H. Res. 1299

In the House of Representatives, U. S.,

May 20, 2026.

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

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''21st Century ROAD to Housing Act''.

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

TITLE I—OPPORTUNITIES FOR HOUSING

SEC. 101. REFORMS TO HOUSING COUNSELING AND FINANCIAL LITERACY PROGRAMS.

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

(1) in subsection (a)(4)(C), by striking ''adequate distribution'' and all that follows through ''foreclosure rates'' and inserting ''that the recipients are geographically diverse and include organizations that serve urban or rural areas'';

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

''(6) REVIEWS.—The Secretary—

''(A) may conduct periodic reviews; and

''(B) shall conduct performance reviews of all organizations receiving assistance under this section that—

''(i) consist of a review of the organization's compliance with all program requirements; and

''(ii) may take into account the organization's aggregate counselor performance under paragraph (7)(B).

''(7) CONSIDERATIONS.—

''(A) COVERED MORTGAGE LOAN DEFINED.—In this paragraph, the term 'covered mortgage loan' means any loan which is secured by a first or subordinate lien on residential real property (including individual units of condominiums and housing cooperatives) designed principally for the occupancy of between 1 and 4 families that is—

''(i) insured by the Federal Housing Administration under title II of the National Housing Act (12 U.S.C. 1707 et seq.); or

"(ii) guaranteed under section 184 or 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a, 1715z–13b).

"(B) COMPARISON.—For each counselor employed by an organization receiving assistance under this section for prepurchase housing counseling, the Secretary may consider the performance of the counselor compared to the default rate of all counseled borrowers of a covered mortgage loan in comparable markets and such other factors as the Secretary determines appropriate to further the purposes of this section.

"(8) CERTIFICATION.—If, based on the comparison required under paragraph (7)(B), the Secretary determines that a counselor lacks competence to provide counseling in the areas described in subsection (e)(2) and such action will not create a significant loss of capacity for housing counseling services in the service area, the Secretary may—

"(A) require continued education coupled with successful completion of a probationary period;

"(B) require retesting if the counselor continues to demonstrate a lack of competence under paragraph (7)(B); and

''(C) suspend an individual certification if a counselor fails to demonstrate competence after not fewer than 2 retesting opportunities under subparagraph (B).'';

(3) in subsection (i)—

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

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

''(3) TERMINATION OF ASSISTANCE.—

''(A) IN GENERAL.—The Secretary may deny renewal of covered assistance to an organization or entity receiving covered assistance if the Secretary determines that the organization or entity, or the individual through which the organization or entity provides counseling, is not in compliance with program requirements—

''(i) based on the performance review described in subsection (e)(6); and

''(ii) in accordance with regulations issued by the Secretary.

''(B) NOTICE.—The Secretary shall give an organization or entity receiving covered assistance not less than 60 days prior written notice of any denial of renewal under this paragraph, and the deter-

mination of renewal shall not be finalized until the end of that notice period.

''(C) INFORMAL CONFERENCE.—If requested in writing by the organization or entity within the notice period described in subparagraph (B), the organization or entity shall be entitled to an informal conference with the Deputy Assistant Secretary of Housing Counseling on behalf of the Secretary at which the organization or entity may present for consideration specific factors that the organization or entity believes were beyond the control of the organization or entity and that caused the failure to comply with program requirements, such as a lack of lender or servicer coordination or communication with housing counseling agencies and individual counselors.''; and

(4) by adding at the end the following:

''(j) OFFERING FORECLOSURE MITIGATION COUNSELING.—

''(1) COVERED MORTGAGE LOAN DEFINED.—In this subsection, the term 'covered mortgage loan' means any loan which is secured by a first or subordinate lien on residential real property (including individual units of condominiums and housing cooperatives) or stock or membership in a cooperative ownership housing corpora-

tion designed principally for the occupancy of between 1 and 4 families that is—

"(A) insured by the Federal Housing Administration under title II of the National Housing Act (12 U.S.C. 1707 et seq.);

"(B) guaranteed under section 184 or 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a, 1715z–13b);

"(C) made, guaranteed, or insured by the Department of Veterans Affairs; or

"(D) made, guaranteed, or insured by the Department of Agriculture.

"(2) OPPORTUNITY FOR BORROWERS.—A borrower with respect to a covered mortgage loan who is 30 days or more delinquent on payments for the covered mortgage loan shall be given an opportunity to participate in available housing counseling.

