

119TH CONGRESS
2^D SESSION

H. RES. 1299

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

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2026

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

MAY 19, 2026

The Committee on Rules discharged

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.
- Sec. 107. Housing supply frameworks.

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. Addition of affordable housing construction as an eligible activity.
- Sec. 205. Better Use of Intergovernmental and Local Development (BUILD) Housing Act.
- Sec. 206. Unlocking Housing Supply Through Streamlined and Modernized Reviews Act.
- Sec. 207. Grants for planning and implementation associated with affordable housing.
- Sec. 208. Innovation Fund.
- Sec. 209. Accelerating Home Building Act.
- Sec. 210. Revitalizing Empty Structures Into Desirable Environments (RESIDE) Act.
- Sec. 211. 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.

24 (e) TREATMENT OF PROJECTS.—Projects assisted
25 under this section shall be treated as projects assisted

1 under the Community Development Block Grant program
2 under title I of the Housing and Community Development
3 Act of 1974 (42 U.S.C. 5301 et seq.).

4 (f) RULE OF CONSTRUCTION.—Nothing in this sec-
5 tion may be construed to preempt a State or local building
6 code.

7 (g) DEFINITIONS.—In this section:

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

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

1 **SEC. 103. EXEMPTION ON CONSTRUCTION OR MODIFICA-**
2 **TION OF RESIDENTIAL HOUSING LOCATED**
3 **ON AN INFILL SITE.**

4 (a) EXEMPTION.—In providing assistance under sec-
5 tion 501, 502, 504, 515, 533, or 538 of the Housing Act
6 of 1949 (42 U.S.C. 1471, 1472, 1474, 1485, 1490m, or
7 1490p–2) for the construction or modification of residen-
8 tial housing located on an infill site, the Secretary of Agri-
9 culture shall not be required to carry out any study or
10 report on the environmental effects of such assistance.

11 (b) REPORT.—Not later than the date that is 5 years
12 after the date of enactment of this section, the Secretary
13 of Agriculture shall submit, to the Committee on Financial
14 Services of the House of Representatives and the Com-
15 mittee on Banking, Housing, and Urban Affairs of the
16 Senate, a report that—

17 (1) determines whether the implementation of
18 this section—

19 (A) reduced the amount of time it takes to
20 review an application for assistance under the
21 sections of the Housing Act of 1949 identified
22 in subsection (a); and

23 (B) reduced the administrative cost of pro-
24 viding such assistance;

1 (2) describes how the implementation of this
2 section affects the affordable housing sector in rural
3 America; and

4 (3) includes any legislative recommendations
5 from the Secretary of Agriculture.

6 (c) DEFINITIONS.—In this section:

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

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

11 (A) means a site that is served by existing
12 infrastructure, including water lines, sewer
13 lines, and roads; and

14 (B) does not include—

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

17 (ii) a site within a census tract des-
18 ignated as very high or relatively high risk
19 for wildfire, coastal flooding, and riverine
20 flooding under the National Risk Index of
21 the Federal Emergency Management
22 Agency pursuant to section 206 of the
23 Robert T. Stafford Disaster Relief and
24 Emergency Assistance Act (42 U.S.C.
25 5136); and

1 (iii) a greenfield.

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

3 (a) IN GENERAL.—Section 104(b) of the Housing
4 and Community Development Act of 1974 (42 U.S.C.
5 5304(b)) is amended—

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

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

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

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

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

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

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

1 (1) authorizing direct payments to mortgagees
2 to incentivize the origination of small-dollar mort-
3 gages;

4 (2) adjusting terms and costs imposed by the
5 Federal Housing Administration with respect to
6 small-dollar mortgages;

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

10 (A) down payments;

11 (B) closing costs;

12 (C) appraisals; and

13 (D) title insurance;

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

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

18 (b) REPORT.—Beginning not later than 1 year after
19 the establishment of the Pilot Program under subsection
20 (a) and ending 1 year after the sunset of the Pilot Pro-
21 gram, the Federal Housing Commissioner shall submit to
22 the Congress an annual report that—

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

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

3 (3) includes data with respect to—

4 (A) the number of small-dollar mortgages
5 originated in the 10-year period preceding the
6 date of the enactment of this section, including
7 small-dollar mortgages insured or guaranteed
8 by the Federal Government and small-dollar
9 mortgages not insured by the Federal Govern-
10 ment;

11 (B) the original principal balance of each
12 small-dollar mortgage identified under subpara-
13 graph (A);

14 (C) demographic information about the
15 mortgagors associated with each such small-dol-
16 lar mortgages; and

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

19 (4) provides a description of the fixed costs that
20 are associated with mortgages and the impact of
21 such costs on the ability of lenders to earn a market
22 rate return on small-dollar mortgages; and

23 (5) includes analysis, by regions of the United
24 States, including rural regions, that identifies re-
25 gions with the greatest need for, and the highest

1 likelihood of, the origination of small-dollar mort-
 2 gages and regions that could benefit the most from
 3 increased availability of small-dollar mortgages.

4 (c) SUNSET.—The Pilot Program established under
 5 subsection (a) shall terminate on the date that is 4 years
 6 after the date on which the Pilot Program is established
 7 under subsection (a).

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

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

16 (1) has an original principal balance of
 17 \$100,000 or less; and

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

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

21 (a) IN GENERAL.—The Secretary of Housing and
 22 Urban Development shall establish a temperature sensor
 23 Pilot Program to provide grants to public housing agencies
 24 and owners of covered federally assisted rental dwelling
 25 units to acquire, install, and test the efficacy of approved

1 temperature sensors in residential dwelling units to ensure
2 such units remain in compliance with temperature require-
3 ments.

4 (b) ELIGIBILITY.—

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

12 (2) CRITERIA.—In establishing the eligibility
13 criteria described in paragraph (1), the Secretary
14 shall ensure—

15 (A) the Pilot Program includes a diverse
16 range of participants that represent different
17 geographic regions, climate regions, unit sizes,
18 and types of housing; and

19 (B) that the functionality of an approved
20 temperature sensor will be installed and tested
21 using amounts awarded under this section, in-
22 cluding internet connectivity requirements.

23 (c) INSTALLATION.—Each public housing agency or
24 owner of a covered federally assisted rental dwelling unit
25 that acquires 1 or more approved temperature sensors

1 under this section shall, after receiving written permission
2 from the resident of a dwelling unit, install such tempera-
3 ture sensor and monitor the data from such temperature
4 sensor.

5 (d) COLLECTION OF COMPLAINT RECORDS.—

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

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

17 (e) DATA COLLECTION.—

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

1 (2) PERSONALLY IDENTIFIABLE INFORMA-
2 TION.—The Secretary shall, not later than 180 days
3 after the date of the enactment of this Act, establish
4 standards for the protection of personally identifi-
5 ably information collected during the Pilot Program
6 by public housing agencies, owners of federally as-
7 sisted rental dwelling units, and the Secretary.

8 (f) PILOT PROGRAM EVALUATION.—

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

13 (A) examines the number of temperature-
14 related complaints and violations in federally
15 assisted rental dwelling units with temperature
16 sensors, disaggregated by temperature sensor
17 technology and climate region—

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

20 (ii) that occurred after the installation
21 of such sensor; and

22 (B) identifies any barriers to full utility of
23 temperature sensor capabilities, including
24 broadband internet access and tenant participa-
25 tion.

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

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

11 (i) that occurred before the installa-
12 tion of such sensor; and

13 (ii) that occurred after the installation
14 of such sensor;

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

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

21 (i) climate zones;

22 (ii) cost;

23 (iii) features; and

24 (iv) any other factors identified by the
25 Secretary.

1 (g) TREATMENT OF PROJECTS.—Projects assisted
2 under this section shall be treated as projects assisted
3 under the Community Development Block Grant program
4 under title I of the Housing and Community Development
5 Act of 1974 (42 U.S.C. 5301 et seq.).

6 (h) SUNSET.—The Pilot Program established under
7 this section shall terminate on the date that is 3 years
8 after the date of the enactment of this section.

9 (i) DEFINITIONS.—For the purposes of this section:

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

16 (2) ASSISTANCE.—The term “assistance”
17 means any grant, loan, subsidy, contract, cooperative
18 agreement, or other form of financial assistance, but
19 such term does not include the insurance or guar-
20 antee of a loan, mortgage, or pool of loans or mort-
21 gages.

22 (3) COVERED FEDERALLY ASSISTED RENTAL
23 DWELLING UNIT.—The term “covered federally as-
24 sisted rental dwelling unit” means a residential
25 dwelling unit that is made available for rental and

1 for which assistance is provided, or that is part of
2 a housing project for which assistance is provided,
3 under—

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

7 (B) the public housing program under the
8 United States Housing Act of 1937 (42 U.S.C.
9 1437 et seq.);

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

13 (D) the program for supportive housing for
14 persons with disabilities under section 811 of
15 the Cranston-Gonzalez National Affordable
16 Housing Act (42 U.S.C. 8013).

17 (4) OWNER.—The term “owner” means—

18 (A) with respect to the program for
19 project-based rental assistance under section 8
20 of the United States Housing Act of 1937 (42
21 U.S.C. 1437f), any private person or entity, in-
22 cluding a cooperative, an agency of the Federal
23 Government, or a public housing agency, having
24 the legal right to lease or sublease dwelling
25 units;

1 (B) with respect to the public housing pro-
2 gram under the United States Housing Act of
3 1937 (42 U.S.C. et seq.), a public housing
4 agency or an owner entity of public housing
5 units as defined in section 905.108 of title 24,
6 Code of Federal Regulations;

7 (C) with respect to the program for sup-
8 portive housing for the elderly under section
9 202 of the Housing Act of 1959 (12 U.S.C.
10 1701q), a private nonprofit organization as de-
11 fined under section (k)(4) of the Housing Act
12 of 1959; and

13 (D) with respect to the program for sup-
14 portive housing for persons with disabilities
15 under section 811 of the Cranston-Gonzalez
16 National Affordable Housing Act (42 U.S.C.
17 8013), a private nonprofit organization as de-
18 fined under section 811(k)(5) of the Cranston-
19 Gonzalez National Affordable Housing Act.

20 **SEC. 107. HOUSING SUPPLY FRAMEWORKS.**

21 (a) DEFINITIONS.—In this section:

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

1 (2) ASSISTANT SECRETARY.—The term “Assist-
2 ant Secretary” means the Assistant Secretary for
3 Policy Development and Research of the Depart-
4 ment of Housing and Urban Development.

5 (3) LOCAL ZONING FRAMEWORK.—The term
6 “local zoning framework” means the local zoning
7 codes and other ordinances, procedures, and policies
8 governing zoning and land-use at the local level.

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

11 (5) STATE ZONING FRAMEWORK.—The term
12 “State zoning framework” means the State legisla-
13 tion or State agency and department procedures, or
14 such legislation or procedures in an insular area of
15 the United States, enabling local planning and zon-
16 ing authorities and establishing and guiding related
17 policies and programs.

18 (b) GUIDELINES ON STATE AND LOCAL ZONING
19 FRAMEWORKS.—

20 (1) IN GENERAL.—Not later than 3 years after
21 the date of enactment of this Act, the Assistant Sec-
22 retary shall publish documents outlining guidelines
23 and best practices to support production of adequate
24 housing to meet the needs of communities and pro-

1 vide housing opportunities for individuals at every
2 income level across communities with respect to—

3 (A) State zoning frameworks; and

4 (B) local zoning frameworks.

5 (2) CONSULTATION; PUBLIC COMMENT.—Dur-
6 ing the 2-year period beginning on the date of enact-
7 ment of this Act, in developing the guidelines and
8 best practices required under paragraph (1), the As-
9 sistant Secretary shall—

10 (A) publish draft guidelines and best prac-
11 tices in the Federal Register for public com-
12 ment; and

13 (B) establish a task force for the purpose
14 of providing consultation to draft the guidelines
15 and best practices published under subpara-
16 graph (A), the members of which shall in-
17 clude—

18 (i) urban planners and architects;

19 (ii) housing developers, including af-
20 fordable and market-rate housing devel-
21 opers, manufactured housing developers,
22 cooperative housing developers, and other
23 business interests;

1 (iii) community engagement experts
2 and community members impacted by zon-
3 ing decisions;

4 (iv) public housing agencies and tran-
5 sit authorities;

6 (v) members of local zoning and plan-
7 ning boards and local and regional trans-
8 portation planning organizations;

9 (vi) State officials responsible for
10 housing or land use, including members of
11 State zoning boards of appeals;

12 (vii) academic researchers; and

13 (viii) home builders.

14 (3) CONTENTS.—The guidelines and best prac-
15 tices required under paragraph (1) shall—

16 (A) with respect to State zoning frame-
17 works, outline potential models for updated
18 State enabling legislation or State agency and
19 department procedures;

20 (B) include recommendations regarding—

21 (i) the reduction or elimination of
22 parking minimums;

23 (ii) the increase in maximum floor
24 area ratio requirements and maximum

- 1 building heights and the reduction in min-
2 imum lot sizes and set-back requirements;
- 3 (iii) the elimination of restrictions
4 against accessory dwelling units;
- 5 (iv) increasing by-right uses, including
6 duplex, triplex, or quadplex buildings,
7 across cities or metropolitan areas;
- 8 (v) mechanisms, including proximity
9 to transit, to determine the appropriate
10 scope for rezoning and ensure development
11 that does not disproportionately burden
12 residents of economically distressed areas;
- 13 (vi) provisions regarding review of by-
14 right development proposals to streamline
15 review and reduce uncertainty, including—
- 16 (I) nondiscretionary, ministerial
17 review; and
- 18 (II) entitlement and design re-
19 view processes;
- 20 (vii) the reduction of obstacles, regu-
21 latory or otherwise, to a range of housing
22 types at all levels of affordability, including
23 manufactured and modular housing;

- 1 (viii) State model zoning regulations
2 for directing local reforms, including mech-
3 anisms to encourage adoption;
- 4 (ix) provisions to encourage transit-
5 oriented development, including increased
6 permissible units per structure and re-
7 duced minimum lot sizes near existing or
8 planned public transit stations;
- 9 (x) potential reforms to strengthen
10 the public engagement process;
- 11 (xi) reforms to protest petition stat-
12 utes;
- 13 (xii) the standardization, reduction, or
14 elimination of impact fees;
- 15 (xiii) cost-effective and appropriate
16 building codes;
- 17 (xiv) models for community benefit
18 agreements;
- 19 (xv) mechanisms to preserve afford-
20 ability, limit disruption of low-income com-
21 munities, and prevent displacement of ex-
22 isting residents;
- 23 (xvi) with respect to State zoning
24 frameworks—

- 1 (I) State model codes for direct-
2 ing local reforms, including mecha-
3 nisms to encourage adoption;
- 4 (II) a model for a State zoning
5 appeals process, which would—
- 6 (aa) create a process for de-
7 velopers or builders requesting a
8 variance, conditional use, special
9 permit, zoning district change,
10 similar discretionary permit, or
11 otherwise petitioning a local zon-
12 ing or planning board for a
13 project including a State-defined
14 amount of affordable housing to
15 appeal a rejection to a State body
16 or regional body empowered by
17 the State; and
- 18 (bb) establish qualifications
19 for communities to be exempted
20 from the appeals process based
21 on their available stock of afford-
22 able housing; and
- 23 (III) streamlining of State envi-
24 ronmental review policies;

1 (xvii) with respect to local zoning
2 frameworks—

3 (I) the simplification and stand-
4 ardization of existing zoning codes;

5 (II) maximum review timelines;

6 (III) best practices for the dis-
7 position of land owned by local gov-
8 ernments for affordable housing devel-
9 opment;

10 (IV) differentiations between best
11 practices for rural, suburban, and
12 urban communities, and communities
13 with different levels of density or pop-
14 ulation distribution; and

15 (V) streamlining of local environ-
16 mental review policies; and

17 (xviii) other land use measures that
18 promote access to new housing opportuni-
19 ties identified by the Secretary; and

20 (C) consider—

21 (i) the effects of adopting any rec-
22 ommendation on eligibility for Federal dis-
23 cretionary grants and tax credits for the
24 purpose of housing or community develop-
25 ment;

- 1 (ii) coordination between infrastruc-
2 ture investments and housing planning;
- 3 (iii) local housing needs, including
4 ways to set and measure housing goals and
5 targets;
- 6 (iv) a range of affordability for rental
7 units, with a prioritization of units attain-
8 able to extremely low-, low-, and moderate-
9 income residents;
- 10 (v) a range of affordability for home-
11 ownership;
- 12 (vi) accountability measures;
- 13 (vii) the long-term cost to residents
14 and businesses if more housing is not con-
15 structed;
- 16 (viii) barriers to individuals seeking to
17 access affordable housing in growing com-
18 munities and communities with economic
19 opportunity;
- 20 (ix) with respect to State zoning
21 frameworks—
- 22 (I) distinctions between States
23 providing constitutional or statutory
24 home rule authority to municipalities
25 and States operating under the Dillon

1 Rule, as articulated in *Hunter v.*
2 *Pittsburgh*, 207 U.S. 161 (1907); and

3 (II) Statewide mechanisms to
4 preserve existing affordability over the
5 long term, including support for land
6 banks and community land trusts;

7 (x) public comments elicited under
8 paragraph (2)(A); and

9 (xi) other considerations, as identified
10 by the Assistant Secretary.

11 (c) ABOLISHMENT OF THE REGULATORY BARRIERS
12 CLEARINGHOUSE.—

13 (1) IN GENERAL.—The Regulatory Barriers
14 Clearinghouse established pursuant to section 1205
15 of the Housing and Community Development Act of
16 1992 (42 U.S.C. 12705d) is abolished.

17 (2) REPEAL.—Section 1205 of the Housing and
18 Community Development Act of 1992 (42 U.S.C.
19 12705d) is repealed.

20 (d) REPORTING.—Not later than 5 years after the
21 date on which the Assistant Secretary publishes the final
22 guidelines and best practices for State and local zoning
23 frameworks under this section, the Assistant Secretary
24 shall submit to the Congress a report describing—

1 (1) the States that have adopted recommenda-
2 tions from the guidelines and best practices, pursu-
3 ant to subsection (b);

4 (2) a summary of the localities that have adopt-
5 ed recommendations from the guidelines and best
6 practices, pursuant to subsection (b);

7 (3) a list of States that adopted a State zoning
8 framework;

9 (4) a summary of the modifications that each
10 State has made in their State zoning framework;

11 (5) a general summary of the types of updates
12 localities have made to their local zoning framework;

13 (6) with respect to the States that have adopted
14 a State zoning framework or recommendations from
15 the guidelines and best practices, the effect of such
16 adoptions; and

17 (7) a summary of any recommendations that
18 were routinely not adopted by States or by localities.

19 (e) **RULE OF CONSTRUCTION.**—Nothing in this sec-
20 tion may be construed to permit the Department of Hous-
21 ing and Urban Development to take an adverse action
22 against or fail to provide otherwise offered actions or serv-
23 ices for any State or locality if the State or locality de-
24 clines to adopt a guideline or best practice under sub-
25 section (b).

1 **TITLE II—BUILDING MORE IN**
2 **AMERICA**

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

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

9 (b) PRIORITY.—When awarding a covered grant, the
10 Secretary of Housing and Urban Development may give
11 additional weight to applicants with proposed activities or
12 projects that are located in or substantially and directly
13 benefit a community designated as a qualified opportunity
14 zone under section 1400Z–1 of the Internal Revenue Code
15 of 1986.

