-
12 stitutional investor”;

13 (B) the financial impact of this section on
14 covered large institutional investors, renters,
15 and home-buyers; and

16 (C) any legislative recommendations re-
17 garding ways to improve the authorities pro-
18 vided under this section to increase the supply
19 and affordability of single-family homes for pur-
20 chase by individual home-buyers.

21 (3) SENSE OF CONGRESS.—It is the sense of
22 Congress that this section is intended to expand the
23 number of single-family homes available to individ-
24 uals for purchase and is aimed at preserving and ex-

1 panding the supply of single-family homes available
2 to individuals.

3 (d) RENTER OUTREACH RESOURCE ESTAB-
4 LISHED.—

5 (1) IN GENERAL.—The Secretary shall, not
6 later than 180 days after the date of the enactment
7 of this section, establish a renter outreach resource
8 that consists of a toll-free telephone number and a
9 public website designed to assist renters of residen-
10 tial properties owned by a covered large institutional
11 investor in—

12 (A) notifying Federal agencies about dis-
13 putes relating to the rental of such properties,
14 including disputes about potential violations of
15 Federal law;

16 (B) sharing information about such dis-
17 putes with other Federal agencies, including
18 other Federal agencies that manage similar dis-
19 putes;

20 (C) monitoring such disputes; and

21 (D) resolving such disputes, to the extent
22 practicable.

23 (2) RESPONSE TO OUTREACH.—

24 (A) IN GENERAL.—The Secretary shall es-
25 tablish reasonable procedures to—

1 (i) promptly respond, in writing where
2 appropriate, to a renter who provides in-
3 formation to the Secretary about a dispute
4 using the renter outreach resource estab-
5 lished under paragraph (1); and

6 (ii) document such responses.

7 (B) CONTENTS.—Responses provided
8 under subparagraph (A) shall include, where
9 appropriate, information about—

10 (i) steps that have been taken by the
11 Secretary or another Federal agency in re-
12 sponse to the information about the dis-
13 pute provided by the renter, including de-
14 termining the appropriate covered large in-
15 stitutional investor involved as described in
16 paragraph (3);

17 (ii) any responses received by the Sec-
18 retary or another Federal agency from the
19 covered large institutional investor related
20 to such dispute; and

21 (iii) any outcome of the dispute, to
22 the extent practicable.

23 (3) INVESTIGATION OF POTENTIAL VIOLATIONS
24 OF FEDERAL LAW.—

1 (A) IN GENERAL.—The Secretary shall
2 promptly process and investigate any informa-
3 tion relating to a dispute received through the
4 renter outreach resource established under
5 paragraph (1) about a potential violation of
6 Federal law that is received from a renter of a
7 residential property owned by a covered large
8 institutional investor through the renter out-
9 reach resource established under paragraph (1),
10 including:

11 (i) Requesting information from a
12 covered large institutional investor;

13 (ii) Determining the appropriate cov-
14 ered large institutional investor involved in
15 the dispute; and

16 (iii) Sharing information about such
17 potential violation of Federal law with any
18 relevant Federal agencies, as the Secretary
19 may determine appropriate.

20 (B) RESPONSES TO REQUESTS FOR INFOR-
21 MATION.—Upon request for information made
22 pursuant to subparagraph (A), the Secretary
23 shall provide a covered large institutional inves-
24 tor the opportunity to respond, including re-
25 garding whether such covered large institutional

1 investor currently owns the property described
2 in such request for information.

3 (4) INFORMATION FOR APPROPRIATE STATE
4 AUTHORITY.—When the Secretary receives informa-
5 tion about a potential violation of State law or about
6 a dispute received through the renter outreach re-
7 source, from a renter of a residential property owned
8 by a covered large institutional investor through the
9 renter outreach resource established under para-
10 graph (1), the Secretary shall, at a minimum, pro-
11 vide the renter with contact information for the ap-
12 propriate, State-specific, State authority authorized
13 to process and investigate such information.