"(3) COST.—If the requirements of sections 202(a)(3) and 205(f) of the National Housing Act (12 U.S.C. 1708(a)(3), 1711(f)) are met, the fair market rate cost of counseling for delinquent borrowers described in paragraph (2) with respect to a covered mortgage loan described in paragraph (1)(A) shall be paid for by the Mutual Mortgage Insurance Fund, as author-

ized under section 203(r)(4) of the National Housing Act (12 U.S.C. 1709(r)(4)).''.

SEC. 102. FEDERAL GUIDELINES FOR POINT ACCESS BLOCK BUILDINGS.

(a) IN GENERAL.—Not later than 18 months after the date of enactment of this section, the Secretary of Housing and Urban Development shall issue guidelines to provide States, territories, Tribes, and localities with model code language, best practices, and technical guidance that could be used to facilitate the permitting of point-access block residential buildings.

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

(1) fire safety considerations, including sprinkler coverage, smoke detection, ventilation, and building egress performance;

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

(3) flexibility for diverse consumer needs, including family sizes, unit configurations, and accessibility;

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

(5) examples of single-stair codes used in relevant international standards;

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

(7) consulting with experts, including developers, architects, fire marshals, researchers, economists, housing authorities, and officials in States that have enacted or piloted single-stair codes; and

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

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

(d) GRANTS.—

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

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

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

(f) RULE OF CONSTRUCTION.—Nothing in this section may be construed to preempt a State or local building code.

(g) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' means a State, unit of local government, Tribal Government, public housing agency, nonprofit housing organization, community development organization, private developer, construction firm, qualified design firm, engineering firm, academic institution, research institution, or any partnership or consortium comprised of 2 or more such types of entities.

(2) POINT-ACCESS BLOCK BUILDING.—The term ''point-access block building'' means a Group R–2 occupancy residential structure, as such term is defined by the International Building Code, in which a single internal stairway provides access and egress for all dwelling units in a building that is not greater than 6 stories in height.

SEC. 103. EXEMPTION ON CONSTRUCTION OR MODIFICATION OF RESIDENTIAL HOUSING LOCATED ON AN INFILL SITE.

(a) EXEMPTION.—In providing assistance under section 501, 502, 504, 515, 533, or 538 of the Housing Act of 1949 (42 U.S.C. 1471, 1472, 1474, 1485, 1490m, or 1490p–2) for the construction or modification of residential housing located on an infill site, the Secretary of Agriculture shall not be required to carry out any study or report on the environmental effects of such assistance.

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

(1) determines whether the implementation of this section—

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

(B) reduced the administrative cost of providing such assistance;

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

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

(c) DEFINITIONS.—In this section:

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

(2) INFILL SITE.—The term ''infill site''—

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

(B) does not include—

(i) a site that is served by existing infrastructure that only consists of a road;

(ii) a site within a census tract designated as very high or relatively high risk for wildfire, coastal flooding, and riverine flooding under the National Risk Index of the Federal Emergency Management Agency pursuant to section 206 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5136); and

(iii) a greenfield.

SEC. 104. DATABASE OF PUBLICLY OWNED LAND.

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

(1) in paragraph (5), by striking ''and'' at the end;

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

(3) by adding at the end the following:

''(7) the grantee maintains, on a publicly accessible website, a searchable database that identifies all parcels of undeveloped land owned by the grantee.''.

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

SEC. 105. FHA SMALL-DOLLAR MORTGAGES.

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

(1) authorizing direct payments to mortgagees to incentivize the origination of small-dollar mortgages;

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

(3) providing direct grants for mortgagors who obtain small-dollar mortgages to cover costs associated with—

(A) down payments;

(B) closing costs;

(C) appraisals; and

(D) title insurance;

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

(5) providing technical assistance for mortgagees that originate small-dollar mortgages.

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

(1) tracks and evaluates the outcomes of small-dollar mortgages originated by mortgagees as a result of support provided under subsection (a);

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

(3) includes data with respect to—

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

dollar mortgages insured or guaranteed by the Federal Government and small-dollar mortgages not insured by the Federal Government;

(B) the original principal balance of each small-dollar mortgage identified under subparagraph (A);

(C) demographic information about the mortgagors associated with each such small-dollar mortgages; and

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

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

(5) includes analysis, by regions of the United States, including rural regions, that identifies regions with the greatest need for, and the highest likelihood of, the origination of small-dollar mortgages and regions that could benefit the most from increased availability of small-dollar mortgages.

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

(d) EXPIRATION OF AUTHORITY.—After the expiration of the 3-year period beginning on the date of enactment of this section, neither the Federal Housing Commissioner nor the Secretary of Housing and Urban Development may newly establish a Pilot Program to increase access to small-dollar mortgages for mortgagors.