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

17 (a) DEFINITIONS.—In this section:

18 (1) AFFORDABLE UNIT.—The term “affordable
19 unit” means a unit for which the monthly rental
20 payment is not more than 30 percent of the gross
21 income of an individual earning at or below 80 per-
22 cent of the area median income, as defined by the
23 Secretary.

24 (2) ASSISTED UNIT.—The term “assisted unit”
25 means a unit that undergoes repair or rehabilitation

1 work through a whole-home repairs program admin-
2 istered by an implementing organization under this
3 section.

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

6 (A) with a household income that—

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

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

13 (B) who is—

14 (i) an owner of record as evidenced by
15 a publicly recorded deed, or other docu-
16 ment recorded by the Bureau of Indian Af-
17 fairs, and occupies the home on which re-
18 pairs are to be conducted as their principal
19 residence;

20 (ii) an owner-occupant of the manu-
21 factured home on which repairs are to be
22 conducted;

23 (iii) an owner-occupant of the cooper-
24 ative housing unit on which repairs are to
25 be conducted; or

1 (iv) an owner who can demonstrate an
2 ownership interest in the property, or trust
3 land leasehold, on which repairs are to be
4 conducted, including a person who has in-
5 herited an interest in that property.

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

8 (A) who owns, as determined by the rel-
9 evant implementing organization, fewer than 10
10 eligible rental properties, with a majority of af-
11 fordable units and not more than 25 total units,
12 operated as primary residences in which a ma-
13 jority ownership interest is held by the indi-
14 vidual, the spouse of the individual, or the de-
15 pendent children of the individual, or any close-
16 ly held legal entity controlled by the individual,
17 the spouse of the individual, or the dependent
18 children of the individual, either individually or
19 collectively; and

20 (B) who agrees to the provisions described
21 in subsection (b)(3).

22 (5) ELIGIBLE RENTAL PROPERTY.—The term
23 “eligible rental property” means a residential prop-
24 erty that—

1 (A) is leased, or offered exclusively for
 2 lease, as a primary residence by an eligible
 3 landlord; and

4 (B) includes affordable units.

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

7 (A) made to an eligible landlord;

8 (B) that is secured by a lien recorded
 9 against a residential property; and

10 (C) that may be forgiven by the imple-
 11 menting organization not later than the date
 12 that is 3 years after the completion of the re-
 13 pairs if the eligible landlord has maintained
 14 compliance with the loan agreement described
 15 in subsection (b)(3).

16 (7) IMPLEMENTING ORGANIZATION.—The term
 17 “implementing organization”—

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

20 (i) will administer a whole-home re-
 21 pairs program through an agency, depart-
 22 ment, or other entity; or

23 (ii) enters into agreements with 1 or
 24 more local governments, Indian Tribes,
 25 municipal authorities, other governmental

1 authorities, including a tribally designated
2 housing entity, or qualified nonprofit orga-
3 nizations, to administer a whole-home re-
4 pairs program as a subrecipient; and

5 (B) does not include a redundant entity in
6 a jurisdiction already served by a grantee under
7 subsection (b).

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

12 (9) QUALIFIED NONPROFIT.—The term “quali-
13 fied nonprofit” means a nonprofit organization
14 that—

15 (A) has received funding, as a recipient or
16 subrecipient, through—

17 (i) the Community Development Block
18 Grant program under title I of the Hous-
19 ing and Community Development Act of
20 1974 (42 U.S.C. 5301 et seq.);

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

1 (iii) the Lead-Based Paint Hazard
2 Reduction grant program under section
3 1011 of the Residential Lead-Based Paint
4 Hazard Reduction Act of 1992 (42 U.S.C.
5 4852), a grant under the Healthy Homes
6 Initiative administered by the Secretary
7 pursuant to sections 501 and 502 of the
8 Housing and Urban Development Act of
9 1970 (12 U.S.C. 1701z-1, 1701z-2), or a
10 grant under the Older Adult Home Modi-
11 fication Grants Program authorized under
12 the Consolidated Appropriations Act, 2024
13 (Public Law 118-42), or any successor
14 Act, to make safety and functional home
15 modification repairs and renovations to
16 meet the needs of low-income seniors to
17 enable them to remain in their primary
18 residence;

19 (iv) the Self-Help and Assisted home-
20 ownership Opportunity program authorized
21 under section 11 of the Housing Oppor-
22 tunity Program Extension Act of 1996 (42
23 U.S.C. 12805 note);

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

4 (vi) the Neighborhood Reinvestment
5 Corporation established under the Neigh-
6 borhood Reinvestment Corporation Act (42
7 U.S.C. 8101 et seq.);

8 (B) has coordinated, performed, or other-
9 wise been engaged in weatherization, lead reme-
10 diation, or home-repair work for not less than
11 2 years;

12 (C) has been certified by the Environ-
13 mental Protection Agency, or by a State au-
14 thorized by the Environmental Protection Agen-
15 cy to administer a certification program, as—

16 (i) eligible to carry out activities
17 under the lead renovation, repair, and
18 painting program under section 402(c) or
19 404 of the Toxic Substances Control Act
20 (15 U.S.C. 2682(c), 2684); or

21 (ii) a Home Certification Organization
22 under the Energy Star program estab-
23 lished by section 324A of the Energy Pol-
24 icy and Conservation Act (42 U.S.C.
25 6294a) or the WaterSense program under

1 section 324B of that Act (42 U.S.C.
2 6294b), or recognized or otherwise ap-
3 proved by the Environmental Protection
4 Agency as a Home Certification Organiza-
5 tion under either of those programs; or

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

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

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

16 (A) The Medicaid program established
17 under title XIX of the Social Security Act (42
18 U.S.C. 1396 et seq.).

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

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

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

4 (E) The temporary assistance for needy
5 families program established under part A of
6 title IV of the Social Security Act (42 U.S.C.
7 601 et seq.).

8 (12) STATE.—The term “State” means—

9 (A) each State of the United States;

10 (B) the District of Columbia;

11 (C) the Commonwealth of Puerto Rico;

12 (D) any territory or possession of the
13 United States; and

14 (E) an Indian Tribe.

15 (13) TRIBALLY DESIGNATED HOUSING ENTI-
16 TY.—The term “tribally designated housing entity”
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 (14) WHOLE-HOME REPAIRS.—The term
21 “whole-home repairs” means modifications, repairs,
22 or updates to home-owner or renter-occupied units
23 to address—

24 (A) physical and sensory accessibility for
25 individuals with disabilities and older adults,

1 such as bathroom and kitchen modifications, in-
2 stallation of grab bars and handrails, guards
3 and guardrails, lifting devices, ramp additions
4 or repairs, sidewalk addition or repair, or door-
5 way or hallway widening;

6 (B) habitability and safety concerns, such
7 as repairs needed to ensure residential units are
8 fit for human habitation and free from defective
9 conditions or health and safety hazards; or

10 (C) energy and water efficiency, resilience,
11 and weatherization.

12 (b) PILOT PROGRAM.—

13 (1) ESTABLISHMENT.—There is authorized a
14 Pilot Program to provide grants to implementing or-
15 ganizations to administer a whole-home repairs pro-
16 gram for eligible home-owners and eligible landlords.

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

20 (A) shall provide grants to eligible home-
21 owners to implement whole-home repairs not
22 covered by other Federal home repair programs
23 up to a maximum amount per unit, which max-
24 imum amount should—

1 (i) reflect local construction costs and
2 the level of repairs needed in each unit;
3 and

4 (ii) be calculated and approved by the
5 Secretary;

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

15 (i) reflect local construction costs; and

16 (ii) be calculated and approved by the
17 Secretary;

18 (C) shall evaluate, or provide assistance to
19 eligible home-owners and eligible landlords to
20 evaluate, whole-home repair program funds pro-
21 vided under this subsection with Federal, State,
22 Tribal, and local home repair programs to pro-
23 vide the greatest benefit to the greatest number
24 of eligible landlords and eligible home-owners

1 and avoid duplication of benefits and
2 redundancies for the same home repairs;

3 (D) shall require that—

4 (i) all repairs funded or facilitated
5 through an award under this subsection
6 have been completed;

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

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

17 (E) may use not more than 5 percent of
18 the awarded funds to carry out related func-
19 tions, including workforce training for home re-
20 pair professions, which shall be related to ef-
21 forts to increase the number of home repairs
22 performed and approved by the Secretary;

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

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

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

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

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

22 (B)(i) if the landlord is renting the as-
23 sisted units available in the eligible rental prop-
24 erty to tenants receiving tenant-based rental as-
25 sistance under section 8(o) of the United States

1 Housing Act of 1937 (42 U.S.C. 1437f(o)),
2 under another tenant-based rental assistance
3 program administered by the Secretary or the
4 Secretary of Agriculture, or under a tenant-
5 based rental subsidy provided by a State or
6 local government, comply with the program re-
7 quirements under the relevant tenant-based
8 rental assistance program; or

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

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

22 (bb) if the tenant of an assisted unit
23 moves out of the assisted unit at any point
24 in the 3-year period following the loan
25 agreement, maintain the unit as an afford-

1 able unit for the remainder of the 3-year
2 period;

3 (II) provide documentation verifying
4 that the property, upon completion of ap-
5 proved renovations, has met all applicable
6 State and local housing and building codes;

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

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

17 (4) APPLICATION.—

18 (A) IN GENERAL.—An implementing orga-
19 nization desiring an award under this sub-
20 section shall submit to the Secretary an applica-
21 tion that includes—

22 (i) the geographic scope of the whole-
23 home repairs program to be administered
24 by the implementing organization, includ-
25 ing the plan to address need in any rural,

1 Tribal, suburban, or urban area within a
2 jurisdiction;

3 (ii) a plan for selecting subrecipients,
4 if applicable;

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

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

19 (v) a description of how the imple-
20 menting organization plans to process and
21 verify applications for grants from eligible
22 home-owners and applications for loans
23 from eligible landlords; and

24 (vi) such other information as the
25 Secretary requires to determine the ability

1 of an applicant to carry out a program
2 under this subsection.

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

5 (i) with respect to applications sub-
6 mitted by States other than the District of
7 Columbia and the territories of the United
8 States, prioritize those applications with a
9 demonstrated plan to—

10 (I) make a good-faith effort to
11 implement the Pilot Program in every
12 jurisdiction; and

13 (II) provide nonmetropolitan
14 areas, or subrecipients serving non-
15 metropolitan areas if applicable, with
16 a share of total funds commensurate
17 with their population;

18 (ii) aim to select applicants so that
19 the awardees collectively span diverse geog-
20 raphies, with an intent to understand the
21 impact of the Pilot Program under this
22 subsection in urban, suburban, rural, and
23 Tribal settings; and

24 (iii) not disqualify implementing orga-
25 nizations that were awarded grants under

1 the Pilot Program in prior application cy-
2 cles.

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

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

13 (A) not less than 2, and not more than 10,
14 implementing organizations, as application
15 numbers and funding permit; and

16 (B) not more than 1 implementing organi-
17 zation in any State.

18 (7) LOANS THAT ARE NOT FORGIVEN.—If a
19 loan made by an implementing organization under
20 paragraph (2)(B) is not forgiven, the loan repay-
21 ment funds shall be reused by the implementing or-
22 ganization for a new whole-home repair grant or
23 loan under this subsection, which shall remain sub-
24 ject to the original terms of the assistance awarded
25 under this subsection.

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

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

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

20 (B) enhance collaboration and cross-agency
21 streamlining efforts that reduce the burden of
22 multiple income verification processes and ap-
23 plications on the eligible home-owner, the eligi-
24 ble landlord, the implementing organization,
25 and the Federal Government, including by es-

1 tablishing assistance application procedures for
2 income eligibility under this subsection that rec-
3 ognize income eligibility determinations for as-
4 sistance using any of the criteria under sub-
5 section (a)(3)(A) that have been used for assist-
6 ance applications during the 1-year period pre-
7 ceding the date on which an eligible home-
8 owner or eligible landlord applies for assistance
9 under this subsection.

10 (10) REPORTING REQUIREMENTS.—

11 (A) ANNUAL REPORT.—An implementing
12 organization that receives a grant under this
13 subsection shall submit to the Secretary an an-
14 nual report on initial funding that includes—

15 (i) the number of units served, includ-
16 ing reporting on both home-ownership and
17 rental units, as well as accessible units;

18 (ii) the average cost per unit for
19 modifications or repairs and the nature of
20 those modifications or repairs, including
21 reporting on accessibility in both home-
22 ownership and rental units;

23 (iii) the number of applications re-
24 ceived, served, denied, or not completed,
25 disaggregated by geographic area;

1 (iv) the aggregated demographic data
2 of grant recipients, which may include data
3 on income range, urban, suburban, and
4 rural residency, age, and racial and ethnic
5 identity;

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

11 (vi) an affirmation that the implemen-
12 tation organization has complied with the
13 applicable regulations, including compli-
14 ance with Federal accessibility require-
15 ments;

16 (vii) in the first year of receiving a
17 grant, and as certified in subsequent re-
18 ports, a comprehensive plan to prevent
19 waste, fraud, and abuse in the administra-
20 tion of the Pilot Program, which shall in-
21 clude, at a minimum—

22 (I) a policy enacted and enforced
23 by the implementing organization to
24 monitor ongoing expenditures under

1 this subsection and ensure compliance
2 with applicable regulations;

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

11 (III) a statement setting forth
12 any violations detected by the imple-
13 menting organization during the pre-
14 vious calendar year, including details
15 about steps taken to achieve compli-
16 ance and any remedial measures; and

17 (IV) a certification by the chief
18 executive or most senior compliance
19 officer of the organization that the or-
20 ganization maintains sufficient staff
21 and resources to effectively carry out
22 the above-mentioned policies; and

23 (viii) such other information as the
24 Secretary may require.

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

11 (i) the Community Development Block
12 Grant program under title I of the Hous-
13 ing and Community Development Act of
14 1974 (42 U.S.C. 5301 et seq.);

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

20 (iii) the Weatherization Assistance
21 Program for low-income persons estab-
22 lished under part A of title IV of the En-
23 ergy Conservation and Production Act (42
24 U.S.C. 6861 et seq.); and

1 (iv) the Native American Housing As-
2 sistance and Self-Determination Act of
3 1996 (25 U.S.C. 4101 et seq.).

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

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

22 (11) ENVIRONMENTAL REVIEW.—A grant
23 under this subsection shall be—

24 (A) treated as assistance for a special
25 project for purposes of section 305(c) of the

1 Multifamily Housing Property Disposition Re-
2 form Act of 1994 (42 U.S.C. 3547); and

3 (B) subject to the regulations promulgated
4 by the Secretary to implement such section.

5 (12) TERMINATION.—The Pilot Program estab-
6 lished under this subsection shall terminate on Octo-
7 ber 1, 2031.

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

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

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

18 (c) STUDY.—Not later than 2 years after the date
19 of the enactment of this section, and every 2 years there-
20 after, the Comptroller of the Currency and the Board of
21 Governors of the Federal Reserve System shall each sub-
22 mit to the Committee on Financial Services of the House
23 of Representatives and the Committee on Banking, Hous-
24 ing, and Urban Affairs of the Senate, a report, after con-
25 sulting with the other agency in the development of such

1 report, about public welfare investments that were made
2 by associations under section 5136 of the Revised Statutes
3 of the United States and State member banks under sec-
4 tion 9(23) of the Federal Reserve Act in the 2 previous
5 calendar years, that—

6 (1) identifies the number of such investments,
7 broken down by—

8 (A) purpose;

9 (B) type;

10 (C) amount of assets of the association or
11 State member bank that made the investment,
12 using not less than 4 categories to describe the
13 amount of assets of the associations and banks;
14 and

15 (D) State, or other location;

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

18 (A) purpose;

19 (B) type;

20 (C) amount of assets of the association or
21 State member bank that made the investment,
22 using not less than 4 categories to describe the
23 amount of assets of the associations and banks;
24 and

25 (D) State or other location; and

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

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

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

11 **SEC. 204. ADDITION OF AFFORDABLE HOUSING CONSTRUC-**
 12 **TION AS AN ELIGIBLE ACTIVITY.**

13 (a) **ELIGIBLE ACTIVITY.**—Section 105(a) of the
 14 Housing and Community Development Act of 1974 (42
 15 U.S.C. 5305(a)) is amended—

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

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

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

21 “(27) the new construction of affordable hous-
 22 ing, within the meaning given such term under sec-
 23 tion 215 of the Cranston-Gonzalez National Afford-
 24 able Housing Act (42 U.S.C. 12745), and which

1 shall not exceed 20 percent of the amounts allocated
2 to the recipient.”.

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

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

11 **SEC. 205. BETTER USE OF INTERGOVERNMENTAL AND**
12 **LOCAL DEVELOPMENT (BUILD) HOUSING**
13 **ACT.**

14 (a) **DESIGNATION OF ENVIRONMENTAL REVIEW**
15 **PROCEDURE.**—The Department of Housing and Urban
16 Development Act (42 U.S.C. 3531 et seq.) is amended by
17 inserting after section 12 (42 U.S.C. 3537a) the following:

18 **“SEC. 13. DESIGNATION OF ENVIRONMENTAL REVIEW PRO-**
19 **CEDURE.**

20 “(a) **IN GENERAL.**—Except as provided in subsection
21 (b), the Secretary may, for purposes of environmental re-
22 view, decision making, and action pursuant to the Na-
23 tional Environmental Policy Act of 1969 (42 U.S.C. 4321
24 et seq.), and other provisions of law that further the pur-
25 poses of such Act, designate the treatment of assistance

1 administered by the Secretary as funds for a special
2 project for purposes of section 305(c) of the Multifamily
3 Housing Property Disposition Reform Act of 1994 (42
4 U.S.C. 3547).

5 “(b) EXCEPTION.—The designation described in sub-
6 section (a) shall not apply to assistance for which a proce-
7 dure for carrying out the responsibilities of the Secretary
8 under the National Environmental Policy Act of 1969 (42
9 U.S.C. 4321 et seq.), and other provisions of law that fur-
10 ther the purposes of such Act, is otherwise specified in
11 law.”.

12 (b) TRIBAL ASSUMPTION OF ENVIRONMENTAL RE-
13 VIEW OBLIGATIONS.—Section 305(c) of the Multifamily
14 Housing Property Disposition Reform Act of 1994 (42
15 U.S.C. 3547) is amended—

16 (1) by striking “State or unit of general local
17 government” each place it appears and inserting
18 “State, Indian Tribe, or unit of general local govern-
19 ment”;

20 (2) in paragraph (1)(C), in the heading, by
21 striking “STATE OR UNIT OF GENERAL LOCAL GOV-
22 ERNMENT” and inserting “STATE, INDIAN TRIBE, OR
23 UNIT OF GENERAL LOCAL GOVERNMENT”; and

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

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

7 (c) IMPLEMENTATION.—

8 (1) IN GENERAL.—Except as provided in para-
9 graph (2), a designation of assistance under section
10 13 of the Department of Housing and Urban Devel-
11 opment Act, as added by subsection (a), shall only
12 apply with respect to funds appropriated after the
13 date of enactment of this Act.