14 (5) NOTICE ABOUT RENTER OUTREACH RE-
15 SOURCE.—Each covered large institutional investor
16 shall—

17 (A) provide to each renter of a residential
18 property owned by such investor at the time
19 such renter first occupies such home and annu-
20 ally thereafter—

21 (i) written notice about the renter
22 outreach resource established under para-
23 graph (1); and

24 (ii) the name, phone number, and
25 email address of the person or entity re-

1 sponsible for receiving and addressing
2 renter disputes for the covered large insti-
3 tutional investor, and update the name,
4 phone number, and email address within
5 30 days if such information changes prior
6 to the subsequent time at which such no-
7 tice is required to be provided; and

8 (B) prominently feature information about
9 the renter outreach resource established under
10 paragraph (1) on a public website of such inves-
11 tor that is accessible by such renter.

12 (6) ANNUAL REPORT TO THE CONGRESS.—

13 (A) IN GENERAL.—The Secretary shall,
14 not later than March 31 of each year, submit
15 to the Congress a public report which analyzes
16 and aggregates the information received or ob-
17 tained pursuant to this subsection during the
18 prior year that includes—

19 (i) information about the types and
20 the number of disputes received about po-
21 tential violations of Federal law;

22 (ii) information about the types and
23 the number of disputes received about po-
24 tential violations of State law;

1 (iii) where practicable, information
2 about the resolution of such disputes; and

3 (iv) information provided to the Sec-
4 retary of Housing and Urban Development
5 under paragraph (8).

6 (B) ANONYMIZATION OF DATA.—Any data
7 included in a report that is submitted under
8 this paragraph shall be aggregated or
9 anonymized so as to protect any individual dis-
10 pute or personally identifiable information re-
11 ceived through the renter outreach resource.

12 (7) PROTECTION OF PERSONAL INFORMA-
13 TION.—In complying with the requirements of this
14 subsection, the Secretary shall take such measures
15 as the Secretary determines are necessary to provide
16 for the protection of personally identifiable informa-
17 tion received through the renter outreach resource in
18 a manner that conforms with existing standards for
19 protection of the confidentiality of personally identi-
20 fiable information.

21 (8) ANNUAL NOTIFICATION.—Not later than
22 180 days after the date of the enactment of this Act,
23 and not later than December 31st of each year
24 thereafter, each person or entity that satisfies the

1 definition of a covered large institutional investor, as
2 such terms are defined in subsection (g)(2) shall—

3 (A) notify the Secretary each year whether
4 such owner is a covered large institutional in-
5 vestor as defined in subsection (g); and

6 (B) in such notification, identify how many
7 covered single-family homes such covered large
8 institutional investor has direct or indirect in-
9 vestment control of as of the date of the sub-
10 mission of such notice, and the city and State
11 where each such covered single-family home is
12 located, unless such covered large institutional
13 investor owns 10 or fewer covered single-family
14 homes in such city.

15 (e) EFFECTIVE DATE.—The requirements and prohi-
16 bitions under subsections (a) and (b) of this section—

17 (1) shall take effect on the date that is 180
18 days after the date of enactment of this Act; and

19 (2) are repealed on the date that is 15 years
20 after the effective date under paragraph (1).

21 (f) SEVERABILITY.—If any provision of this section
22 is determined to be unenforceable or invalid, the remaining
23 provisions of this Act and the amendments made by this
24 Act shall not be affected.

25 (g) DEFINITIONS.—In this section:

1 (1) CONSUMER REPORTING AGENCY.—The term
2 “consumer reporting agency” has the meaning given
3 the term in section 603 of the Fair Credit Reporting
4 Act (15 U.S.C. 1681a).