(e) SMALL-DOLLAR MORTGAGE DEFINED.—The term ''small-dollar mortgage'' means a mortgage that—

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

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

SEC. 106. TEMPERATURE SENSOR PILOT PROGRAM.

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

(b) ELIGIBILITY.—

(1) IN GENERAL.—The Secretary shall, not later than 180 days after the date of the enactment of this Act, establish eligibility criteria for public housing agencies and owners of covered federally assisted rental

dwelling units to participate in the Pilot Program established pursuant to subsection (a).

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

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

(B) that the functionality of an approved temperature sensor will be installed and tested using amounts awarded under this section, including internet connectivity requirements.

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

(d) COLLECTION OF COMPLAINT RECORDS.—

(1) IN GENERAL.—Each public housing agency or owner of a covered federally assisted rental dwelling unit that installs 1 or more approved temperature sensors under this section shall collect and retain information about temperature-related complaints and violations.

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

(e) DATA COLLECTION.—

(1) IN GENERAL.—Data collected from temperature sensors acquired and installed by public housing agencies and owners of covered federally assisted rental dwelling units under this section shall be retained until the Secretary notifies the public housing agency or owner that the Pilot Program and the evaluation of the Pilot Program are complete.

(2) PERSONALLY IDENTIFIABLE INFORMATION.—The Secretary shall, not later than 180 days after the date of the enactment of this Act, establish standards for the protection of personally identifiably information collected during the Pilot Program by public housing agencies, owners of federally assisted rental dwelling units, and the Secretary.

(f) PILOT PROGRAM EVALUATION.—

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

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

(i) that occurred before the installation of such sensor, if known; and

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

(B) identifies any barriers to full utility of temperature sensor capabilities, including broadband internet access and tenant participation.

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

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

(i) that occurred before the installation of such sensor; and

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

(B) identifies any barriers to full utility of temperature sensor capabilities, including broadband internet access and tenant participation; and

(C) compares the utility of various temperature sensor technologies based on—

(i) climate zones;

(ii) cost;

(iii) features; and

(iv) any other factors identified by the Secretary.

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

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

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

(1) APPROVED TEMPERATURE SENSOR.—The term ''approved temperature sensor'' means an internet capable temperature reporting device able to measure ambient air temperature to the tenth degree Fahrenheit and Celsius selected from a list of such devices approved in advance by the Secretary.

(2) ASSISTANCE.—The term ''assistance'' means any grant, loan, subsidy, contract, cooperative agreement, or other form of financial assistance, but such term does not include the insurance or guarantee of a loan, mortgage, or pool of loans or mortgages.

(3) COVERED FEDERALLY ASSISTED RENTAL DWELLING UNIT.—The term ''covered federally assisted rental dwelling unit'' means a residential dwelling unit that is made available for rental and for which assistance is provided, or that is part of a housing project for which assistance is provided, under—

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

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

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

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

(4) OWNER.—The term ''owner'' means—

(A) with respect to the program for project-based rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), any private person or entity, including a co-operative, an agency of the Federal Government, or a public housing agency, having the legal right to lease or sublease dwelling units;

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

(C) with respect to the program for supportive housing for the elderly under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), a private nonprofit organization as defined under section (k)(4) of the Housing Act of 1959; and

(D) with respect to the program for supportive housing for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), a private nonprofit organization as defined under section 811(k)(5) of the Cranston-Gonzalez National Affordable Housing Act.

SEC. 107. HOUSING SUPPLY FRAMEWORKS.

(a) DEFINITIONS.—In this section:

(1) AFFORDABLE HOUSING.—The term ''affordable housing'' means housing for which the monthly payment is not more than 30-percent of the monthly income of the household.

(2) ASSISTANT SECRETARY.—The term ''Assistant Secretary'' means the Assistant Secretary for Policy Development and Research of the Department of Housing and Urban Development.

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

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(5) STATE ZONING FRAMEWORK.—The term ''State zoning framework'' means the State legislation or State agency and department procedures, or such legislation or procedures in an insular area of the United States, enabling local planning and zoning authorities and establishing and guiding related policies and programs.

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

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Assistant Secretary

shall publish documents outlining guidelines and best practices to support production of adequate housing to meet the needs of communities and provide housing opportunities for individuals at every income level across communities with respect to—

(A) State zoning frameworks; and

(B) local zoning frameworks.