14 (2) EXCEPTION.—If a grantee of assistance ad-
15 ministered by the Secretary of Housing and Urban
16 Development combines funds appropriated before
17 and after the date of enactment of this Act to carry
18 out a project, section 13 of the Department of and
19 Urban Development Act, as added by subsection (a),
20 shall not apply to that assistance.

21 **SEC. 206. UNLOCKING HOUSING SUPPLY THROUGH**
22 **STREAMLINED AND MODERNIZED REVIEWS**
23 **ACT.**

24 (a) DEFINITIONS.—In this section:

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

3 (A) occurs within the geographic limits of
4 a municipality;

5 (B) is adequately served by existing utili-
6 ties and public services as required under appli-
7 cable law;

8 (C) is located on a site of previously dis-
9 turbed land of not more than 5 acres and sub-
10 stantially surrounded by residential or commer-
11 cial development;

12 (D) will repurpose a vacant or underuti-
13 lized parcel of land, or a dilapidated or aban-
14 doned structure; and

15 (E) will serve a residential or commercial
16 purpose.

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

19 (b) NEPA STREAMLINING FOR HUD HOUSING-RE-
20 LATED ACTIVITIES.—

21 (1) IN GENERAL.—The Secretary shall, in ac-
22 cordance with section 553 of title 5, United States
23 Code, and section 103 of the National Environ-
24 mental Policy Act of 1969 (42 U.S.C. 4333), expand

1 and reclassify housing-related activities under the
2 necessary administrative regulations as follows:

3 (A) The following housing-related activities
4 shall be subject to regulations equivalent or
5 substantially similar to the regulations entitled
6 “exempt activities” as set forth in section 58.34
7 of title 24, Code of Federal Regulations, as in
8 effect on January 1, 2025:

9 (i) Tenant-based rental assistance.

10 (ii) Supportive services, including
11 health care, housing services, permanent
12 housing placement, day care, nutritional
13 services, short-term payments for rent,
14 mortgage, or utility costs, and assistance
15 in gaining access to Federal Government
16 and State and local government benefits
17 and services.

18 (iii) Operating costs, including main-
19 tenance, security, operation, utilities, fur-
20 nishings, equipment, supplies, staff train-
21 ing, and recruitment and other incidental
22 costs.

23 (iv) Economic development activities,
24 including equipment purchases, inventory
25 financing, interest subsidies, operating ex-

1 penses, and similar costs not associated
2 with construction or expansion of existing
3 operations.

4 (v) Activities to assist home-buyers in
5 the purchase of existing dwelling units or
6 dwelling units under construction, includ-
7 ing closing costs and down payment assist-
8 ance, interest rate buydowns, and similar
9 activities that result in the transfer of title.

10 (vi) Affordable housing
11 predevelopment costs related to obtaining
12 site options, project financing, administra-
13 tive costs and fees for loan commitment,
14 zoning approvals, and other related activi-
15 ties that do not have a physical impact.

16 (vii) Approval of supplemental assist-
17 ance, including insurance or guarantee, to
18 a project previously approved by the Sec-
19 retary.

20 (viii) Emergency home-owner or
21 renter assistance for the repair or replace-
22 ment of HVAC, hot water heaters, and
23 other necessary existing utilities required
24 under applicable law.

1 (B) The following housing-related activities
2 shall be subject to regulations equivalent or
3 substantially similar to the regulations entitled,
4 (i) “categorical exclusions not subject to section
5 58.5” and (ii) “categorical exclusions not sub-
6 ject to the Federal laws and authorities cited in
7 section 50.4” in section 58.35(b) and section
8 50.19, respectively of title 24, Code of Federal
9 Regulations, as in effect on January 1, 2025, if
10 such activities do not materially alter environ-
11 mental conditions and do not materially exceed
12 the original scope of the project:

13 (i) Acquisition, repair, improvement,
14 reconstruction, or rehabilitation of public
15 facilities and improvements (other than
16 buildings) if the facilities and improve-
17 ments are in place and will be retained in
18 the same use without change in size or ca-
19 pacity of more than 20 percent, including
20 replacement of water or sewer lines, recon-
21 struction of curbs and sidewalks, and re-
22 paving of streets.

23 (ii) Rehabilitation of 1-to-4 unit resi-
24 dential buildings, and existing housing-re-
25 lated infrastructure, such as repairs or re-

1 habilitation of existing wells, septic, or
2 utility lines that connect to that housing.

3 (iii) New construction, development,
4 demolition, acquisition, or disposition of up
5 to 4 scattered site existing dwelling units
6 where there is a maximum of 4 units on
7 any 1 site.

8 (iv) Acquisitions (including leasing)
9 of, disposition of, or equity loans on an ex-
10 isting structure, or acquisition (including
11 leasing) of vacant land if the structure or
12 land acquired, financed, or disposed of will
13 be retained for the same use.

14 (C) The following housing-related activities
15 shall be subject to regulations equivalent or
16 substantially similar to the regulations entitled,
17 (i) “categorical exclusions subject to section
18 58.5” and (ii) “categorical exclusions subject to
19 the Federal laws and authorities cited in section
20 50.4” in section 58.35(a) and section 50.20, re-
21 spectively, of title 24, Code of Federal Regula-
22 tions, as in effect on January 1, 2025, if such
23 activities do not materially alter environmental
24 conditions and do not materially exceed the
25 original scope of the project:

1 (i) Acquisitions of open space or resi-
2 dential property, where such property will
3 be retained for the same use or will be con-
4 verted to open space to help residents relo-
5 cate out of an area designated as a high-
6 risk area by the Secretary.

7 (ii) Conversion of existing office build-
8 ings into residential development, subject
9 to—

10 (I) a maximum number of units
11 to be determined by the Secretary;
12 and

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

16 (iii) New construction, development,
17 demolition, acquisition, or disposition of 5
18 to 15 dwelling units where there is a max-
19 imum of 15 units on any 1 site. The units
20 can be 15 1-unit buildings or 1 15-unit
21 building, or any combination in between.

22 (iv) New construction, development,
23 demolition, acquisition, or disposition of 15
24 or more housing units developed on scat-
25 tered sites when there are not more than

1 15 housing units on any 1 site, and the
2 sites are more than a set number of feet
3 apart as determined by the Secretary.

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

9 (vi) Infill projects consisting of new
10 construction, rehabilitation, or development
11 of residential housing units.

12 (vii) The voluntary acquisition of
13 properties—

14 (I) located in—

15 (aa) a floodway;

16 (bb) a floodplain; or

17 (cc) any other area, clearly
18 delineated by the grantee; and

19 (II) that have been impacted by a
20 predictable environmental threat to
21 the safety and well-being of program
22 beneficiaries caused or exacerbated by
23 a federally declared disaster.

24 (c) IMPLEMENTATION.—For purposes of imple-
25 menting the streamlining of environmental review for

1 housing-related activities under subsection (b), the agency
2 actions carried out under that subsection—

3 (1) shall only apply with respect to funds ap-
4 propriated after the effective date of those actions;
5 and

6 (2) shall not apply with respect to a grantee
7 that combines funds appropriated before and after
8 the effective date of those actions to carry out a
9 project.

10 (d) REPORT.—The Secretary shall submit to the
11 Committee on Banking, Housing, and Urban Affairs of
12 the Senate and the Committee on Financial Services of
13 the House of Representatives an annual report during the
14 5-year period beginning on the date that is 2 years after
15 the date of enactment of this Act that provides a summary
16 of findings of reductions in review times and administra-
17 tive cost reduction, with a particular focus on the afford-
18 able housing sector, as a result of the actions set forth
19 in this section, and any recommendations of the Secretary
20 for future congressional action with respect to revising
21 categorical exclusions or exemptions under title 24, Code
22 of Federal Regulations.

23 **SEC. 207. GRANTS FOR PLANNING AND IMPLEMENTATION**
24 **ASSOCIATED WITH AFFORDABLE HOUSING.**

25 (a) DEFINITIONS.—In this section:

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

3 (A) a State, insular area, metropolitan
4 city, or urban county, as those terms are de-
5 fined in section 102 of the Housing and Com-
6 munity Development Act of 1974 (42 U.S.C.
7 5302); or

8 (B) a regional planning agency or con-
9 sortia of regional planning agencies.

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

13 (A) increase the amount of available hous-
14 ing to meet the demand for such housing and
15 any projected increase in the demand for such
16 housing;

17 (B) increase the affordability of housing;

18 (C) increase the accessibility of housing for
19 people with disabilities, including location-effi-
20 cient housing;

21 (D) preserve or improve the quality of
22 housing;

23 (E) reduce barriers to housing develop-
24 ment; and

1 (F) coordinate with transportation-related
2 agencies.

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

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

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

16 (c) USE OF AMOUNTS.—

17 (1) BY REGIONAL PLANNING AGENCIES.—If an
18 eligible entity that receives amounts under this sec-
19 tion is an eligible entity described in subsection
20 (a)(1)(B), the eligible entity shall use those amounts
21 to assist planning activities with respect to afford-
22 able housing, including—

23 (A) the development of housing plans;

24 (B) the substantial improvement of State
25 or local housing strategies;

1 (C) the development of new regulatory re-
2 quirements and processes;

3 (D) updating zoning codes;

4 (E) increasing the capacity to conduct
5 housing inspections;

6 (F) increasing the capacity to reduce bar-
7 riers to housing supply elasticity and housing
8 affordability;

9 (G) the development of local or regional
10 plans for community development; and

11 (H) the substantial improvement of com-
12 munity development strategies, including strate-
13 gies designed to—

14 (i) increase the availability of afford-
15 able housing and access to affordable hous-
16 ing;

17 (ii) increase access to public transpor-
18 tation; and

19 (iii) advance sustainable or location-
20 efficient community development goals.

21 (2) BY STATES, INSULAR AREAS, METROPOLI-
22 TAN CITIES, AND URBAN COUNTIES.—If an eligible
23 entity that receives amounts under this section is an
24 eligible entity described in subsection (a)(1)(A), the
25 eligible entity shall use those amounts to—

1 (A) implement and administer housing
2 strategies and housing plans;

3 (B) implement and administer any plans to
4 increase housing choice, address disparities in
5 housing needs, and provide greater access to
6 opportunity;

7 (C) fund any community investments that
8 support goals identified in a housing strategy or
9 housing plan;

10 (D) implement and administer regulatory
11 requirements and processes with respect to re-
12 formed zoning codes;

13 (E) increase the capacity to conduct hous-
14 ing inspections;

15 (F) increase the capacity to reduce bar-
16 riers to housing supply elasticity and housing
17 affordability;

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

20 (H) fund any planning to increase—

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

23 (ii) access to public transportation;

24 and

1 (iii) any location-efficient community
2 development goals.

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

7 (d) COORDINATION.—To the extent practicable, the
8 Secretary shall coordinate with the Administrator of the
9 Federal Transit Administration in carrying out this sec-
10 tion.

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

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

18 **SEC. 208. INNOVATION FUND.**

19 (a) DEFINITIONS.—In this section:

20 (1) ATTAINABLE HOUSING.—The term “attain-
21 able housing” means housing that serves households
22 earning not more than 120 percent of the area me-
23 dian income, if the majority of the housing units are
24 affordable to households earning not more than 60
25 percent of the area median income.

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

3 (A) a metropolitan city or urban county, as
4 those terms are defined in section 102 of the
5 Housing and Community Development Act of
6 1974 (42 U.S.C. 5302), that has demonstrated
7 an objective improvement in housing supply
8 growth, as determined by the Secretary, whose
9 methodology for determining such growth is
10 published in the Federal Register to allow for
11 public comment not less than 90 days before
12 the date on which the notice of funding oppor-
13 tunity is made available; or

14 (B) a unit of general local government or
15 an Indian Tribe, as those terms are defined in
16 section 102 of the Housing and Community De-
17 velopment Act of 1974 (42 U.S.C. 5302), that
18 has demonstrated an objective improvement in
19 housing supply growth, as determined by the
20 Secretary, whose methodology for determining
21 such improvement is published in the Federal
22 Register to allow for public comment not less
23 than 90 days before the date on which the no-
24 tice of funding opportunity is made available.

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

3 (b) ESTABLISHMENT OF A GRANT PROGRAM.—

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

9 (2) LIST OF ELIGIBLE ENTITIES.—The Sec-
10 retary shall make a list of eligible entities publicly
11 available on the website of the Department of Hous-
12 ing and Urban Development.

13 (3) ELIGIBLE PURPOSES.—An eligible entity re-
14 ceiving a grant under this section may use funds
15 to—

16 (A) carry out any of the activities de-
17 scribed in section 105 of the Housing and Com-
18 munity Development Act of 1974 (42 U.S.C.
19 5305);

20 (B) carry out any of the activities per-
21 mitted under the Local and Regional Project
22 Assistance Program established under section
23 6702 of title 49, United States Code; and

24 (C) carry out initiatives of the eligible enti-
25 ty that facilitate the expansion of the supply of

1 attainable housing and that supplement initia-
2 tives the eligible entity has carried out, or is in
3 the process of carrying out, as specified in the
4 application submitted under paragraph (4).

5 (4) APPLICATION.—

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

9 (i) a description of each purpose for
10 which the eligible entity will use the grant,
11 and an attestation that the grant will be
12 used only for 1 or more eligible purposes
13 described in paragraph (3);

14 (ii) data on characteristics of in-
15 creased housing supply during the 3-year
16 period ending on the date on which the ap-
17 plication is submitted, which may include
18 whether such housing—

19 (I) serves households at a range
20 of income levels; and

21 (II) has improved the quality and
22 affordability of housing in the juris-
23 diction of the eligible entity;

24 (iii) a description of how each eligible
25 purpose described in clause (i) may ad-

1 dress a community need or advance an ob-
2 jective, or an aspect of an objective, in-
3 cluded in the comprehensive housing af-
4 fordability strategy and community devel-
5 opment plan of the eligible entity under
6 part 91 of title 24, Code of Federal Regu-
7 lations, or any successor regulation (com-
8 monly referred to as a “consolidated
9 plan”); and

10 (iv) a description of how the eligible
11 entity has carried out, or is in the process
12 of carrying out, initiatives that facilitate
13 the expansion of the supply of housing.

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

17 (i) increasing by-right uses, including
18 duplex, triplex, quadplex, and multifamily
19 buildings, in areas of opportunity;

20 (ii) revising or eliminating off-street
21 parking requirements to reduce the cost of
22 housing production;

23 (iii) revising minimum lot size require-
24 ments, floor area ratio requirements, set-
25 back requirements, building heights, and

1 bans or limits on construction that allow
2 for denser and more affordable develop-
3 ment;

4 (iv) instituting incentives to promote
5 dense development for communities where
6 increased density is needed;

7 (v) passing zoning overlays or other
8 ordinances that enable the development of
9 mixed-income housing;

10 (vi) streamlining regulatory require-
11 ments and shortening processes, increasing
12 code enforcement and permitting capacity,
13 reforming zoning codes, or other initiatives
14 that reduce barriers to increasing housing
15 supply and affordability;

16 (vii) eliminating restrictions against
17 accessory dwelling units and expanding
18 their by-right use;

19 (viii) using local tax incentives or pub-
20 lic financing to promote development of at-
21 tainable housing;

22 (ix) streamlining environmental regu-
23 lations;

1 (x) eliminating unnecessary manufac-
2 tured-housing or cooperative housing regu-
3 lations and restrictions;

4 (xi) minimizing the impact of over-
5 burdensome energy and water efficiency
6 standards on housing costs; and

7 (xii) other activities that reduce the
8 cost of construction, as determined by the
9 Secretary.

10 (5) GRANTS.—

11 (A) IN GENERAL.—The Secretary shall
12 make not fewer than 25 grants on an annual
13 basis (unless amounts appropriated to provide
14 grant amounts consistent with subsection (b)
15 are insufficient, in which case fewer grants may
16 be awarded), with strong consideration of dif-
17 ferent geographical areas and a relatively even
18 spread of rural, suburban, and urban commu-
19 nities.

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

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

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

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

4 (i) demonstrated the use of innovative
5 policies, interventions, or programs for in-
6 creasing housing supply; and

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

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

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

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

23 (2) to affect the requirements of section
24 105(c)(1) of the Cranston-Gonzalez National Afford-
25 able Housing Act (42 U.S.C. 12705(c)(1)).

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

4 (e) AUTHORIZATION OF APPROPRIATIONS.—

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

8 (2) ADJUSTMENT.—The amount authorized to
9 be appropriated under paragraph (1) shall be ad-
10 justed for inflation based on the Consumer Price
11 Index for all Urban Customers published by the Bu-
12 reau of Labor Statistics of the Department of
13 Labor.

14 **SEC. 209. ACCELERATING HOME BUILDING ACT.**

15 (a) DEFINITIONS.—In this section:

16 (1) AFFORDABLE HOUSING.—The term “afford-
17 able housing” means housing for which the total
18 monthly housing cost payment is not more than 30
19 percent of the monthly household income for a
20 household earning not more than 80 percent of the
21 area median income.

22 (2) COVERED STRUCTURE.—The term “covered
23 structure” means—

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

1 (B) includes—

2 (i) an accessory dwelling unit;

3 (ii) infill development;

4 (iii) a duplex;

5 (iv) a triplex;

6 (v) a fourplex;

7 (vi) a cottage court;

8 (vii) a courtyard building;

9 (viii) a townhouse;

10 (ix) a multiplex; and

11 (x) any other structure with not less
12 than 2 dwelling units that the Secretary
13 considers appropriate.

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

16 (A) a unit of general local government, as
17 defined in section 102(a) of the Housing and
18 Community Development Act of 1974 (42
19 U.S.C. 5302(a));

20 (B) a municipal membership organization;
21 and

22 (C) an Indian Tribe, as defined in section
23 102(a) of the Housing and Community Devel-
24 opment Act of 1974 (42 U.S.C. 5302(a)).

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

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

10 (6) MIXED-INCOME HOUSING.—The term
11 “mixed-income housing” means a housing develop-
12 ment that is comprised of housing units that pro-
13 mote differing levels of affordability in the commu-
14 nity.

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

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

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

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

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

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

13 (2) the presence of high opportunity areas in
14 the jurisdiction of the eligible entity;

15 (3) coordination between the eligible entity and
16 a State agency; and

17 (4) coordination between the eligible entity and
18 State, local, and regional transportation planning
19 authorities.

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

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

3 (1) the impacts of the activities carried out
4 using the grant amounts in improving the produc-
5 tion and supply of affordable housing;

6 (2) the prereviewed designs selected using the
7 grant amounts in their communities;

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

10 (4) the number of housing units produced in
11 developments utilizing the prereviewed designs.

12 (f) AVAILABILITY OF INFORMATION.—The Secretary
13 shall—

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

20 (2) collect, identify, and disseminate best prac-
21 tices regarding such designs and make such informa-
22 tion publicly available on the website of the Depart-
23 ment of Housing and Urban Development.

24 (g) DESIGN ADOPTION AND REPAYMENT.—The Sec-
25 retary may require an eligible entity to return to the Sec-

1 retary any grant funds received under this section if the
 2 selected prereviewed designs submitted under this section
 3 have not been adopted during the 5-year period following
 4 receipt of the grant, unless that period is extended by the
 5 Secretary.