5 (2) COVERED LARGE INSTITUTIONAL INVES-
6 TOR.—

7 (A) IN GENERAL.—The term “covered
8 large institutional investor”—

9 (i) means an investment fund, cor-
10 poration, general or limited partnership,
11 limited liability company, joint venture, as-
12 sociation, or other forprofit entity that is a
13 legal entity structured in a manner that is
14 not aforementioned that—

15 (I) is engaged, in whole or in
16 part, in the business of investing in,
17 owning, renting, or holding covered
18 single-family homes; and

19 (II) alone or in concert with 1 or
20 more other entities, beginning after
21 the date of enactment of this Act, has
22 direct or indirect investment control
23 of not less than 350 covered single-
24 family homes in the aggregate, not in-
25 cluding any covered single-family

1 home purchased in an excepted pur-
2 chase made after the date of enact-
3 ment of this Act; and

4 (ii) does not include—

5 (I) any local, State, Tribal, or
6 Federal government entity or instru-
7 mentality thereof;

8 (II) a nonprofit organization de-
9 scribed in section 501(c)(3) of the In-
10 ternal Revenue Code of 1986 that is
11 exempt from taxation under section
12 501(a) of the Internal Revenue Code;
13 or

14 (III) a community land trust as
15 such term is defined in section 104 of
16 the Cranston-Gonzalez National Af-
17 fordable Housing Act (42 U.S.C.
18 12704), as amended by this Act.

19 (B) INVESTMENT CONTROL.—

20 (i) IN GENERAL.—For purposes of
21 this paragraph, an entity has direct or in-
22 direct investment control over a covered
23 single-family home if the entity—

24 (I) owns, or has primary author-
25 ity or fiduciary responsibility to make

1 material investment or management
2 decisions relating to the covered sin-
3 gle-family home;

4 (II) is or directly or indirectly
5 controls, the general partner or man-
6 aging member of the entity that owns
7 the covered single-family home;

8 (III) is or controls the investment
9 manager, management company, or
10 investment advisor of the entity that
11 owns the covered single-family home;

12 (IV) owns or controls more than
13 25 percent of any class of equity in-
14 terests of the entity that owns the
15 covered single-family home, unless
16 such entity is a passive investor; or

17 (V) otherwise controls the entity
18 that owns the covered single-family
19 home.

20 (ii) PASSIVE INVESTMENT.—For pur-
21 poses of this paragraph, an entity shall be
22 considered a passive investor if such entity
23 does not satisfy subclauses (I), (II), and
24 (III) of clause (i).

25 (C) RULE OF CONSTRUCTION.—

1 (i) IN GENERAL.—Nothing in this Act
2 shall be construed to establish that an en-
3 tity has direct or indirect investment con-
4 trol over a covered single-family home sole-
5 ly by virtue of—

6 (I) such entity’s entry into, or
7 performance under, a third-party con-
8 tract for the property management of
9 a covered single-family home, includ-
10 ing tasks related to maintenance of
11 the home and the selection of tenants,
12 provided that such entity does not
13 have direct or indirect investment con-
14 trol over a such covered single-family
15 home; or

16 (II) owning a fractional interest
17 of a covered large institutional inves-
18 tor.

19 (3) COVERED SINGLE-FAMILY HOME.—The
20 term “covered single-family home”—

21 (A) means a property that contains 2 or
22 fewer dwelling units that are each intended for
23 residential occupancy by a single household;
24 and

25 (B) does not include—

1 (i) a manufactured home, as defined
2 in section 603 of the National Manufac-
3 tured Housing Construction and Safety
4 Standards Act of 1974 (42 U.S.C. 5402);

5 (ii) a property that, when occupied,
6 has always been occupied by a renter;

7 (iii) a property that, when occupied, is
8 rented to a member of a regular compo-
9 nent of the armed forces or a member of
10 the National Guard on full-time National
11 Guard duty, active Guard and Reserve
12 duty, or inactive-duty training (as those
13 terms are defined in section 101 of title
14 10, United States Code) who has re-
15 ceived—

16 (I) temporary duty orders to de-
17 ploy with a military unit or military
18 orders to deploy as an individual act-
19 ing in support of a military operation
20 for a period of not less than 90 days;
21 or

22 (II) orders for a permanent
23 change of station;

24 (iv) a property owned by its owner for
25 less than 365 days, other than a covered

1 single-family home purchased pursuant to
2 paragraph (4)(F);

3 (v) a property that is made up of mul-
4 tiple rental homes or units constructed on
5 a single parcel of property that cannot le-
6 gally be sold as individual homes or units
7 without further subdividing the property;

8 (vi) a property that is actively under
9 a first-look period for owner-occupants or
10 HUD-approved affordable housing non-
11 profits for a period of not less than 30
12 days; or

13 (vii) a property that is designed and
14 intended to be occupied or leased by the
15 bedroom or in which individual bedrooms
16 are intended for occupancy by separate,
17 unrelated persons under separate lease or
18 occupancy agreements.