(2) CONSULTATION; PUBLIC COMMENT.—During the 2-year period beginning on the date of enactment of this Act, in developing the guidelines and best practices required under paragraph (1), the Assistant Secretary shall—

(A) publish draft guidelines and best practices in the Federal Register for public comment; and

(B) establish a task force for the purpose of providing consultation to draft the guidelines and best practices published under subparagraph (A), the members of which shall include—

(i) urban planners and architects;

(ii) housing developers, including affordable and market-rate housing developers, manufactured housing developers, cooperative housing developers, and other business interests;

(iii) community engagement experts and community members impacted by zoning decisions;

(iv) public housing agencies and transit authorities;

(v) members of local zoning and planning boards and local and regional transportation planning organizations;

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

(vii) academic researchers; and

(viii) home builders.

(3) CONTENTS.—The guidelines and best practices required under paragraph (1) shall—

(A) with respect to State zoning frameworks, outline potential models for updated State enabling legislation or State agency and department procedures;

(B) include recommendations regarding—

(i) the reduction or elimination of parking minimums;

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

heights and the reduction in minimum lot sizes and set-back requirements;

(iii) the elimination of restrictions against accessory dwelling units;

(iv) increasing by-right uses, including duplex, triplex, or quadplex buildings, across cities or metropolitan areas;

(v) mechanisms, including proximity to transit, to determine the appropriate scope for rezoning and ensure development that does not disproportionately burden residents of economically distressed areas;

(vi) provisions regarding review of by-right development proposals to streamline review and reduce uncertainty, including—

(I) nondiscretionary, ministerial review; and

(II) entitlement and design review processes;

(vii) the reduction of obstacles, regulatory or otherwise, to a range of housing types at all levels of affordability, including manufactured and modular housing;

(viii) State model zoning regulations for directing local reforms, including mechanisms to encourage adoption;

(ix) provisions to encourage transit-oriented development, including increased permissible units per structure and reduced minimum lot sizes near existing or planned public transit stations;

(x) potential reforms to strengthen the public engagement process;

(xi) reforms to protest petition statutes;

(xii) the standardization, reduction, or elimination of impact fees;

(xiii) cost-effective and appropriate building codes;

(xiv) models for community benefit agreements;

(xv) mechanisms to preserve affordability, limit disruption of low-income communities, and prevent displacement of existing residents;

(xvi) with respect to State zoning frameworks—

(I) State model codes for directing local reforms, including mechanisms to encourage adoption;

(II) a model for a State zoning appeals process, which would—

(aa) create a process for developers or builders requesting a variance, conditional use, special permit, zoning district change, similar discretionary permit, or otherwise petitioning a local zoning or planning board for a project including a State-defined amount of affordable housing to appeal a rejection to a State body or regional body empowered by the State; and

(bb) establish qualifications for communities to be exempted from the appeals process based on their available stock of affordable housing; and

(III) streamlining of State environmental review policies;

(xvii) with respect to local zoning frameworks—

(I) the simplification and standardization of existing zoning codes;

(II) maximum review timelines;

(III) best practices for the disposition of land owned by local governments for affordable housing development;

(IV) differentiations between best practices for rural, suburban, and urban communities, and communities with different levels of density or population distribution; and

(V) streamlining of local environmental review policies; and

(xviii) other land use measures that promote access to new housing opportunities identified by the Secretary; and

(C) consider—

(i) the effects of adopting any recommendation on eligibility for Federal discretionary grants and tax credits for the purpose of housing or community development;

(ii) coordination between infrastructure investments and housing planning;

(iii) local housing needs, including ways to set and measure housing goals and targets;

(iv) a range of affordability for rental units, with a prioritization of units attainable

to extremely low-, low-, and moderate-income residents;

(v) a range of affordability for homeownership;

(vi) accountability measures;

(vii) the long-term cost to residents and businesses if more housing is not constructed;

(viii) barriers to individuals seeking to access affordable housing in growing communities and communities with economic opportunity;

(ix) with respect to State zoning frameworks—

(I) distinctions between States providing constitutional or statutory home rule authority to municipalities and States operating under the Dillon Rule, as articulated in Hunter v. Pittsburgh, 207 U.S. 161 (1907); and

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

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

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

(c) ABOLISHMENT OF THE REGULATORY BARRIERS CLEARINGHOUSE.—

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

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

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

(1) the States that have adopted recommendations from the guidelines and best practices, pursuant to subsection (b);

(2) a summary of the localities that have adopted recommendations from the guidelines and best practices, pursuant to subsection (b);

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

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

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

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

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

(e) RULE OF CONSTRUCTION.—Nothing in this section may be construed to permit the Department of Housing and Urban Development to take an adverse action against or fail to provide otherwise offered actions or services for any State or locality if the State or locality declines to adopt a guideline or best practice under subsection (b).