6 (h) TECHNICAL ASSISTANCE.—The Secretary may
 7 set aside not more than 5 percent of amounts appropriated
 8 in a fiscal year to provide technical assistance to grant
 9 recipients under this section and pregrant technical assist-
 10 ance to prospective applicants.

11 **SEC. 210. REVITALIZING EMPTY STRUCTURES INTO DESIR-**
 12 **ABLE ENVIRONMENTS (RESIDE) ACT.**

13 (a) IN GENERAL.—Subtitle A of title II of the Cran-
 14 ston-Gonzalez National Affordable Housing Act (42
 15 U.S.C. 12741 et seq.) is amended by adding at the end
 16 the following:

17 **“SEC. 227. REVITALIZING EMPTY STRUCTURES INTO DESIR-**
 18 **ABLE ENVIRONMENTS.**

19 “(a) DEFINITIONS.—In this section:

20 “(1) ATTAINABLE HOUSING.—The term ‘attain-
 21 able housing’ means housing that serves households
 22 earning not more than 120 percent of the area me-
 23 dian income, if the majority of the housing units are
 24 affordable to households earning not more than 60
 25 percent of the area median income.

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

4 “(3) COVERED GRANT.—The term ‘covered
5 grant’ means a grant awarded under the Pilot Pro-
6 gram.

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

9 “(5) PILOT PROGRAM.—The term ‘Pilot Pro-
10 gram’ means the Pilot Program established under
11 subsection (b).

12 “(6) VACANT AND ABANDONED BUILDING.—
13 The term ‘vacant and abandoned building’ means a
14 property—

15 “(A) that was constructed for use as a
16 warehouse, factory, mall, strip mall, or hotel, or
17 for another industrial or commercial use; and

18 “(B)(i) with respect to which—

19 “(I) a code enforcement inspection
20 has determined that the property is not
21 safe; and

22 “(II) not less than 90 days have
23 elapsed since the owner was notified of the
24 deficiencies in the property and the owner
25 has taken no corrective action; or

1 “(ii) that is subject to a court-ordered re-
2 ceivership or nuisance abatement related to
3 abandonment pursuant to State or local law or
4 otherwise meets the definition of an abandoned
5 property under State law.

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

13 “(c) AMOUNT OF GRANT.—

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

19 “(2) FISCAL YEARS WITH LOWER FUNDING.—
20 For any fiscal year for which less than
21 \$100,000,000 is made available to carry out the
22 Pilot Program pursuant to subsection (b), the Sec-
23 retary shall seek to maximize the number of covered
24 grants awarded.

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

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

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

9 “(2) will use the covered grant in a qualified
10 opportunity zone (as defined in section 1400Z-1(a)
11 of the Internal Revenue Code of 1986);

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

19 “(4) has enacted ordinances to reduce regu-
20 latory barriers to conversion of vacant and aban-
21 doned buildings to housing, which shall not include
22 any alteration of an ordinance that governs safety
23 and habitability.

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

1 “(1) property acquisition;

2 “(2) demolition;

3 “(3) health hazard remediation;

4 “(4) site preparation;

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

6 or

7 “(6) the establishment, maintenance, or expansion of community land trusts or housing cooperatives.

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

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

23 “(1) improving the tax base of local commu-
24 nities;

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

4 “(3) increasing home-ownership; and

5 “(4) removing blight.”.

6 (b) TECHNICAL AND CONFORMING AMENDMENT.—

7 The table of contents in section 1(b) of the Cranston-Gon-
 8 zalez National Affordable Housing Act (Public Law 101–
 9 625; 104 Stat. 4079) is amended by inserting after the
 10 item relating to section 226 the following:

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

11 **SEC. 211. HOUSING AFFORDABILITY ACT.**

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

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

15 (A) in subsection (a), in the matter fol-
 16 lowing paragraph (7), by striking “(com-
 17 mencing in 2004” and all that follows through
 18 the period at the end and inserting the fol-
 19 lowing: “, commencing on July 1, 2025. The
 20 adjustment of the dollar amounts shall be cal-
 21 culated by the Secretary using the percentage
 22 change in the Price Deflator Index of Multi-
 23 family Residential Units Under Construction
 24 released by the Bureau of the Census from
 25 March of the previous year to March of the

1 year in which the adjustment is made, or by the
2 Secretary using an alternative indicator after
3 publishing information about such alternative
4 indicator in the Federal Register for public
5 comment if the Price Deflator Index of Multi-
6 family Residential Units Under Construction is
7 not available or published.”; and

8 (B) by amending subsection (b) to read as
9 follows:

10 “(b) PUBLICATION.—

11 “(1) IN GENERAL.—The Secretary shall publish
12 in the Federal Register any adjustments made to the
13 Dollar Amounts.

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

17 (2) in section 207(c)(3)(A) (12 U.S.C.
18 1713(c)(3)(A))—

19 (A) by striking “\$38,025” and inserting
20 “\$167,310”;

21 (B) by striking “\$42,120” and inserting
22 “\$185,328”;

23 (C) by striking “\$50,310” and inserting
24 “\$221,364”;

1 (D) by striking “\$62,010” and inserting
2 “\$272,844”;

3 (E) by striking “\$70,200” and inserting
4 “\$308,880”;

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

7 (G) by striking “\$43,875” and inserting
8 “\$193,050”;

9 (H) by striking “\$49,140” and inserting
10 “\$216,216”;

11 (I) by striking “\$60,255” and inserting
12 “\$265,122”;

13 (J) by striking “\$75,465” and inserting
14 “\$332,046”; and

15 (K) by striking “\$85,328” and inserting
16 “\$375,443”;

17 (3) in section 213(b)(2) (12 U.S.C.
18 1715e(b)(2))—

19 (A) by striking “\$41,207” and inserting
20 “\$181,311”;

21 (B) by striking “\$47,511” and inserting
22 “\$209,048”;

23 (C) by striking “\$57,300” and inserting
24 “\$252,120”;

1 (D) by striking “\$73,343” and inserting
2 “\$322,709”;

3 (E) by striking “\$81,708” and inserting
4 “\$359,515”;

5 (F) by striking “\$43,875” and inserting
6 “\$193,050”;

7 (G) by striking “\$49,710” and inserting
8 “\$218,724”;

9 (H) by striking “\$60,446” and inserting
10 “\$265,962”;

11 (I) by striking “\$78,197” and inserting
12 “\$344,067”; and

13 (J) by striking “\$85,836” and inserting
14 “\$377,678”;

15 (4) in section 220(d)(3)(B)(iii)(I) (12 U.S.C.
16 1715k(d)(3)(B)(iii)(I))—

17 (A) by striking “\$38,025” and inserting
18 “\$167,310”;

19 (B) by striking “\$42,120” and inserting
20 “\$185,328”;

21 (C) by striking “\$50,310” and inserting
22 “\$221,364”;

23 (D) by striking “\$62,010” and inserting
24 “\$272,844”;

1 (E) by striking “\$70,200” and inserting
2 “\$308,880”;

3 (F) by striking “\$43,875” and inserting
4 “\$193,050”;

5 (G) by striking “\$49,140” and inserting
6 “\$216,216”;

7 (H) by striking “\$60,255” and inserting
8 “\$265,122”;

9 (I) by striking “\$75,465” and inserting
10 “\$332,046”; and

11 (J) by striking “\$85,328” and inserting
12 “\$375,443”;

13 (5) in section 221(d)(4)(ii)(I) (12 U.S.C.
14 1715l(d)(4)(ii)(I))—

15 (A) by striking “\$37,843” and inserting
16 “\$166,509”;

17 (B) by striking “\$42,954” and inserting
18 “\$188,997”;

19 (C) by striking “\$51,920” and inserting
20 “\$228,448”;

21 (D) by striking “\$65,169” and inserting
22 “\$286,744”;

23 (E) by striking “\$73,846” and inserting
24 “\$324,922”;

1 (F) by striking “\$40,876” and inserting
2 “\$179,854”;

3 (G) by striking “\$46,859” and inserting
4 “\$206,180”;

5 (H) by striking “\$56,979” and inserting
6 “\$250,708”;

7 (I) by striking “\$73,710” and inserting
8 “\$324,324”; and

9 (J) by striking “\$80,913” and inserting
10 “\$356,017”;

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

13 (A) by striking “\$35,978” and inserting
14 “\$166,509”;

15 (B) by striking “\$40,220” and inserting
16 “\$188,997”;

17 (C) by striking “\$48,029” and inserting
18 “\$228,448”;

19 (D) by striking “\$57,798” and inserting
20 “\$286,744”;

21 (E) by striking “\$67,950” and inserting
22 “\$324,922”;

23 (F) by striking “\$40,876” and inserting
24 “\$179,854”;

1 (G) by striking “\$46,859” and inserting
2 “\$206,180”;

3 (H) by striking “\$56,979” and inserting
4 “\$250,708”;

5 (I) by striking “\$73,710” and inserting
6 “\$324,324”; and

7 (J) by striking “\$80,913” and inserting
8 “\$356,017”; and

9 (7) in section 234(e)(3)(A) (12 U.S.C.
10 1715y(e)(3)(A))—

11 (A) by striking “\$42,048” and inserting
12 “\$185,011”;

13 (B) by striking “\$48,481” and inserting
14 “\$213,316”;

15 (C) by striking “\$58,469” and inserting
16 “\$257,263”;

17 (D) by striking “\$74,840” and inserting
18 “\$329,296”;

19 (E) by striking “\$83,375” and inserting
20 “\$366,850”;

21 (F) by striking “\$44,250” and inserting
22 “\$194,700”;

23 (G) by striking “\$50,724” and inserting
24 “\$223,186”;

1 (H) by striking “\$61,680” and inserting
2 “\$271,392”;

3 (I) by striking “\$79,793” and inserting
4 “\$351,089”; and

5 (J) by striking “\$87,588” and inserting
6 “\$385,387”.

7 (b) RULE OF CONSTRUCTION.—Nothing in this sec-
8 tion or the amendments made by this section may be con-
9 strued to limit the authority of the Secretary of Housing
10 and Urban Development to revise the statutory exceptions
11 for high-cost percentage and high-cost areas annual index-
12 ing.

13 **TITLE III—MANUFACTURED** 14 **HOUSING FOR AMERICA**

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

16 (a) IN GENERAL.—Section 603(6) of the National
17 Manufactured Housing Construction and Safety Stand-
18 ards Act of 1974 (42 U.S.C. 5402(6)) is amended by
19 striking “on a permanent chassis” and inserting “with or
20 without a permanent chassis”.

21 (b) STANDARDS FOR MANUFACTURED HOMES BUILT
22 WITHOUT A PERMANENT CHASSIS.—Section 604(a) of
23 the National Manufactured Housing Construction and
24 Safety Standards Act of 1974 (42 U.S.C. 5403(a)) is
25 amended by adding the following:

1 “(7) STANDARDS FOR MANUFACTURED HOMES
2 BUILT WITHOUT A PERMANENT CHASSIS.—

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

8 “(B) CREATING FINAL STANDARDS.—The
9 Secretary shall, after consulting and conferring
10 with the consensus committee, establish stand-
11 ards to ensure that manufactured homes with-
12 out a permanent chassis have—

13 “(i) a distinct label, with revenue gen-
14 erated to be deposited into the Manufac-
15 tured Housing Fees Trust Fund estab-
16 lished under section 620(e)(1), to be issued
17 by the Secretary distinguishing manufac-
18 tured home built without a permanent
19 chassis from manufactured homes built on
20 a permanent chassis;

21 “(ii) a data plate, as described in sec-
22 tion 3280.5 of title 24, Code of Federal
23 Regulations (or any successor regulation),
24 distinguishing manufactured homes built
25 without a permanent chassis from manu-

1 factured homes built on a permanent chas-
2 sis; and

3 “(iii) a notation on any invoice pro-
4 duced by the manufacturer of a manufac-
5 tured home that is distinguishable from
6 the invoice for a manufactured home con-
7 structed with a permanent chassis.”.

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

12 “(i) MANUFACTURED HOME CERTIFICATIONS.—

13 “(1) IN GENERAL.—

14 “(A) INITIAL CERTIFICATION.—Subject to
15 subparagraph (B), not later than 1 year after
16 the date of enactment of the 21st Century
17 ROAD to Housing Act, a State shall submit to
18 the Secretary an initial certification that the
19 laws and regulations of the State—

20 “(i) treat any manufactured home in
21 parity with a manufactured home (as de-
22 fined and regulated by the State); and

23 “(ii) subject a manufactured home
24 without a permanent chassis to the same
25 laws and regulations of the State as a

1 manufactured home built on a permanent
2 chassis, including with respect to financ-
3 ing, title, insurance, manufacture, sale,
4 taxes, transportation, installation, and
5 other areas as the Secretary determines,
6 after consultation with and approval by the
7 consensus committee, are necessary to give
8 effect to the purpose of this section.

9 “(B) STATE PLAN SUBMISSION.—Any
10 State plan submitted under section 623(b) shall
11 contain the required State certification under
12 subparagraph (A) and, if contained therein, no
13 additional or State certification under subpara-
14 graph (A) or paragraph (3).

15 “(C) EXTENDED DEADLINE.—With respect
16 to a State with a legislature that meets bienni-
17 ally, the deadline for the submission of the ini-
18 tial certification required under subparagraph
19 (A) shall be 2 years after the date of enactment
20 of the 21st Century ROAD to Housing Act.

21 “(D) LATE CERTIFICATION.—

22 “(i) NO WAIVER.—The Secretary may
23 not waive the prohibition described in
24 paragraph (5)(B) with respect to a certifi-
25 cation submitted after the deadline under

1 subparagraph (A) or paragraph (3) unless
2 the Secretary approves the late certifi-
3 cation.

4 “(ii) RULE OF CONSTRUCTION.—
5 Nothing in this subsection shall be con-
6 strued to prevent a State from submitting
7 the initial certification required under sub-
8 paragraph (A) after the required deadline
9 under that subparagraph.

10 “(2) FORM OF STATE CERTIFICATION NOT PRE-
11 SENTED IN A STATE PLAN.—The initial certification
12 required under paragraph (1)(A), if not submitted
13 with a State plan under paragraph (1)(B), shall con-
14 tain, in a form prescribed by the Secretary, an attes-
15 tation by an official that the State has taken the
16 steps necessary to ensure the veracity of the certifi-
17 cation required under paragraph (1)(A), including,
18 as necessary, by—

19 “(A) amending the definition of ‘manufac-
20 tured home’ in the laws and regulations of the
21 State; and

22 “(B) directing State agencies to amend the
23 definition of ‘manufactured home’ in regula-
24 tions.

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

5 “(A) confirms the accuracy of the initial
6 certification submitted under subparagraph (A)
7 or (B) of paragraph (1); and

8 “(B) certifies that any new laws or regula-
9 tions enacted or adopted by the State since the
10 date of the previous certification do not change
11 the veracity of the initial certification submitted
12 under paragraph (1)(A).

13 “(4) LIST.—The Secretary shall publish and
14 maintain in the Federal Register and on the website
15 of the Department of Housing and Urban Develop-
16 ment a list of States that are up to date with the
17 submission of initial and subsequent certifications
18 required under this subsection.

19 “(5) PROHIBITION.—

20 “(A) DEFINITION.—In this paragraph, the
21 term ‘covered manufactured home’ means a
22 home that is—

23 “(i) not considered a manufactured
24 home under the laws and regulations of a

1 State because the home is constructed
2 without a permanent chassis;

3 “(ii) considered a manufactured home
4 under the definition of the term in section
5 603; and

6 “(iii) constructed after the date of en-
7 actment of the 21st Century ROAD to
8 Housing Act.

9 “(B) BUILDING, INSTALLATION, AND
10 SALE.—If a State does not submit a certifi-
11 cation under paragraph (1)(A) or (3) by the
12 date on which those certifications are required
13 to be submitted—

14 “(i) with respect to a State in which
15 the State administers the installation of
16 manufactured homes, the State shall pro-
17 hibit the manufacture, installation, or sale
18 of a covered manufactured home within the
19 State; and

20 “(ii) with respect to a State in which
21 the Secretary administers the installation
22 of manufactured homes, the State and the
23 Secretary shall prohibit the manufacture,
24 installation, or sale of a covered manufac-
25 tured home within the State.”.

1 (d) OTHER FEDERAL LAWS REGULATING MANUFAC-
2 TURED HOMES.—The Secretary of Housing and Urban
3 Development may coordinate with the heads of other Fed-
4 eral agencies to ensure that Federal agencies treat a man-
5 ufactured home (as defined in Federal laws and regula-
6 tions other than section 603 of the National Manufactured
7 Housing Construction and Safety Standards Act of 1974
8 (42 U.S.C. 5402)) in the same manner as a manufactured
9 home (as defined in section 603 of the National Manufac-
10 tured Housing Construction and Safety Standards Act of
11 1974 (42 U.S.C. 5402), as amended by this Act).

12 (e) ASSISTANCE TO STATES.—Section 609 of the Na-
13 tional Manufactured Housing Construction and Safety
14 Standards Act of 1974 (42 U.S.C. 5408) is amended—

15 (1) in paragraph (1), by striking “and” at the
16 end;

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

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

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

22 (f) PREEMPTION.—Nothing in this section or the
23 amendments made by this section may be construed as
24 limiting the scope of Federal preemption under section
25 604(d) of the National Manufactured Housing Construc-

1 tion and Safety Standards Act of 1974 (42 U.S.C.
2 5403(d)).

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

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

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

12 “(j) PRIMARY AUTHORITY TO ESTABLISH STAND-
13 ARDS.—

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

17 “(2) APPROVAL FROM SECRETARY.—

18 “(A) IN GENERAL.—The head of any Fed-
19 eral agency that seeks to establish a manufac-
20 tured home construction and safety standard on
21 or after the date of the enactment of this sub-
22 section—

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

1 “(ii) may not establish such standard
2 without approval from the Secretary.

3 “(B) REJECTION OF STANDARDS.—The
4 Secretary shall reject a standard submitted to
5 the Secretary for approval under subparagraph
6 (A)—

7 “(i) if the standard would signifi-
8 cantly increase the cost of producing man-
9 ufactured homes, as determined by the
10 Secretary;

11 “(ii) if the standard would conflict
12 with existing manufactured home construc-
13 tion and safety standards established by
14 the Secretary; or

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

17 “(C) RULE OF CONSTRUCTION.—Nothing
18 in this subsection may be construed to require
19 the Secretary to establish new or revised Fed-
20 eral manufactured home construction and safe-
21 ty standards.”.

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

23 (a) DEFINITIONS.—In this section:

24 (1) MANUFACTURED HOME.—The term “manu-
25 factured home” has the meaning given the term in

1 section 603 of the National Manufactured Housing
2 Construction and Safety Standards Act of 1974 (42
3 U.S.C. 5402).

4 (2) MODULAR HOME.—The term “modular
5 home” means a home that is constructed in a fac-
6 tory in 1 or more modules, each of which meets ap-
7 plicable State and local building codes of the area in
8 which the home will be located, and that are trans-
9 ported to the home building site, installed on foun-
10 dations, and completed.

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

13 (b) FHA CONSTRUCTION FINANCING PROGRAMS.—

14 (1) IN GENERAL.—The Secretary shall conduct
15 a review of Federal Housing Administration con-
16 struction financing programs to identify barriers to
17 the use of modular home methods.