19 (4) EXCEPTED PURCHASE.—The term “ex-
20 cepted purchase” means any purchase of a covered
21 single-family home that is—

22 (A) or will be newly constructed, renovated
23 for sale, or a rental conversion for sale by an
24 owner and not as a residence rented pending
25 sale;

1 (B) pursuant to a build-to-rent program
2 where an owner purchases, constructs, or con-
3 structs and retains a newly constructed covered
4 single-family home to be managed as a rental
5 property, whether as part of a community made
6 up exclusively of renter-occupied single-family
7 homes or as part of a community made up of
8 single-family homes that are both owner- and
9 renter-occupied;

10 (C) pursuant to a renovate-to-rent pro-
11 gram that substantially rehabilitates a covered
12 single-family home that does not meet—

13 (i) structural or core system elements
14 of local building codes; or

15 (ii) minimum property standards re-
16 quired for conventional mortgage financ-
17 ing;

18 (D) pursuant to a home-ownership pro-
19 gram that—

20 (i) requires rental payments and any
21 other fees that are not greater than those
22 collected by the covered large institutional
23 investor on other similarly situated covered
24 single-family homes not covered by the eli-
25 gible home-ownership program;

1 (ii) provides for positive reporting of
2 rental payments to consumer reporting
3 agencies for any renter, who shall be in-
4 formed of and opts into such reporting;

5 (iii) provides for a right of first re-
6 fusual and a 60-day first-look period for the
7 current renter in instances where the cov-
8 ered single-family home is offered for sale
9 to another owner; and

10 (iv) requires contribution of meaning-
11 ful financial support from the covered
12 large institutional investor, including price
13 concessions, for the purchase of a covered
14 single-family home by the renter, whether
15 for the home the renter is occupying or an-
16 other home;

17 (E) in connection with the satisfaction of
18 debts previously contracted in good faith and
19 where the owner has the right to repossess the
20 covered single-family home under such contract;

21 (F) undertaken by a mortgage servicer,
22 lender, or other entity that has a legal right to
23 purchase or otherwise acquire a covered single-
24 family home, for the purpose of loss mitigation
25 or compliance with servicing or investor obliga-

1 tions, and not as a long-term investment strat-
2 egy, and is solely as a result of—

- 3 (i) a foreclosure;
- 4 (ii) a deed in lieu of foreclosure;
- 5 (iii) enforcement of a mortgage, deed
6 of trust, or other security interest; or
- 7 (iv) operation of law following bor-
8 rower default;

9 provided that for Federally backed mortgage
10 loans as defined in section 4022(a) of the
11 CARES Act (15 U.S.C. 9056(a)), including
12 such loans that are sold to a third party, when
13 the foreclosed property purchased under this
14 provision is offered for sale, the mortgage
15 servicer, lender, or other entity provides a 30-
16 day first-look period to an owner-occupant or to
17 an affordable housing nonprofit approved by the
18 relevant Federal agency;

19 (G) purchased from a covered large insti-
20 tutional investor that either owned the covered
21 single-family home on the date of enactment of
22 this Act or purchased the covered single-family
23 home through an exempted purchase;

24 (H) intended and operated for occupancy
25 as part of a community for households with 1

1 or more members aged 55 years or older, and
2 to the extent required by law, satisfies
3 visitability standards established by the Sec-
4 retary of Housing and Urban Development;

5 (I) intended to and will be after the pur-
6 chase operated as a facility—

7 (i) used to provide residential care to
8 individuals with disabilities (as such term
9 is defined in section 3 of the Americans
10 with Disabilities Act of 1990 (42 U.S.C.
11 12102)) or developmental disabilities (as
12 such term is defined in section 102 of the
13 Developmental Disabilities Assistance and
14 Bill of Rights Act of 2000 (42 U.S.C.
15 15002)); and