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

20 (A) identify and evaluate regulatory and
21 programmatic features that restrict participa-
22 tion in construction financing programs by
23 modular home developers, including construc-
24 tion draw schedules; and

1 (B) identify administrative measures au-
2 thorized under section 525 of the National
3 Housing Act (12 U.S.C. 1735f-3) to facilitate
4 program utilization by modular home devel-
5 opers.

6 (3) REPORT.—Not later than 1 year after the
7 date of enactment of this Act, the Secretary shall
8 publish a report that describes the results of the re-
9 view conducted under paragraph (1), which shall in-
10 clude a description of programmatic and policy
11 changes that the Secretary recommends to reduce or
12 eliminate identified barriers to the use of modular
13 home methods in Federal Housing Administration
14 construction financing programs.

15 (4) RULEMAKING.—

16 (A) IN GENERAL.—Not later than 120
17 days after the date on which the Secretary pub-
18 lishes the report under paragraph (3), the Sec-
19 retary shall initiate a rulemaking to examine an
20 alternative draw schedule for construction fi-
21 nancing loans provided to modular and manu-
22 factured home developers, which shall include
23 the ability for interested stakeholders to provide
24 robust public comment.

1 (B) DETERMINATION.—Following the pe-
2 riod for public comment under subparagraph
3 (A), the Secretary shall—

4 (i) issue a final rule regarding an al-
5 ternative draw schedule described in sub-
6 paragraph (A); or

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

9 (c) STANDARDIZED UNIFORM COMMERCIAL CODE
10 FOR MODULAR HOMES.—The Secretary may award a
11 grant to study the design and feasibility of a standardized
12 uniform commercial code for modular homes, which shall
13 evaluate—

14 (1) the utility of a standardized coding system
15 for serializing and securing modules, streamlining
16 design and construction, and improving modular
17 home innovation; and

18 (2) a means to coordinate a standardized code
19 with financing incentives.

20 **SEC. 303. PROPERTY IMPROVEMENT AND MANUFACTURED**
21 **HOUSING LOAN MODERNIZATION ACT.**

22 (a) NATIONAL HOUSING ACT AMENDMENTS.—

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

1 (A) in subsection (a), by inserting “con-
2 struction of additional or accessory dwelling
3 units, as defined by the Secretary,” after “en-
4 ergy conserving improvements,”; and

5 (B) in subsection (b)—

6 (i) in paragraph (1)—

7 (I) by striking subparagraph (A)

8 and inserting the following:

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

13 (II) in subparagraph (B)—

14 (aa) by striking “\$60,000”

15 and inserting “\$150,000”;

16 (bb) by striking “\$12,000”

17 and inserting “\$37,500”; and

18 (cc) by striking “an apart-

19 ment house or”;

20 (III) by striking subparagraphs

21 (C) and (D) and inserting the fol-

22 lowing:

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

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

4 (ii) in the matter immediately pre-
5 ceding paragraph (2)—

6 (I) by striking “regulation” and
7 inserting “notice”;

8 (II) by striking “increase” and
9 inserting “set”;

10 (III) by striking “(A)(ii), (C),
11 (D), and (E)” and inserting “(A)
12 through (H)”;

13 (IV) by inserting “, or as nec-
14 essary to achieve the goals of the Fed-
15 eral Housing Administration, periodi-
16 cally reset the dollar amount limita-
17 tions in subparagraphs (A) through
18 (H) based on justification and meth-
19 odology set forth in advance by regu-
20 lation” before the period at the end;
21 and

22 (V) by adjusting the margins ap-
23 propriately;

24 (iii) in paragraph (3), by striking “ex-
25 ceeds—” and all that follows through the

1 period at the end and inserting “exceeds
2 such period of time as determined by the
3 Secretary, not to exceed 30 years.”;

4 (iv) by striking paragraph (9) and in-
5 serting the following:

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

12 (v) in paragraph (11), by striking
13 “lease—” and all that follows through the
14 period at the end and inserting “lease
15 meets the terms and conditions established
16 by the Secretary”.

17 (2) DEADLINE FOR DEVELOPMENT OR CHOICE
18 OF NEW INDEX; INTERIM INDEX.—

19 (A) DEADLINE FOR DEVELOPMENT OR
20 CHOICE OF NEW INDEX.—Not later than 1 year
21 after the date of enactment of this Act, the Sec-
22 retary of Housing and Urban Development
23 shall develop or choose 1 or more methods of
24 indexing as required under section 2(b)(9) of
25 the National Housing Act (12 U.S.C.

1 1703(b)(9)), as amended by paragraph (1) of
2 this subsection.

3 (B) INTERIM INDEX.—During the period
4 beginning on the date of enactment of this Act
5 and ending on the date on which the Secretary
6 of Housing and Urban Development develops or
7 chooses 1 or more methods of indexing as re-
8 quired under section 2(b)(9) of the National
9 Housing Act (12 U.S.C. 1703(b)(9)), as
10 amended by paragraph (1) of this subsection,
11 the method of indexing established by the Sec-
12 retary under such section 2(b)(9) before the
13 date of enactment of this Act shall apply.

14 (b) HUD STUDY OF OFFSITE CONSTRUCTION.—

15 (1) DEFINITIONS.—In this subsection:

16 (A) OFFSITE CONSTRUCTION HOUSING.—
17 The term “offsite construction housing” in-
18 cludes manufactured homes and modular
19 homes.

20 (B) MANUFACTURED HOME.—The term
21 “manufactured home” means any home con-
22 structed in accordance with the construction
23 and safety standards established under the Na-
24 tional Manufactured Housing Construction and

1 Safety Standards Act of 1974 (42 U.S.C. 5401
2 et seq.).

3 (C) MODULAR HOME.—The term “modular
4 home” means a home that is constructed in a
5 factory in 1 or more modules, each of which
6 meets applicable State and local building codes
7 of the area in which the home will be located,
8 and that are transported to the home building
9 site, installed on foundations, and completed.

10 (2) STUDY.—Not later than 1 year after the
11 date of the enactment of this section the Secretary
12 of Housing and Urban Development shall conduct a
13 study and submit to Congress a report on the cost
14 effectiveness of offsite construction housing, that in-
15 cludes—

16 (A) an analysis of the advantages and the
17 impact of centralization in a factory and trans-
18 portation to a construction site on cost, preci-
19 sion, and materials waste;

20 (B) the extent to which offsite construction
21 housing meets housing quality standards under
22 the National Standards for the Physical Inspec-
23 tion of Real Estate, or other standards as the
24 Secretary may prescribe, compared to the ex-
25 tent for site-built homes, for such standards;

1 (C) the expected replacement and mainte-
 2 nance costs over the first 40 years of life of off-
 3 site construction homes compared to those costs
 4 for site-built homes; and

5 (D) opportunities for use beyond single-
 6 family housing, such as applications in acces-
 7 sory dwelling units, two- to four-unit housing,
 8 and large multifamily housing.

9 **TITLE IV—ACCESSING THE**
 10 **AMERICAN DREAM**

11 **SEC. 401. CREATING INCENTIVES FOR SMALL-DOLLAR**
 12 **LOAN ORIGINATORS.**

13 (a) DEFINITIONS.—In this section:

14 (1) DIRECTOR.—The term “Director” means
 15 the Director of the Bureau of Consumer Financial
 16 Protection.

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

21 (A) secured by real property designed for
 22 1 to 4 dwelling units; and

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

1 (ii) made, guaranteed, or insured by the
2 Department of Veterans Affairs;

3 (iii) made, guaranteed, or insured by the
4 Department of Agriculture; or

5 (iv) eligible to be purchased or securitized
6 by the Federal Home Loan Mortgage Corpora-
7 tion or the Federal National Mortgage Associa-
8 tion.

9 (b) REQUIREMENT REGARDING LOAN ORIGINATOR
10 COMPENSATION PRACTICES.—Not later than 270 days
11 after the date of enactment of this Act, the Director shall
12 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 on
15 loan originator compensation practices throughout the res-
16 idential mortgage market, including the relative frequency
17 of loan originators being compensated—

18 (1) with a salary;

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

21 (3) with a commission based on a factor other
22 than a fixed percentage of the amount of credit ex-
23 tended;

24 (4) with a combination of salary and commis-
25 sion;

1 (5) on a loan volume basis; and

2 (6) with a commission reflecting a percentage of
3 the amount of credit extended, for which a minimum
4 or maximum compensation amount is set.

5 (c) COMMUNITY DEVELOPMENT FINANCIAL INSTITU-
6 TION LOAN ORIGINATORS.—In performing the study re-
7 quired under subsection (b), the Secretary shall, in coordi-
8 nation with relevant Federal agencies that regulate feder-
9 ally backed small-dollar mortgages and in consultation
10 with the Director of the Community Development Finan-
11 cial Institutions Fund established under section 104 of the
12 Community Development Banking and Financial Institu-
13 tions Act of 1994 (12 U.S.C. 4703), give due consider-
14 ation to the practices for compensating loan originators
15 that are employed by or originate loans on behalf of com-
16 munity development financial institutions.

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

19 (1) data and other analyses regarding the effect
20 of the approaches to loan originator compensation
21 described in subsection (b) on the availability of
22 small-dollar mortgage loans; and

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

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

2 (a) SMALL-DOLLAR MORTGAGE DEFINED.—In this
3 section, the term “small-dollar mortgage” means a mort-
4 gage with an original principal obligation of less than
5 \$100,000.

6 (b) AMENDMENTS.—Not later than 270 days after
7 the date of enactment of this Act, the Director of the Bu-
8 reau of Consumer Financial Protection, in consultation
9 with the Secretary of Housing and Urban Development
10 and the Director of the Federal Housing Finance Agency,
11 shall evaluate the impact of the thresholds under section
12 1026.43 of title 12, Code of Federal Regulations (as in
13 effect on the date of enactment of this Act), on small-dol-
14 lar mortgage originations.

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

16 (a) APPRAISAL STANDARDS.—

17 (1) CERTIFICATION OR LICENSING.—

18 (A) IN GENERAL.—Section 202(g)(5) of
19 the National Housing Act (12 U.S.C.
20 1708(g)(5)) is amended—

21 (i) by moving the paragraph two ems
22 to the left; and

23 (ii) by striking subparagraphs (A) and
24 (B) and inserting the following:

25 “(A) be certified or licensed by the State in
26 which the property to be appraised is located, except

1 that an appraiser who has as their primary duty
2 conducting appraisal-related activities and who
3 chooses to become a State-licensed or certified real
4 estate appraiser need only to be licensed or certified
5 in 1 State or territory to perform appraisals on
6 mortgages insured by the Federal Housing Adminis-
7 tration in all States and territories;

8 “(B) meet the requirements under the com-
9 petency rule set forth in the Uniform Standards of
10 Professional Appraisal Practice before accepting an
11 assignment; and

12 “(C) have demonstrated verifiable education in
13 the appraisal requirements established by the Fed-
14 eral Housing Administration under this subsection,
15 which shall include the completion of a course or
16 seminar that educates appraisers on those appraisal
17 requirements, which shall be provided by—

18 “(i) the Federal Housing Administration;

19 or

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

23 (B) APPLICATION.—Subparagraph (C) of
24 section 202(g)(5) of the National Housing Act
25 (12 U.S.C. 1708(g)(5)), as added by subpara-

1 graph (A), shall not apply with respect to any
2 certified appraiser approved by the Federal
3 Housing Administration to conduct appraisals
4 on property securing a mortgage to be insured
5 by the Federal Housing Administration on or
6 before the effective date described in paragraph
7 (3)(C).

8 (2) COMPLIANCE WITH VERIFIABLE EDUCATION
9 AND COMPETENCY REQUIREMENTS.—On and after
10 the effective date described in paragraph (3)(C), no
11 appraiser may conduct an appraisal on a property
12 securing a mortgage to be insured by the Federal
13 Housing Administration unless—

14 (A) the appraiser is in compliance with the
15 requirements of subparagraphs (A) and (B) of
16 section 202(g)(5) of the National Housing Act
17 (12 U.S.C. 1708(g)(5)), as amended by para-
18 graph (1); and

19 (B) if the appraiser was not approved by
20 the Federal Housing Administration to conduct
21 appraisals on mortgages insured by the Federal
22 Housing Administration before the date on
23 which the mortgagee letter or guidance takes
24 effect under paragraph (3)(C), the appraiser is

1 in compliance with subparagraph (C) of such
2 section 202(g)(5).

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

7 (A) implements the amendments made by
8 paragraph (1);

9 (B) clearly sets forth all of the specific re-
10 quirements under section 202(g)(5) of the Na-
11 tional Housing Act (12 U.S.C. 1708(g)(5)), as
12 amended by paragraph (1), for approval to con-
13 duct appraisals on property secured by a mort-
14 gage to be insured by the Federal Housing Ad-
15 ministration, which shall include—

16 (i) providing that, before the effective
17 date of the mortgagee letter or guidance,
18 compliance with the requirements under
19 subparagraphs (A), (B), and (C) of such
20 section 202(g)(5), as amended by para-
21 graph (1), shall be considered to fulfill the
22 requirements under such subparagraphs;
23 and

24 (ii) providing a method for appraisers
25 to demonstrate such prior compliance; and

1 (C) takes effect not later than the date
2 that is 180 days after the date on which the
3 Secretary issues the mortgagee letter or guid-
4 ance.

5 (b) ANNUAL REGISTRY FEES FOR APPRAISAL MAN-
6 AGEMENT COMPANIES.—Section 1109(a) of the Financial
7 Institutions Reform, Recovery, and Enforcement Act of
8 1989 (12 U.S.C. 3338(a)) is amended, in the matter fol-
9 lowing clause (ii) of paragraph (4)(B), by adding at the
10 end the following: “Subject to the approval of the Council,
11 the Appraisal Subcommittee may adjust fees established
12 under clause (i) or (ii) to carry out its functions under
13 this Act.”.

14 (c) STATE CREDENTIALLED TRAINEES.—

15 (1) MAINTENANCE ON NATIONAL REGISTRY.—
16 Section 1103(a) of the Financial Institutions Re-
17 form, Recovery, and Enforcement Act of 1989 (12
18 U.S.C. 3332(a)) is amended—

19 (A) in paragraph (3)—

20 (i) by inserting “and State
21 credentialed trainee appraisers” after “li-
22 censed appraisers”; and

23 (ii) by striking “and” at the end;

24 (B) by striking paragraph (4);

1 (C) by redesignating paragraphs (5) and
2 (6) as paragraphs (4) and (5), respectively; and

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

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

6 (ii) by striking “provide” and insert-
7 ing “provides”; and

8 (iii) by striking the period at the end
9 and inserting “; and”.

10 (2) ANNUAL REGISTRY FEES.—

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

15 (i) in the section heading, by striking
16 “certified or licensed” and inserting “, cer-
17 tified, licensed, and credentialed trainee”;
18 and

19 (ii) in subsection (a)—

20 (I) in paragraph (1), by inserting
21 “, and in the case of a State with a
22 supervisory or trainee program, a ros-
23 ter listing individuals who have re-
24 ceived a State trainee credential”
25 after “this title”; and

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

3 “(2) transmit reports on the issuance and re-
4 newal of licenses, certifications, credentials, sanc-
5 tions, and disciplinary actions, including license, cre-
6 dential, and certification revocations, on a timely
7 basis to the national registry of the Appraisal Sub-
8 committee;”.

9 (B) RULE OF CONSTRUCTION.—Nothing in
10 the amendments made by subparagraph (A)
11 shall require a State to establish or operate a
12 program for State credentialed trainee apprais-
13 ers, as defined in paragraph (12) of section
14 1121 of the Financial Institutions Reform, Re-
15 covery, and Enforcement Act of 1989, as added
16 by paragraph (4) of this subsection.

17 (3) TRANSACTIONS REQUIRING THE SERVICES
18 OF A STATE CERTIFIED APPRAISER.—Section 1113
19 of the Financial Institutions Reform, Recovery, and
20 Enforcement Act of 1989 (12 U.S.C. 3342) is
21 amended—

22 (A) by striking “In determining” and in-
23 serting “(a) IN GENERAL.—In determining”;
24 and

25 (B) by adding at the end the following:

1 “(b) USE OF STATE CREDENTIALLED TRAINEE AP-
 2 PRAISERS.—In performing an appraisal under this sec-
 3 tion, a State certified appraiser may use the assistance
 4 of a State credentialed trainee appraiser or an unlicensed
 5 trainee appraiser, except that the State certified appraiser
 6 assisted by a trainee shall be liable for appraisal and valu-
 7 ation work.”.

8 (4) DEFINITION.—Section 1121 of the Finan-
 9 cial Institutions Reform, Recovery, and Enforcement
 10 Act of 1989 (12 U.S.C. 3350) is amended by adding
 11 at the end the following:

12 “(12) STATE CREDENTIALLED TRAINEE AP-
 13 PRAISER.—The term ‘State credentialed trainee ap-
 14 praiser’ means an individual who—

15 “(A) meets the minimum criteria estab-
 16 lished by the Appraiser Qualification Board for
 17 a trainee appraiser credential; and

18 “(B) is credentialed by a State appraiser
 19 certifying and licensing agency.”.

20 (d) GRANTS FOR WORKFORCE AND TRAINING.—Sec-
 21 tion 1109(b) of the Financial Institutions Reform, Recov-
 22 ery, and Enforcement Act of 1989 (12 U.S.C. 3338(b))
 23 is amended—

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

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

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

4 “(7) to make grants to State appraiser certi-
5 fying and licensing agencies to support the carrying
6 out of education and training activities or other ac-
7 tivities related to addressing appraiser industry
8 workforce needs, including recruiting and retaining
9 workforce talent, such as through scholarship assist-
10 ance and career pipeline development, and such
11 agencies shall report on the use of funds and out-
12 comes.”.

13 (e) APPRAISAL SUBCOMMITTEE.—Section 1011 of
14 the Federal Financial Institutions Examination Council
15 Act of 1978 (12 U.S.C. 3310) is amended, in the first
16 sentence, by inserting “the Department of Veterans Af-
17 fairs, the Rural Housing Service of the Department of Ag-
18 riculture, the Department of Housing and Urban Develop-
19 ment,” after “Financial Protection,”.

20 **SEC. 404. HELPING MORE FAMILIES SAVE ACT.**

21 Section 23 of the United States Housing Act of 1937
22 (42 U.S.C. 1437u) is amended by adding at the end the
23 following:

24 “(p) ESCROW EXPANSION PILOT PROGRAM.—

25 “(1) DEFINITIONS.—In this subsection:

1 “(A) COVERED FAMILY.—The term ‘cov-
2 ered family’ means a family that receives assist-
3 ance under section 8 or 9 of this Act and is en-
4 rolled in the Pilot Program.

5 “(B) ELIGIBLE ENTITY.—The term ‘eligi-
6 ble entity’ means an entity described in sub-
7 section (c)(2).

8 “(C) PILOT PROGRAM.—The term ‘Pilot
9 Program’ means the Pilot Program established
10 under paragraph (2).

11 “(D) WELFARE ASSISTANCE.—The term
12 ‘welfare assistance’ has the meaning given the
13 term in section 984.103 of title 24, Code of
14 Federal Regulations, or any successor regula-
15 tion.

16 “(2) ESTABLISHMENT.—The Secretary may es-
17 tablish a Pilot Program under which the Secretary
18 shall select not more than 25 eligible entities to es-
19 tablish and manage escrow accounts for not more
20 than 5,000 covered families, in accordance with this
21 subsection.

22 “(3) ESCROW ACCOUNTS.—

23 “(A) IN GENERAL.—An eligible entity se-
24 lected to participate in the Pilot Program—

1 “(i) shall establish an interest-bearing
2 escrow account and place into the account
3 an amount equal to any increase in the
4 amount of rent paid by each covered family
5 in accordance with the provisions of section
6 3, 8(o), or 8(y), as applicable, that is at-
7 tributable to increases in earned income by
8 the covered families during the participa-
9 tion of each covered family in the Pilot
10 Program; and

11 “(ii) notwithstanding any other provi-
12 sion of law, may use funds it controls
13 under section 8 or 9 for purposes of mak-
14 ing the escrow deposit for covered families
15 assisted under, or residing in units assisted
16 under, section 8 or 9, respectively, pro-
17 vided such funds are offset by the increase
18 in the amount of rent paid by the covered
19 family.

20 “(B) INCOME LIMITATION.—An eligible en-
21 tity may not escrow any amounts for any cov-
22 ered family whose adjusted income exceeds 80
23 percent of the area median income at the time
24 of enrollment.

1 “(C) WITHDRAWALS.—A covered family
2 may withdraw funds, including interest earned,
3 from an escrow account established by an eligi-
4 ble entity under the Pilot Program—

5 “(i) after the covered family ceases to
6 receive welfare assistance; and

7 “(ii)(I) not earlier than the date that
8 is 5 years after the date on which the eligi-
9 ble entity establishes the escrow account
10 under this subsection;

11 “(II) not later than the date that is 7
12 years after the date on which the eligible
13 entity establishes the escrow account under
14 this subsection, if the covered family choos-
15 es to continue to participate in the Pilot
16 Program after the date that is 5 years
17 after the date on which the eligible entity
18 establishes the escrow account;

19 “(III) on the date the covered family
20 ceases to receive housing assistance under
21 section 8 or 9, if such date is earlier than
22 5 years after the date on which the eligible
23 entity establishes the escrow account;

24 “(IV) earlier than 5 years after the
25 date on which the eligible entity establishes

1 the escrow account, if the covered family is
2 using the funds to advance a self-suffi-
3 ciency goal as approved by the eligible enti-
4 ty;

5 “(V) for any reason listed under sec-
6 tion 984.303(k) of title 24, Code of Fed-
7 eral Regulations; or

8 “(VI) under other circumstances in
9 which the Secretary determines an exemp-
10 tion for good cause is warranted.

11 “(D) INTERIM RECERTIFICATION.—For
12 purposes of the Pilot Program, a covered family
13 may recertify the income of the covered family
14 multiple times per year at the request of the
15 participating family, as determined by the Sec-
16 retary, and not less frequently than once per
17 year, unless the eligible entity has established
18 an alternative rent structure with approval from
19 the Secretary.

20 “(E) CONTRACT OR PLAN.—A covered
21 family is not required to complete a standard
22 contract of participation or an individual train-
23 ing and services plan in order to participate in
24 the Pilot Program.

1 “(4) EFFECT OF INCREASES IN FAMILY IN-
2 COME.—Any increase in the earned income of a cov-
3 ered family during the enrollment of the family in
4 the Pilot Program may not be considered as income
5 or a resource for purposes of eligibility of the family
6 for other benefits, or amount of benefits payable to
7 the family, under any program administered by the
8 Secretary.

9 “(5) APPLICATION.—

10 “(A) IN GENERAL.—An eligible entity
11 seeking to participate in the Pilot Program
12 shall submit to the Secretary an application—

13 “(i) at such time, in such manner,
14 and containing such information as the
15 Secretary may require by notice; and

16 “(ii) that includes the number of pro-
17 posed covered families to be served by the
18 eligible entity under this subsection.

19 “(B) GEOGRAPHIC AND ENTITY VARI-
20 ETY.—The Secretary shall ensure that eligible
21 entities selected to participate in the Pilot Pro-
22 gram—

23 “(i) are located across various States
24 and in both urban and rural areas; and

1 “(ii) vary by size and type, including
2 both public housing agencies and private
3 owners of projects receiving project-based
4 rental assistance under section 8.

5 “(6) NOTIFICATION AND OPT-OUT.—An eligible
6 entity participating in the Pilot Program shall—

7 “(A) notify covered families of their enroll-
8 ment in the Pilot Program;

9 “(B) provide covered families with a de-
10 tailed description of the Pilot Program, includ-
11 ing how the Pilot Program will impact their
12 rent and finances;

13 “(C) inform covered families that the fami-
14 lies cannot simultaneously participate in the
15 Pilot Program and the Family Self-Sufficiency
16 program under this section; and

17 “(D) provide covered families with the abil-
18 ity to elect not to participate in the Pilot Pro-
19 gram—

20 “(i) not less than 2 weeks before the
21 date on which the escrow account is estab-
22 lished under paragraph (3); and

23 “(ii) at any point during the duration
24 of the Pilot Program.

1 “(7) MAXIMUM RENTS.—During the term of
2 participation by a covered family in the Pilot Pro-
3 gram, the amount of rent paid by the covered family
4 shall be calculated under the rental provisions of sec-
5 tion 3 or 8(o), as applicable.

6 “(8) PILOT PROGRAM TIMELINE.—

7 “(A) AWARDS.—Not later than 1 year
8 after establishing the Pilot Program, the Sec-
9 retary shall select the eligible entities to partici-
10 pate in the Pilot Program.

11 “(B) ESTABLISHMENT AND TERM OF AC-
12 COUNTS.—An eligible entity selected to partici-
13 pate in the Pilot Program shall—

14 “(i) not later than 6 months after se-
15 lection, establish escrow accounts under
16 paragraph (3) for covered families; and

17 “(ii) maintain those escrow accounts
18 for not less than 5 years, or until a deter-
19 mination is made for termination with FSS
20 escrow disbursement under section
21 984.303(k) of title 24, Code of Federal
22 Regulations, or until the date the family
23 ceases to receive assistance under section 8
24 or 9, and, at the discretion of the covered
25 family, not more than 7 years after the

1 date on which the escrow account is estab-
2 lished.

3 “(9) NONPARTICIPATION AND HOUSING ASSIST-
4 ANCE.—

5 “(A) IN GENERAL.—Assistance under sec-
6 tion 8 or 9 for a family that elects not to par-
7 ticipate in the Pilot Program shall not be de-
8 layed or denied by reason of such election.

9 “(B) NO TERMINATION.—Housing assist-
10 ance may not be terminated as a consequence
11 of participating, or not participating, in the
12 Pilot Program under this subsection for any pe-
13 riod.

14 “(10) STUDY.—Not later than 10 years after
15 the date the Secretary selects eligible entities to par-
16 ticipate in the Pilot Program under this subsection,
17 the Secretary shall, if awards were made, conduct a
18 study and submit to the Committee on Banking,
19 Housing, and Urban Affairs of the Senate and the
20 Committee on Financial Services of the House of
21 Representatives a report on outcomes for covered
22 families under the Pilot Program, which shall evalu-
23 ate the effectiveness of the Pilot Program in assist-
24 ing families to achieve economic independence and
25 self-sufficiency, and the impact coaching and sup-

1 portive services, or the lack thereof, had on indi-
2 vidual incomes.

3 “(11) WAIVERS.—To allow selected eligible en-
4 tities to effectively administer the Pilot Program and
5 make the required escrow account deposits under
6 this subsection, the Secretary may waive require-
7 ments under this section.

8 “(12) TERMINATION.—The Pilot Program
9 under this subsection shall terminate on the date
10 that is 10 years after the date of enactment of this
11 subsection.

12 “(13) ELIGIBLE USES OF APPROPRIATIONS.—
13 Subject to the appropriation of funds, the Secretary
14 may use funds—

15 “(A) for technical assistance related to im-
16 plementation of the Pilot Program; and

17 “(B) to carry out an evaluation of the
18 Pilot Program under paragraph (10).”.

19 **SEC. 405. CHOICE IN AFFORDABLE HOUSING ACT.**

20 (a) SATISFACTION OF INSPECTION REQUIREMENTS
21 THROUGH PARTICIPATION IN OTHER HOUSING PRO-
22 GRAMS.—Section 8(o)(8) of the United States Housing
23 Act of 1937 (42 U.S.C. 1437f(o)(8)) is amended by add-
24 ing at the end the following:

1 “(I) SATISFACTION OF INSPECTION RE-
2 QUIREMENTS THROUGH PARTICIPATION IN
3 OTHER HOUSING PROGRAMS.—

4 “(i) LOW-INCOME HOUSING TAX
5 CREDIT-FINANCED BUILDINGS.—A dwell-
6 ing unit shall be deemed to meet the in-
7 spection requirements under this para-
8 graph if—

9 “(I) the dwelling unit is in a
10 building, the acquisition, rehabilita-
11 tion, or construction of which was
12 done by a building owner who may be
13 eligible for low-income housing credits
14 because the building had been allo-
15 cated a housing credit dollar amount
16 under section 42(h) of the Internal
17 Revenue Code of 1986 or is described
18 in section 42(h)(4) of such Code (con-
19 cerning buildings that meet a criterion
20 for a certain amount of tax-exempt fi-
21 nancing);

22 “(II) the dwelling unit, during
23 the preceding 12-month period, was
24 physically inspected and satisfied the
25 suitability-for-occupancy requirement

1 in section 42(i)(3)(B)(ii) of such
2 Code; and

3 “(III) the applicable public hous-
4 ing agency performed the inspection
5 itself or is able to obtain the results of
6 the inspection described in subclause
7 (II).

8 “(ii) HOME INVESTMENT PARTNER-
9 SHIPS PROGRAM.—A dwelling shall be
10 deemed to meet the inspection require-
11 ments under this paragraph if—

12 “(I) the dwelling unit is assisted
13 under the HOME Investment Part-
14 nerships Program under title II of the
15 Cranston-Gonzalez National Afford-
16 able Housing Act (42 U.S.C. 12721 et
17 seq.);

18 “(II) the dwelling unit was phys-
19 ically inspected and passed inspection
20 as part of the program described in
21 subclause (I) during the preceding 12-
22 month period; and

23 “(III) the applicable public hous-
24 ing agency is able to obtain the re-

1 sults of the inspection described in
2 subclause (II).

3 “(iii) RURAL HOUSING SERVICE.—A
4 dwelling unit shall be deemed to meet the
5 inspection requirements under this para-
6 graph if—

7 “(I) the dwelling unit is assisted
8 by the Rural Housing Service of the
9 Department of Agriculture;

10 “(II) the dwelling unit was phys-
11 ically inspected and passed inspection
12 in connection with the assistance de-
13 scribed in subclause (I) during the
14 preceding 12-month period; and

15 “(III) the applicable public hous-
16 ing agency is able to obtain the re-
17 sults of the inspection described in
18 subclause (II).

19 “(iv) REMOTE OR VIDEO INSPEC-
20 TIONS.—When complying with inspection
21 requirements for a housing unit located in
22 a rural or small area using assistance
23 under this section, the Secretary may allow
24 a grantee to conduct a remote or video in-

1 specification of a unit if the remote or video in-
2 specification—

3 “(I) is thorough;

4 “(II) does not misrepresent the
5 condition of the unit; and

6 “(III) provides the information
7 necessary to fully and accurately
8 evaluate the conditions of the unit to
9 ensure that the unit meets the rel-
10 evant standards.

11 “(v) RULE OF CONSTRUCTION.—
12 Nothing in clause (i), (ii), (iii), or (iv) shall
13 be construed to affect the operation of a
14 housing program described in, or author-
15 ized under a provision of law described in,
16 that clause.”.

17 (b) PRE-APPROVAL OF UNITS.—Section 8(o)(8)(A) of
18 the United States Housing Act of 1937 (42 U.S.C.
19 1437f(o)(8)(A)) is amended by adding at the end the fol-
20 lowing:

21 “(iv) INITIAL INSPECTION PRIOR TO
22 LEASE AGREEMENT.—

23 “(I) DEFINITION.—In this
24 clause, the term ‘new landlord’ means
25 an owner of a dwelling unit who has

1 not previously entered into a housing
2 assistance payment contract with a
3 public housing agency under this sub-
4 section for any dwelling unit.

5 “(II) EARLY INSPECTION.—Upon
6 the request of a new landlord, a public
7 housing agency may inspect the dwell-
8 ing unit owned by the new landlord to
9 determine whether the unit meets the
10 housing quality standards under sub-
11 paragraph (B) before the unit is se-
12 lected by a tenant assisted under this
13 subsection.

14 “(III) EFFECT.—An inspection
15 conducted under subclause (II) that
16 determines that the dwelling unit
17 meets the housing quality standards
18 under subparagraph (B) shall satisfy
19 this subparagraph and subparagraph
20 (C) if the new landlord enters into a
21 lease agreement with a tenant assisted
22 under this subsection not later than
23 60 days after the date of the inspec-
24 tion.

1 “(IV) INFORMATION WHEN FAM-
 2 ILY IS SELECTED.—When a public
 3 housing agency selects a family to
 4 participate in the tenant-based assist-
 5 ance program under this subsection,
 6 the public housing agency shall in-
 7 clude in the information provided to
 8 the family a list of dwelling units that
 9 have been inspected under subclause
 10 (II) and determined to meet the hous-
 11 ing quality standards under subpara-
 12 graph (B).”.

13 **TITLE V—PROGRAM REFORM**

14 **SEC. 501. HOME INVESTMENT PARTNERSHIPS REAUTHOR-** 15 **IZATION AND REFORM ACT.**

16 (a) AUTHORIZATION.—Section 205 of the Cranston-
 17 Gonzalez National Affordable Housing Act (42 U.S.C.
 18 12724) is amended to read as follows:

19 **“SEC. 205. AUTHORIZATION OF PROGRAM.**

20 “**The HOME Investment Partnerships Program**
 21 **under subtitle A is hereby authorized.**”.

22 (b) DEFINITION OF COMMUNITY HOUSING DEVELOP-
 23 MENT ORGANIZATION.—Section 104(6)(B) of the Cran-
 24 ston-Gonzalez National Affordable Housing Act (42
 25 U.S.C. 12704(6)(B)) is amended by striking “significant”.

1 (c) ASSISTANCE FOR LOW-INCOME FAMILIES.—Title
2 II of the Cranston-Gonzalez National Affordable Housing
3 Act (42 U.S.C. 12721 et seq.) is amended—

4 (1) in section 214(2) (42 U.S.C. 12742(2)), by
5 striking “households that qualify as low-income fam-
6 ilies” and inserting “families with a household in-
7 come that does not exceed 100 percent of the me-
8 dian family income of the area, as determined by the
9 Secretary”; and

10 (2) in section 271(c) (42 U.S.C. 12821(c))—

11 (A) in paragraph (1)(B), by striking “low-
12 income” and inserting “families with a house-
13 hold income that does not exceed 100 percent
14 of the median family income of the area as de-
15 termined by the Secretary with adjustments for
16 smaller and larger families”; and

17 (B) in paragraph (2)(A), by striking “low-
18 income families” and inserting “families with a
19 household income that does not exceed 100 per-
20 cent of the median family income of the area as
21 determined by the Secretary with adjustments
22 for smaller and larger families”.

23 (d) CHOICES MADE BY PARTICIPATING JURISDIC-
24 TIONS.—Section 212(a)(2) of the Cranston-Gonzalez Na-

1 tional Affordable Housing Act (42 U.S.C. 12742(a)(2)) is
2 amended to read as follows:

3 “(2) LIMITATION.—The Secretary may not re-
4 strict the choice by a participating jurisdiction of re-
5 habilitation, substantial rehabilitation, new construc-
6 tion, reconstruction, acquisition, or other eligible
7 housing uses authorized in paragraph (1) unless the
8 restriction is explicitly authorized under section
9 223(2).”.

10 (e) USE OF AMOUNTS BY CERTAIN JURISDICTIONS
11 FOR INFRASTRUCTURE IMPROVEMENTS.—

12 (1) IN GENERAL.—Section 212(a) of the Cran-
13 ston-Gonzalez National Affordable Housing Act (42
14 U.S.C. 12742(a)) is amended by inserting after
15 paragraph (3) the following:

16 “(4) INFRASTRUCTURE IMPROVEMENTS IN
17 NONENTITLEMENT AREAS.—

18 “(A) IN GENERAL.—A participating juris-
19 diction may use funds provided under this sub-
20 title for infrastructure improvements, including
21 the installation or repair of water and sewer
22 lines, sidewalks, roads, and utility connections
23 if—

24 “(i) such participating jurisdiction
25 does not receive assistance under title I of

1 the Housing and Community Development
2 Act of 1974 (42 U.S.C. 5310); and

3 “(ii) such improvements are directly
4 related to, and located within or imme-
5 diately adjacent to—

6 “(I) housing assisted under this
7 subtitle; or

8 “(II) housing assisted under sec-
9 tion 42 of the Internal Revenue Code
10 of 1986.

11 “(B) APPLICATION OF LABOR STAND-
12 ARDS.—The labor standards and requirements
13 set forth in section 110 of the Housing and
14 Community Development Act of 1974 (42
15 U.S.C. 5310) shall apply to any infrastructure
16 improvement conducted using funds provided
17 under this subtitle.

18 “(C) RULE OF CONSTRUCTION.—Nothing
19 in this paragraph may be construed to impose
20 any requirements of the HOME Investment
21 Partnerships program on housing that benefits
22 from an infrastructure improvement conducted
23 using funds provided under this subtitle but
24 was not otherwise assisted under the HOME
25 Investment Partnerships program.”.

1 (2) RULEMAKING.—Not later than 1 year after
2 the date of enactment of this Act, the Secretary of
3 Housing and Urban Development shall issue rules to
4 carry out the amendment made by paragraph (1).

5 (f) PER UNIT INVESTMENT LIMITATIONS.—Section
6 212(e)(1) of the Cranston-Gonzalez National Affordable
7 Housing Act (42 U.S.C. 12742(e)(1)) is amended by strik-
8 ing the second sentence.

9 (g) AFFORDABLE RENTAL HOUSING QUALIFICA-
10 TIONS.—Section 215(a) of the Cranston-Gonzalez Na-
11 tional Affordable Housing Act (42 U.S.C. 12745(a)) is
12 amended by adding at the end the following:

13 “(7) QUALIFICATION EXCEPTION.—Notwith-
14 standing paragraph (1)(A), a rental unit shall be
15 considered to qualify as affordable housing under
16 this title if—

17 “(A) the unit is occupied by a tenant re-
18 ceiving tenant-based rental assistance under
19 section 8 of the United States Housing Act of
20 1937 (42 U.S.C. 1437f);

21 “(B) the contribution of the tenant toward
22 rent does not exceed the amount permitted
23 under the assistance described in subparagraph
24 (A); and

1 “(C) the total rent for the unit does not
2 exceed the amount approved by the public hous-
3 ing agency administering the assistance de-
4 scribed in subparagraph (A).”.