16 (ii) that connects such individuals
17 with community-based services that are ap-
18 proved by Medicaid or Medicare;

19 (J) acquired as a part of a community of
20 5 or more contiguous rental units;

21 (K) planned, permitted, financed, and con-
22 structed as a part of a single unified rental
23 community on a single platted parcel, where a
24 owner or an affiliate thereof owns or controls
25 the land and manages the community as a sin-

1 gle rental facility, and the individual structures
2 within the community are not offered or in-
3 tended for individual sale to separate pur-
4 chasers;

5 (L) purchased with support from any pro-
6 gram described in section 42 of the Internal
7 Revenue Code of 1986, or any other affordable
8 housing program in which the rent of supported
9 units is restricted; or

10 (M) executed through a combination or se-
11 ries of purchases described in subparagraphs
12 (A) through (L).

13 (5) FIRST-LOOK PERIOD.—The term “first-look
14 period” means the specified period of time com-
15 mencing on the first day on which a property is
16 made available for sale during which it is exclusively
17 made available for purchase only to the entities spec-
18 ified.

19 (6) PURCHASE.—The term “purchase” includes
20 any purchase, transfer, or other acquisition of a cov-
21 ered single-family home, including through mergers,
22 acquisitions, foreclosures, or bulk purchases, whether
23 or not for cash consideration.

24 (7) SECRETARY.—The term “Secretary” means
25 the Secretary of Housing and Urban Development.

1 (8) STATE.—The term “State” means each of
2 the 50 several States of the United States, the Dis-
3 trict of Columbia, or the Commonwealth of Puerto
4 Rico.

5 **TITLE XI—CENTRAL BANK**
6 **DIGITAL CURRENCY**

7 **SEC. 1101. CENTRAL BANK DIGITAL CURRENCY.**

8 The Federal Reserve Act (12 U.S.C. 221 et seq.) is
9 amended by inserting after section 16 (12 U.S.C. 411 et
10 seq.) the following:

11 **“SEC. 16A. CENTRAL BANK DIGITAL CURRENCY.**

12 “(a) DEFINITIONS.—In this section:

13 “(1) CENTRAL BANK DIGITAL CURRENCY.—The
14 term ‘central bank digital currency’ means a digital
15 asset that—

16 “(A) is denominated in United States dol-
17 lars;

18 “(B) is a United States currency;

19 “(C) is a direct liability of the Federal Re-
20 serve System; and

21 “(D) is widely available to the general pub-
22 lic.

23 “(2) DIGITAL ASSET.—The term ‘digital asset’
24 has the meaning given the term in section 2 of the
25 GENIUS Act (12 U.S.C. 5901).

1 “(b) PROHIBITION.—Except as provided in sub-
2 section (c), the Board of Governors of the Federal Reserve
3 System or a Federal reserve bank may not issue or create
4 a central bank digital currency or any digital asset that
5 is substantially similar to a central bank digital currency
6 directly or indirectly through a financial institution or
7 other intermediary.

8 “(c) EXCEPTION.—Subsection (b) shall not prohibit
9 any dollar-denominated currency that is open,
10 permissionless, and private, and fully preserves the privacy
11 protections of United States coins and physical currency.

12 “(d) SUNSET.—This provisions of this section shall
13 cease to be effective on December 31, 2030.

14 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-
15 tion shall be construed to allow the Board of Governors
16 of the Federal Reserve to issue a central bank digital cur-
17 rency or any digital asset that is substantially similar to
18 a central bank digital currency directly or indirectly absent
19 authorization by an Act of Congress.”.

20 **TITLE XII—MISCELLANEOUS**

21 **SEC. 1201. SEVERABILITY.**

22 If any provision of this Act, or the application thereof
23 to any person or circumstance, is held invalid, the remain-
24 der of the Act, and the application of such provisions to

1 other persons or circumstances, shall not be affected
2 thereby.

3 **SEC. 1202. NO ADDITIONAL FUNDS AUTHORIZED.**

4 No additional funds are authorized to be appro-
5 priated to carry out the requirements of this Act or any
6 amendment made by this Act.