5 (h) AFFORDABLE HOME-OWNERSHIP HOUSING
6 QUALIFICATIONS.—Section 215 of the Cranston-Gonzalez
7 National Affordable Housing Act (42 U.S.C. 12745) is
8 amended—

9 (1) in subsection (b)—

10 (A) in paragraph (2), by redesignating
11 subparagraphs (A), (B), and (C) as clauses (i),
12 (ii), and (iii), respectively, and adjusting the
13 margins accordingly;

14 (B) in paragraph (3)—

15 (i) in subparagraph (A), by redesi-
16 gnating clauses (i) and (ii) as subclauses (I)
17 and (II), respectively, and adjusting the
18 margins accordingly; and

19 (ii) by redesignating subparagraphs
20 (A) and (B) as clauses (i) and (ii), respec-
21 tively, and adjusting the margins accord-
22 ingly;

23 (C) by redesignating paragraphs (1)
24 through (4) as subparagraphs (A) through (D),

1 respectively, and adjusting the margins accord-
2 ingly;

3 (D) by striking “Housing that is for home-
4 ownership” and inserting the following:

5 “(1) QUALIFICATION.—Housing that is for
6 home-ownership”;

7 (E) in paragraph (1), as so designated—

8 (i) in subparagraph (A), as so redesign-
9 nated—

10 (I) by striking “95 percent” and
11 inserting “110 percent”; and

12 (II) by inserting “(defined as the
13 amount borrowed by the homebuyer to
14 purchase the home, or the estimated
15 value after rehabilitation, which may
16 be adjusted to account for the limits
17 on future value imposed by the resale
18 restriction)” after “purchase price”;

19 (ii) in subparagraph (B), as so redesign-
20 ignated, in the matter preceding clause (i),
21 by striking “whose family qualifies as a
22 low-income family” and inserting “with a
23 family income that does not exceed 100
24 percent of the median family income of the
25 area as determined by the Secretary with

1 adjustments for smaller and larger fami-
2 lies”;

3 (iii) in subparagraph (C), as so reded-
4 ignated—

5 (I) in clause (i)(II)—

6 (aa) by striking “low-income
7 home-buyers” and inserting
8 “home-buyers with a household
9 income that does not exceed 100
10 percent of the median family in-
11 come of the area, as determined
12 by the Secretary with adjust-
13 ments for smaller and larger
14 families”; and

15 (bb) by striking “or” at the
16 end;

17 (II) in clause (ii), by striking
18 “and” at the end and inserting “or”;
19 and

20 (III) by adding at the end the
21 following:

22 “(iii) maintain long-term affordability
23 through a shared equity ownership model,
24 a community land trust, a limited equity
25 cooperative, a community development cor-

1 poration, or other mechanism approved by
2 the Secretary, that preserves affordability
3 for future eligible home-buyers and ensures
4 compliance with the purposes of this title,
5 including through the use of purchase op-
6 tions, rights of first refusal, or other pre-
7 emptive rights to purchase housing;”;

8 (iv) in subparagraph (D), as so redes-
9 ignated, by striking the period at the end
10 and inserting “; and”; and

11 (v) by adding at the end the following:

12 “(E) is subject to restrictions that are es-
13 tablished by the participating jurisdiction and
14 determined by the Secretary to be appropriate,
15 including with respect to the useful life of the
16 property, to—

17 “(i) require that any subsequent pur-
18 chase of the property be—

19 “(I) only by a person who meets
20 the qualifications specified under sub-
21 paragraph (B); and

22 “(II) at a price that is deter-
23 mined by a formula or method estab-
24 lished by the participating jurisdiction
25 that provides the owner with a reason-

1 able return on investment, which may
2 include a percentage of the cost of
3 any improvements; or

4 “(ii) recapture the investment pro-
5 vided under this title in order to assist
6 other persons in accordance with the re-
7 quirements of this title, except where there
8 are no net proceeds or where the net pro-
9 ceeds are insufficient to repay the full
10 amount of the assistance.”; and

11 (F) by adding at the end the following:

12 “(2) PURCHASE BY COMMUNITY LAND TRUST
13 OR COOPERATIVE HOUSING CORPORATION.—Not-
14 withstanding subparagraph (C)(i) of paragraph (1)
15 and under terms determined by the Secretary, the
16 Secretary may permit a participating jurisdiction to
17 allow a community land trust, housing cooperative,
18 or a community development corporation that used
19 assistance provided under this subtitle for the devel-
20 opment of housing that meets the criteria under
21 paragraph (1), to acquire the housing—

22 “(A) in accordance with the terms of the
23 preemptive purchase option, lease, covenant on
24 the land, or other similar legal instrument of
25 the community land trust or housing coopera-

1 tive when the terms and rights in the preemp-
2 tive purchase option, lease, covenant, or legal
3 instrument are and remain subject to the re-
4 quirements of this title;

5 “(B) when the purchase is for—

6 “(i) the purpose of—

7 “(I) entering into the chain of
8 title;

9 “(II) enabling a purchase by a
10 person who meets the qualifications
11 specified under paragraph (1)(B) and
12 is on a waitlist maintained by the
13 community land trust or housing co-
14 operative, subject to enforcement by
15 the participating jurisdiction of all ap-
16 plicable requirements of this title, as
17 determined by the Secretary;

18 “(III) performing necessary reha-
19 bilitation and improvements; or

20 “(IV) adding a subsidy to pre-
21 serve affordability, which may be from
22 Federal or non-Federal sources; or

23 “(ii) another purpose determined ap-
24 propriate by the Secretary; and

1 “(C) if, within a reasonable period of time
2 after the applicable purpose under subpara-
3 graph (B) of this paragraph is fulfilled, as de-
4 termined by the Secretary, the housing is then
5 sold to a person who meets the qualifications
6 specified under paragraph (1)(B).”; and
7 (2) by adding at the end the following:

8 “(c) QUALIFICATION EXCEPTIONS FOR HOME-OWN-
9 ERSHIP.—

10 “(1) MILITARY MEMBERS.—A participating ju-
11 risdiction, in accordance with terms established by
12 the Secretary, may suspend or waive the income
13 qualifications described in subsection (b)(1)(B) with
14 respect to housing that otherwise meets the criteria
15 described in subsection (b)(1) if the owner of the
16 housing—

17 “(A) is a member of a regular component
18 of the armed forces or a member of the Na-
19 tional Guard on full-time National Guard duty,
20 active Guard and Reserve duty, or inactive-duty
21 training (as those terms are defined in section
22 101 of title 10, United States Code); and

23 “(B) has received—

24 “(i) temporary duty orders to deploy
25 with a military unit or military orders to

1 deploy as an individual acting in support of
2 a military operation, to a location that is
3 not within a reasonable distance from the
4 housing, as determined by the Secretary,
5 for a period of not less than 90 days; or

6 “(ii) orders for a permanent change of
7 station.

8 “(2) HEIRS AND BENEFICIARIES OF DECEASED
9 OWNERS.—Housing that meets the criteria described
10 in subsection (b)(1)(C) prior to the death of an
11 owner of such housing shall continue to qualify as
12 affordable housing under this title if—

13 “(A) the housing is the principal residence
14 of an heir or beneficiary of the deceased owner,
15 as defined by the Secretary; and

16 “(B) the heir or beneficiary, in accordance
17 with terms established by the Secretary, as-
18 sumes the duties and obligations of the de-
19 ceased owner with respect to funds provided
20 under this title.”.

21 (i) ELIMINATION OF EXPIRATION OF RIGHT TO
22 DRAW HOME INVESTMENT TRUST FUNDS.—Section 218
23 of the Cranston-Gonzalez National Affordable Housing
24 Act (42 U.S.C. 12748) is amended—

25 (1) by striking subsection (g); and

1 (2) by redesignating subsection (h) as sub-
2 section (g).

3 (j) ADJUSTED RECAPTURE AND REUSE OF SET-
4 ASIDE FOR COMMUNITY HOUSING DEVELOPMENTAL OR-
5 GANIZATIONS.—Section 231(b) of the Cranston-Gonzalez
6 National Affordable Housing Act (42 U.S.C. 12771(b)) is
7 amended to read as follows:

8 “(b) RECAPTURE AND REUSE.—If any funds re-
9 served under subsection (a) remain uninvested for a period
10 of 24 months, the Secretary shall make such funds avail-
11 able to the participating jurisdiction for any eligible activi-
12 ties under this title without regard to whether a commu-
13 nity housing development organization materially partici-
14 pates in the use of such funds.”.

15 (k) ASSET RECYCLING INFORMATION DISSEMINA-
16 TION EXPANSION.—Section 245(b)(2) of the Cranston-
17 Gonzalez National Affordable Housing Act (42 U.S.C.
18 12785(b)(2)) is amended by striking “95 percent” and in-
19 serting “110 percent”.

20 (l) ENVIRONMENTAL REVIEW REQUIREMENTS.—

21 (1) IN GENERAL.—Section 288 of the Cran-
22 ston-Gonzalez National Affordable Housing Act (42
23 U.S.C. 12838) is amended by adding at the end the
24 following:

1 “(e) CATEGORICAL EXEMPTIONS.—The following
2 categories of activities carried out under this title shall
3 be statutorily exempt from environmental review under the
4 National Environmental Policy Act of 1969 (42 U.S.C.
5 4321 et seq.), and shall not require further review under
6 such Act—

7 “(1) new construction infill housing projects;

8 “(2) acquisition of real property for affordable
9 housing purposes;

10 “(3) rehabilitation projects carried out pursuant
11 to section 212(a)(1); and

12 “(4) new construction projects of 15 units or
13 less.

14 “(f) REMOVING DUPLICATIVE REVIEWS.—

15 “(1) IN GENERAL.—To the extent practicable
16 and permitted by law, the Secretary shall ensure
17 that a project that has undergone an environmental
18 review under this section shall not be subject to a
19 duplicative environmental review solely due to the
20 addition, substitution, or reallocation of other
21 sources of Federal assistance, if the scope, scale, and
22 location of the project remain substantially un-
23 changed.

24 “(2) COORDINATION OF ENVIRONMENTAL RE-
25 VIEW RESPONSIBILITIES.—The Secretary shall, by

1 regulation, provide for coordination of environmental
2 review responsibilities with other Federal agencies to
3 streamline interagency compliance and avoid unnec-
4 essary duplication of effort under the National Envi-
5 ronmental Policy Act of 1969 (42 U.S.C. 4321 et
6 seq.) and other applicable laws.

7 “(3) RECOGNITION OF PRIOR REVIEWS BY RE-
8 SPONSIBLE ENTITIES.—A project may not be subject
9 to an environmental review under this section if a
10 substantially similar review has already been com-
11 pleted by an entity designated under section
12 104(g)(1) of the Housing and Community Develop-
13 ment Act of 1974 (42 U.S.C. 5304(g)(1)) or by an-
14 other entity the Secretary determines to have equiv-
15 alent authority, if the scope, scale, and location of
16 the project remain substantially unchanged.”.

17 (2) RULEMAKING.—Not later than 1 year after
18 the date of the enactment of this Act, the Secretary
19 shall issue such rules as the Secretary determines
20 necessary to carry out the amendment made by this
21 subsection.

22 (3) APPLICABILITY.—Any activity generated
23 under this subsection would be subject to an author-
24 ization of appropriations.

1 (4) DEFINITION.—Section 104 of the Cranston-
2 Gonzalez National Affordable Housing Act (42
3 U.S.C. 12704) is amended by adding at end the fol-
4 lowing new paragraph:

5 “(27) The term ‘infill housing project’ means a
6 residential housing project that—

7 “(A) is located within the geographic limits
8 of a municipality;

9 “(B) is adequately served by existing utili-
10 ties and public services as required under appli-
11 cable law;

12 “(C) is located on a site of previously dis-
13 turbed land of not more than 5 acres; and

14 “(D) is substantially surrounded by resi-
15 dential or commercial development, as deter-
16 mined by the Secretary.”.

17 (m) APPLICATION OF BUILD AMERICA, BUY AMER-
18 ICA REQUIREMENTS FOR HOME INVESTMENT PARTNER-
19 SHIPS PROGRAM.—

20 (1) IN GENERAL.—Not later than 180 days
21 after the date of the enactment of this section, the
22 Secretary of Housing and Urban Development shall
23 complete a review of the implementation of the Build
24 America, Buy America Act (title IV of division G of
25 Public Law 117–58; 42 U.S.C. 8301 note) with re-

1 spect to the activities assisted under title II of the
2 Cranston-Gonzalez National Affordable Housing Act
3 (42 U.S.C. 12721 et seq.).

4 (2) UPDATED GUIDANCE.—Not later than 90
5 days after the review described in subsection (a) is
6 completed, the Secretary shall issue updated guid-
7 ance to clarify the application of the Build America,
8 Buy America Act (title IV of division G of Public
9 Law 117–58; 42 U.S.C. 8301 note) with respect to
10 the activities assisted under title II of the Cranston-
11 Gonzalez National Affordable Housing Act (42
12 U.S.C. 12721 et seq.).

13 (3) REPORT.—Not later than 270 days after
14 the date of the enactment of this section, the Sec-
15 retary shall submit to the Committee on Financial
16 Services of the House of Representatives and the
17 Committee on Banking, Housing, and Urban Affairs
18 of the Senate a report that describes—

19 (A) the results of the review required
20 under subsection (a); and

21 (B) the guidance issued as described in
22 subsection (b).

23 (n) APPLICATION OF OTHER SPECIFIED STATUTORY
24 REQUIREMENTS.—Title II of the Cranston-Gonzalez Na-

1 tional Affordable Housing Act (42 U.S.C. 12721 et seq.)
 2 is amended by adding at the end the following:

3 **“SEC. 291. NONAPPLICABILITY OF CERTAIN REQUIRE-**
 4 **MENTS FOR SMALL PROJECTS.**

5 “Notwithstanding any other provision of law, the re-
 6 quirements of section 3 of the Housing and Urban Devel-
 7 opment Act of 1968 (12 U.S.C. 1701u), and any imple-
 8 menting regulations or guidance, shall not apply to an ac-
 9 tivity assisted under this title that involves rehabilitation,
 10 construction, or other development of housing if—

11 “(1) the recipient of assistance under this title
 12 is—

13 “(A) a State recipient pursuant to section
 14 216; or

15 “(B) a participating jurisdiction that re-
 16 ceived a total allocation of less than \$3,000,000
 17 in the most recent fiscal year pursuant to sec-
 18 tion 216; and

19 “(2) the total number of dwelling units assisted
 20 as a part of such activity is not more than 50.”

21 (o) **REALLOCATION NOT AVAILABLE FOR CERTAIN**
 22 **JURISDICTIONS.**—Section 217(d) of the Cranston-Gon-
 23 zalez National Affordable Housing Act (42 U.S.C.
 24 12747(d)) is amended—

1 (1) in paragraph (1), by striking the second
2 sentence and inserting the following: “Subject to
3 paragraph (4), jurisdictions eligible for such re-
4 allocations shall include participating jurisdictions
5 and jurisdictions meeting the requirements of this
6 title, including the requirements in paragraphs (3),
7 (4), and (5) of section 216.”; and

8 (2) by adding at the end the following:

9 “(4) REALLOCATION NOT AVAILABLE FOR CER-
10 TAIN JURISDICTIONS.—The Secretary may decline to
11 make a reallocation available to a jurisdiction eligible
12 for such reallocation if such jurisdiction has failed to
13 meet or comply with any requirement under this
14 title.”.

15 (p) AMENDMENTS TO QUALIFICATION AS AFFORD-
16 ABLE HOUSING.—Section 215(a)(1)(E) of the Cranston-
17 Gonzalez National Affordable Housing Act (42 U.S.C.
18 12745(a)) is amended by striking “except upon a fore-
19 closure by a lender (or upon other transfer in lieu of fore-
20 closure) if such action (i) recognizes any contractual or
21 legal rights of public agencies, nonprofit sponsors, or oth-
22 ers to take actions that would avoid termination of low-
23 income affordability in the case of foreclosure or transfer
24 in lieu of foreclosure, and (ii) is not for the purpose of
25 avoiding low-income affordability restrictions, as deter-

1 mined by the Secretary; and” and inserting the following:

2 “except—

3 “(i) upon a foreclosure by a lender (or
4 upon other transfer in lieu of foreclosure)
5 if such action—

6 “(I) recognizes any contractual
7 or legal rights of public agencies, non-
8 profit sponsors, or others to take ac-
9 tions that would avoid termination of
10 low-income affordability in the case of
11 foreclosure or transfer in lieu of fore-
12 closure; and

13 “(II) is not for the purpose of
14 avoiding low-income affordability re-
15 strictions, as determined by the Sec-
16 retary; or

17 “(ii) where existing affordable housing
18 is no longer financially viable due to un-
19 foreseen acts or occurrences beyond the
20 reasonable contemplation or control of the
21 participating jurisdiction in which the af-
22 fordable housing is located or the owner of
23 the affordable housing that significantly
24 impact the financial or physical condition

1 of the affordable housing, as determined by
2 the Secretary; and”.

3 (q) TENANT AND PARTICIPANT PROTECTIONS FOR
4 AFFORDABLE HOUSING.—Section 225 of the Cranston-
5 Gonzalez National Affordable Housing Act (42 U.S.C.
6 12755) is amended by adding at the end the following:

7 “(e) EXCEPTION.—Paragraphs (2), (3), and (4) of
8 subsection (d) shall not apply to housing under this sec-
9 tion that meets the following criteria:

10 “(1) The housing is affordable housing with not
11 more than 4 dwelling units, each of which is made
12 available for rental.

13 “(2) Each dwelling unit in the housing bears
14 rent in an amount that complies with the require-
15 ments described in paragraph (1)(A).

16 “(3) Each dwelling unit in the housing is ac-
17 companied by a low-income family.

18 “(4) No dwelling in the housing is refused for
19 leasing to a holder of a voucher under section 8 of
20 the United States Housing Act of 1937 (42 U.S.C.
21 1437f) because of the status of the prospective ten-
22 ant as a holder of that voucher.

23 “(5) The housing complies with the requirement
24 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)”;

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)”;

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(e)(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.

21 **TITLE X—HOME-OWNERSHIP**
22 **FOR MAIN STREET AMERICA**

23 **SEC. 1001. HOMES ARE FOR PEOPLE, NOT CORPORATIONS.**

24 (a) 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) EXCEPTED PURCHASE.—The term “ex-
6 cepted purchase” means any purchase of a single-
7 family home that is—

8 (A) newly constructed, renovated, or a
9 rental conversion for sale by a large institu-
10 tional investor and not as a residence rented
11 pending sale;

12 (B) pursuant to a build-to-rent program
13 where the large institutional investor purchases,
14 constructs, or constructs and retains a newly
15 constructed single-family homes to be managed
16 as a rental property, whether as part of a com-
17 munity made up exclusively of renter-occupied
18 single-family homes or as part of a community
19 made up of single-family homes that are both
20 owner- and renter-occupied;

21 (C) pursuant to a renovate-to-rent pro-
22 gram that—

23 (i) substantially rehabilitates single-
24 family homes that do not meet structural

1 or core system elements of local building
2 codes; and

3 (ii) makes improvements in an aggre-
4 gate dollar amount of not less than 15 per-
5 cent of the purchase price of the single-
6 family home;

7 (D) pursuant to a homeownership program
8 that—

9 (i) requires rental payments and any
10 other fees that are not greater than those
11 collected by the large institutional investor
12 on other similarly situated single-family
13 homes not covered by the eligible home-
14 ownership program;

15 (ii) is subject to a contract between
16 the large institutional investor and renter
17 that shall be considered a consumer credit
18 transaction secured by a dwelling or real
19 property;

20 (iii) provides for positive reporting of
21 rental payments to consumer reporting
22 agencies for any renter, who shall be in-
23 formed of and opts into such reporting;
24 and

1 (iv) requires contribution of meaning-
2 ful financial support from the large institu-
3 tional investor, including price concessions,
4 for the purchase of the single-family home
5 by the renter;

6 (E) pursuant to a program to boost home-
7 ownership that—

8 (i) provides for positive reporting of
9 rental payments to consumer reporting
10 agencies for any renter, who shall be in-
11 formed of and opts into such reporting;

12 (ii) provides for the right of first re-
13 fusal and a 30-day “first look” period; and

14 (iii) may entail the meaningful finan-
15 cial support from the large institutional in-
16 vestor, including price concessions, for the
17 purchase of a single-family home by the
18 renter (whether it is the home the renter
19 occupies or another home);

20 (F) in connection with the satisfaction of
21 debts previously contracted in good faith and
22 where the large institutional investor has the
23 right to repossess the single-family home under
24 such contract;

1 (G) undertaken by a mortgage servicer,
2 lender, or other entity that has a legal right to
3 a single-family home, for the purpose of loss
4 mitigation or compliance with servicing or in-
5 vestor obligations, and not as a long-term in-
6 vestment strategy, and is solely as a result of—

7 (i) a foreclosure;

8 (ii) a deed-in-lieu of foreclosure;

9 (iii) enforcement of a mortgage, deed
10 of trust, or other security interest; or

11 (iv) operation of law following bor-
12 rower default;

13 (H) purchased from another large institu-
14 tional investor that either owned the single-fam-
15 ily home on the date of enactment of this Act
16 or purchased the single-family home in compli-
17 ance with this section;

18 (I) purchased from an investor not covered
19 under this section, so long as the purchase oc-
20 curred not more than 2 years after the effective
21 date under subsection (f);

22 (J) newly constructed, renovated, or a
23 rental conversion that is intended and operated
24 for occupancy as part of a community for
25 households with 1 or more members aged 55

1 years or older, and satisfies visitability stand-
2 ards established by the Secretary of Housing
3 and Urban Development; or

4 (K) purchased through a single purchase
5 or combination or series of purchases described
6 in subparagraphs (A) through (J).

7 (3) SINGLE-FAMILY HOME.—The term “single-
8 family home”—

9 (A) means a structure that contains 2 or
10 fewer dwelling units that are each intended for
11 residential occupancy by a single household;
12 and

13 (B) does not include a manufactured
14 home, as defined in section 603 of the National
15 Manufactured Housing Construction and Safety
16 Standards Act of 1974 (42 U.S.C. 5402).

17 (4) LARGE INSTITUTIONAL INVESTOR.—

18 (A) IN GENERAL.—The term “large insti-
19 tutional investor”—

20 (i) means an investment fund, cor-
21 poration, general or limited partnership,
22 limited liability company, joint venture, as-
23 sociation, or other for-profit entity that is
24 a legal entity structured in a manner that
25 is not aforementioned that—

1 (I) is engaged, in whole or in
2 part, in the business of investing in,
3 owning, renting, managing, or holding
4 single-family homes; and

5 (II) alone or in concert with 1 or
6 more other entities, beginning after
7 the date of enactment of this Act, di-
8 rectly or indirectly has investment
9 control of not less than 350 single-
10 family homes in the aggregate, not in-
11 cluding any single-family home pur-
12 chased in an excepted purchase made
13 after the date of enactment of this
14 Act; and

15 (ii) does not include any local, State,
16 Tribal, or Federal government entity or in-
17 strumentality thereof.

18 (B) RULE OF CONSTRUCTION.—For pur-
19 poses of this paragraph, an entity has direct or
20 indirect investment control over a single-family
21 home if the entity—

22 (i) owns, or has primary authority or
23 fiduciary responsibility to make material
24 investment or management decisions relat-
25 ing to, the single-family home;

1 (ii) is, or directly or indirectly con-
2 trols, the general partner or managing
3 member of the entity that owns the single-
4 family home;

5 (iii) is or controls the investment
6 manager, management company, or invest-
7 ment advisor of the entity that owns the
8 single-family home;

9 (iv) owns or controls more than 25
10 percent of any class of equity interests of
11 the entity that owns the single-family
12 home, unless such entity is a passive inves-
13 tor; or

14 (v) otherwise controls the entity that
15 owns the single-family home.

16 (5) PURCHASE.—The term “purchase” includes
17 any purchase, transfer, or other acquisition of a sin-
18 gle family home, including through mergers, acquisi-
19 tions, construction, foreclosures, or bulk purchases,
20 whether or not for cash consideration.

21 (b) PROHIBITION ON PURCHASES BY LARGE INSTI-
22 TUTIONAL INVESTORS.—

23 (1) IN GENERAL.—No large institutional inves-
24 tor may purchase, or enter into a contract to directly
25 or indirectly purchase, any single-family home.

1 (2) EXCEPTIONS.—The prohibition under para-
2 graph (1) shall not apply to—

3 (A) any excepted purchase; or

4 (B) any purchase of a single-family home
5 in connection with a restructuring or other re-
6 organization of ownership of single-family
7 homes that were owned or purchased on or be-
8 fore the date of enactment of this Act.

9 (3) RULE OF CONSTRUCTION.—Nothing in this
10 section may be construed to—

11 (A) require any large institutional investor
12 to divest or otherwise sell any single-family
13 home purchased before the date of enactment of
14 this Act; or

15 (B) prevent the filing of a petition, or oth-
16 erwise affect any bankruptcy proceeding, under
17 title 11, United States Code.

18 (4) IMPLEMENTATION.—

19 (A) IN GENERAL.—In consultation with
20 the Secretary of Housing and Urban Develop-
21 ment, the Director of Federal Housing Finance
22 Agency, and the Chair of the Securities and Ex-
23 change Commission, the Secretary of the Treas-
24 ury may issue regulations in accordance with
25 the notice and comment rulemaking procedures

1 under section 553 of title 5, United States
2 Code, to carry out the purposes of this section,
3 including regulations to—

4 (i) minimize market disruptions upon
5 identifying a risk of material negative im-
6 pact on the housing market, including an
7 impact on the ability of market partici-
8 pants to dispose of single-family homes in
9 an orderly fashion; and

10 (ii) mitigate, to the extent possible,
11 negative impacts on consumers and com-
12 munities.

13 (B) RULE OF CONSTRUCTION.—For the
14 avoidance of doubt, no regulation issued under
15 subparagraph (A) may amend the definitions of
16 the terms defined under subsection (a), includ-
17 ing to—

18 (i) alter the scope of excepted pur-
19 chases in a manner that would undermine
20 the goal of expanding the number of sin-
21 gle-family homes available to individual
22 households for purchase;

23 (ii) alter any type of excepted pur-
24 chase in a manner that would undermine
25 the goal of expanding the number of sin-

1 gle-family homes available to individual
2 households for purchase;

3 (iii) add any category of large institu-
4 tional investor as an eligible class if not de-
5 termined by this section; or

6 (iv) alter the quantitative threshold in
7 the definition of “large institutional inves-
8 tor”.

9 (c) RENTER OUTREACH RESOURCE ESTABLISHED.—

10 (1) IN GENERAL.—The Secretary shall, not
11 later than 180 days after the date of the enactment
12 of this section, establish a renter outreach resource
13 that consists of a toll-free telephone number and a
14 public website designed to assist renters of residen-
15 tial properties owned by a large institutional investor
16 in—

17 (A) notifying Federal agencies about dis-
18 putes relating to the rental of such properties,
19 including disputes about potential violations of
20 Federal law;

21 (B) sharing information about such dis-
22 putes with other Federal agencies, including
23 other Federal agencies that manage similar dis-
24 putes;

25 (C) monitoring such disputes; and

1 (D) resolving such disputes, to the extent
2 practicable.

3 (2) RESPONSE TO OUTREACH.—

4 (A) IN GENERAL.—The Secretary shall es-
5 tablish reasonable procedures to—

6 (i) promptly respond, in writing where
7 appropriate, to a renter who provides in-
8 formation to the Secretary about a dispute
9 using the renter outreach resource estab-
10 lished under paragraph (1); and

11 (ii) document such responses.

12 (B) CONTENTS.—Responses provided
13 under subparagraph (A) shall include, where
14 appropriate, information about—

15 (i) steps that have been taken by the
16 Secretary or another Federal agency in re-
17 sponse to the information about the dis-
18 pute provided by the renter, including de-
19 termining the appropriate large institu-
20 tional investor involved as described in
21 paragraph (3);

22 (ii) any responses received by the Sec-
23 retary or another Federal agency from the
24 large institutional investor related to such
25 dispute; and

1 (iii) any outcome of the dispute, to
2 the extent practicable.

3 (3) INVESTIGATION OF POTENTIAL VIOLATIONS
4 OF FEDERAL LAW.—

5 (A) IN GENERAL.—The Secretary shall
6 promptly process and investigate any informa-
7 tion relating to a dispute received through the
8 renter outreach resource established under
9 paragraph (1) about a potential violation of
10 Federal law that is received from a renter of a
11 residential property owned by a large institu-
12 tional investor through the renter outreach re-
13 source established under paragraph (1), includ-
14 ing:

15 (i) Requesting information from a
16 large institutional investor;

17 (ii) Determining the appropriate large
18 institutional investor involved in the dis-
19 pute; and

20 (iii) Sharing information about such
21 potential violation of Federal law with any
22 relevant Federal agencies, as the Secretary
23 may determine appropriate.

24 (B) RESPONSES TO REQUESTS FOR INFOR-
25 MATION.—Upon request for information made

1 pursuant to subparagraph (A), the Secretary
2 shall provide a large institutional investor the
3 opportunity to respond, including regarding
4 whether such large institutional investor cur-
5 rently owns the property described in such re-
6 quest for information.

7 (4) INFORMATION FOR APPROPRIATE STATE
8 AUTHORITY.—When the Secretary receives informa-
9 tion about a potential violation of State law or about
10 a dispute received through the renter outreach re-
11 source, from a renter of a residential property owned
12 by a large institutional investor through the renter
13 outreach resource established under paragraph (1),
14 the Secretary shall, at a minimum, provide the
15 renter with contact information for the appropriate,
16 State-specific, State authority authorized to process
17 and investigate such information.

18 (5) NOTICE ABOUT RENTER OUTREACH RE-
19 SOURCE.—Each large institutional investor shall—

20 (A) provide to each renter of a residential
21 property owned by such investor at the time
22 such renter first occupies such home and annu-
23 ally thereafter—

1 (i) written notice about the renter
2 outreach resource established under para-
3 graph (1); and

4 (ii) the name, phone number, and
5 email address of the person or entity re-
6 sponsible for receiving and addressing
7 renter disputes for the large institutional
8 investor, and update the name, phone
9 number, and email address within 30 days
10 if such information changes prior to the
11 subsequent time at which such notice is re-
12 quired to be provided; and

13 (B) prominently feature information about
14 the renter outreach resource established under
15 paragraph (1) on a public website of such inves-
16 tor that is accessible by such renter.

17 (6) ANNUAL REPORT TO THE CONGRESS.—

18 (A) IN GENERAL.—The Secretary shall,
19 not later than March 31 of each year, submit
20 to the Congress a public report which analyzes
21 and aggregates the information received or ob-
22 tained pursuant to this subsection during the
23 prior year that includes—

- 1 (i) information about the types and
2 the number of disputes received about po-
3 tential violations of Federal law;
- 4 (ii) information about the types and
5 the number of disputes received about po-
6 tential violations of State law;
- 7 (iii) where practicable, information
8 about the resolution of such disputes; and
- 9 (iv) information provided to the Sec-
10 retary of Housing and Urban Development
11 under paragraph (8).

12 (B) ANONYMIZATION OF DATA.—Any data
13 included in a report that is submitted under
14 this paragraph shall be aggregated or
15 anonymized so as to protect any individual dis-
16 pute or personally identifiable information re-
17 ceived through the renter outreach resource.

18 (7) PROTECTION OF PERSONAL INFORMA-
19 TION.—In complying with the requirements of this
20 subsection, the Secretary shall take such measures
21 as the Secretary determines are necessary to provide
22 for the protection of personally identifiable informa-
23 tion received through the renter outreach resource in
24 a manner that conforms with existing standards for

1 protection of the confidentiality of personally identi-
2 fiable information.

3 (8) ANNUAL NOTIFICATION.—Not later than
4 180 days after the date of the enactment of this Act,
5 and not later than December 31st of each year
6 thereafter, each person or entity that satisfies the
7 definition of a large institutional investor, as such
8 term is defined in subsection (a) shall—

9 (A) notify the Secretary each year whether
10 such owner is a large institutional investor as
11 defined in subsection (a); and

12 (B) in such notification, identify how many
13 single-family homes such large institutional in-
14 vestor has direct or indirect investment control
15 of as of the date of the submission of such no-
16 tice, and the city and State where each such
17 single-family home is located, unless such large
18 institutional investor owns 10 or fewer single-
19 family homes in such city.

20 (d) ENFORCEMENT.—

21 (1) CIVIL PENALTIES.—The Secretary of the
22 Treasury, or the Attorney General at the request of
23 the Secretary of the Treasury, may bring an action
24 against a large institutional investor that violates
25 subsection (b) for a civil penalty in an amount that

1 is not more than \$1,000,000 per violation, or 3
2 times the purchase price of the property involved,
3 whichever is greater.

4 (2) TRANSFER TO HUD FOR HOMEOWNERSHIP
5 EXPANSION ACTIVITIES.—For fiscal year 2027 and
6 each fiscal year thereafter, to the extent and in the
7 amounts provided in advance in appropriations Acts,
8 civil penalties assessed under this section shall be
9 transferred to and available to the Secretary of
10 Housing and Urban Development to provide addi-
11 tional funding for the HOME Investment Partner-
12 ships program under subtitle A of title II of the
13 Cranston-Gonzalez National Affordable Housing Act
14 (42 U.S.C. 12741 et seq.), to be allocated in accord-
15 ance with the formula under that program, for new
16 construction, acquisition, and rehabilitation of sin-
17 gle-family homes and to provide assistance grants to
18 first-time homebuyers, which may be for
19 downpayments, closing costs, and interest rate
20 buydowns.

21 (e) STUDIES ON LARGE INSTITUTIONAL INVES-
22 TORS.—

23 (1) GAO REPORT.—Not later than 2 years after
24 the date on which the prohibition under subsection
25 (b)(1) takes effect, and again not later than 10

1 years after that date, the Comptroller General of the
2 United States shall submit to the Senate Committee
3 on Banking, Housing and Urban Affairs and the
4 House Committee on Financial Services a report
5 on—

6 (A) the impact of the ownership by large
7 institutional investors of single-family homes on
8 housing availability and affordability for renters
9 and homebuyers; and

10 (B) the effectiveness of this section in re-
11 ducing demand by large institutional investors
12 for single-family homes and expanding home-
13 ownership for renters and homebuyers.

14 (2) HUD REPORT.—Not later than 2 years after
15 the date on which the prohibition under subsection
16 (b)(1) takes effect, and again not later than 10
17 years after that date, the Secretary of the Housing
18 and Urban Development, in consultation with the
19 Secretary of the Treasury, the Administrator of the
20 Rural Housing Service, the Executive Director of
21 the Loan Guaranty Service of the Department of
22 Veterans Affairs, the Chair of Securities and Ex-
23 change Commission, and the Director of the Federal
24 Housing Finance Agency, shall submit to the Com-
25 mittee on Banking, Housing and Urban Affairs of

1 the Senate and the Committee on Financial Services
2 of the House of Representatives a report on—

3 (A) whether there should be adjustments
4 to the definition of the term “large institutional
5 investor”;

6 (B) the financial impact of this section on
7 large institutional investors, renters, and home-
8 buyers; and

9 (C) any legislative recommendations re-
10 garding ways to improve the authorities pro-
11 vided under this section to increase the supply
12 and affordability of single-family homes for pur-
13 chase by individual homebuyers.

14 (3) SENSE OF CONGRESS.—It is the sense of
15 Congress that—

16 (A) this section is intended to expand the
17 number of single-family homes available to indi-
18 viduals for purchase and is aimed at preserving
19 and expanding the supply of single-family
20 homes available to individuals; and

21 (B) any further study on the effectiveness
22 of this section and any legislative recommenda-
23 tions therefrom should consider this sense of
24 Congress.

1 (f) EFFECTIVE DATE.—The requirements and prohi-
2 bitions under subsections (b) and (d) of this section—

3 (1) shall take effect on the date that is 180
4 days after the date of enactment of this Act; and

5 (2) are repealed on the date that is 15 years
6 after the effective date under paragraph (1).

7 **TITLE XI—CENTRAL BANK**
8 **DIGITAL CURRENCY**

9 **SEC. 1101. CENTRAL BANK DIGITAL CURRENCY.**

10 The Federal Reserve Act (12 U.S.C. 221 et seq.) is
11 amended by inserting after section 16 (12 U.S.C. 411 et
12 seq.) the following:

13 **“SEC. 16A. CENTRAL BANK DIGITAL CURRENCY.**

14 **“(a) DEFINITIONS.—**In this section:

15 **“(1) CENTRAL BANK DIGITAL CURRENCY.—**The
16 term ‘central bank digital currency’ means a digital
17 asset that—

18 **“(A)** is denominated in United States dol-
19 lars;

20 **“(B)** is a United States currency;

21 **“(C)** is a direct liability of the Federal Re-
22 serve System; and

23 **“(D)** is widely available to the general pub-
24 lic.

1 “(2) DIGITAL ASSET.—The term ‘digital asset’
2 has the meaning given the term in section 2 of the
3 GENIUS Act (12 U.S.C. 5901).

4 “(b) PROHIBITION.—Except as provided in sub-
5 section (c), the Board of Governors of the Federal Reserve
6 System or a Federal reserve bank may not issue or create
7 a central bank digital currency or any digital asset that
8 is substantially similar to a central bank digital currency
9 directly or indirectly through a financial institution or
10 other intermediary.

11 “(c) EXCEPTION.—Subsection (b) shall not prohibit
12 any dollar-denominated currency that is open,
13 permissionless, and private, and fully preserves the privacy
14 protections of United States coins and physical currency.

15 “(d) SUNSET.—This provisions of this section shall
16 cease to be effective on December 31, 2030.

17 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-
18 tion shall be construed to allow the Board of Governors
19 of the Federal Reserve to issue a central bank digital cur-
20 rency or any digital asset that is substantially similar to
21 a central bank digital currency directly or indirectly absent
22 authorization by an Act of Congress.”.

1 TITLE XII—MISCELLANEOUS**2 SEC. 1201. SEVERABILITY.**

3 If any provision of this Act, or the application thereof
4 to any person or circumstance, is held invalid, the remain-
5 der of the Act, and the application of such provisions to
6 other persons or circumstances, shall not be affected
7 thereby.

8 SEC. 1202. NO ADDITIONAL FUNDS AUTHORIZED.

9 No additional funds are authorized to be appro-
10 priated to carry out the requirements of this Act or any
11 amendment made by this Act.

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