TITLE II—BUILDING MORE IN AMERICA

SEC. 201. INCREASING HOUSING IN OPPORTUNITY ZONES.

(a) COVERED GRANT DEFINED.—In this section, the term ''covered grant'' means any competitive grant relating to the construction, modification, rehabilitation, or preservation of housing, as determined by the Secretary of Housing and Urban Development.

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

SEC. 202. WHOLE-HOME REPAIRS ACT.

(a) DEFINITIONS.—In this section:

(1) AFFORDABLE UNIT.—The term ''affordable unit'' means a unit for which the monthly rental payment is not more than 30 percent of the gross income of an individual earning at or below 80 percent of the area median income, as defined by the Secretary.

(2) ASSISTED UNIT.—The term ''assisted unit'' means a unit that undergoes repair or rehabilitation work through a whole-home repairs program administered by an implementing organization under this section.

(3) ELIGIBLE HOME-OWNER.—The term ''eligible home-owner'' means a home-owner—

(A) with a household income that—

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

(ii) meets the income eligibility requirements for receiving assistance or benefits

under a specified program, as defined in paragraph (11); and

(B) who is—

(i) an owner of record as evidenced by a publicly recorded deed, or other document recorded by the Bureau of Indian Affairs, and occupies the home on which repairs are to be conducted as their principal residence;

(ii) an owner-occupant of the manufactured home on which repairs are to be conducted;

(iii) an owner-occupant of the cooperative housing unit on which repairs are to be conducted; or

(iv) an owner who can demonstrate an ownership interest in the property, or trust land leasehold, on which repairs are to be conducted, including a person who has inherited an interest in that property.

(4) ELIGIBLE LANDLORD.—The term ''eligible landlord'' means an individual—

(A) who owns, as determined by the relevant implementing organization, fewer than 10 eligible rental properties, with a majority of affordable units and not more than 25 total units, operated as

primary residences in which a majority ownership interest is held by the individual, the spouse of the individual, or the dependent children of the individual, or any closely held legal entity controlled by the individual, the spouse of the individual, or the dependent children of the individual, either individually or collectively; and

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

(5) ELIGIBLE RENTAL PROPERTY.—The term ''eligible rental property'' means a residential property that—

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

(B) includes affordable units.

(6) FORGIVABLE LOAN.—The term ''forgivable loan'' means a loan—

(A) made to an eligible landlord;

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

(C) that may be forgiven by the implementing organization not later than the date that is 3 years after the completion of the repairs if the eligible landlord has maintained compliance with the loan agreement described in subsection (b)(3).

(7) IMPLEMENTING ORGANIZATION.—The term ''implementing organization''—

(A) means a unit of general local government or a State that—

(i) will administer a whole-home repairs program through an agency, department, or other entity; or

(ii) enters into agreements with 1 or more local governments, Indian Tribes, municipal authorities, other governmental authorities, including a tribally designated housing entity, or qualified nonprofit organizations, to administer a whole-home repairs program as a subrecipient; and

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

(8) INDIAN TRIBE.—The term ''Indian Tribe'' has the meaning given the term in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103).

(9) QUALIFIED NONPROFIT.—The term ''qualified nonprofit'' means a nonprofit organization that—

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

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

(ii) the HOME Investment Partnerships program under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.);

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

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

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

(vi) the Neighborhood Reinvestment Corporation established under the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101 et seq.);

(B) has coordinated, performed, or otherwise been engaged in weatherization, lead remediation, or home-repair work for not less than 2 years;

(C) has been certified by the Environmental Protection Agency, or by a State authorized by the Environmental Protection Agency to administer a certification program, as—

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

(ii) a Home Certification Organization under the Energy Star program established by section 324A of the Energy Policy and Conservation Act (42 U.S.C. 6294a) or the WaterSense program under section 324B of that Act (42 U.S.C. 6294b), or recognized or otherwise approved by the Environmental Protection Agency as a Home Certification Organization under either of those programs; or

(D) is a community development financial institution, as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702).

(10) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(11) SPECIFIED PROGRAM.—For purposes of paragraph (3)(A)(ii), the term ''specified program'' means any of the following:

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

(B) The State Children's Health Insurance Program established under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.).

(C) The supplemental security income benefits program established under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.).

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

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

(12) STATE.—The term ''State'' means—

(A) each State of the United States;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico;

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

(E) an Indian Tribe.

(13) TRIBALLY DESIGNATED HOUSING ENTITY.—The term ''tribally designated housing entity'' has the meaning given the term in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103).

(14) WHOLE-HOME REPAIRS.—The term ''whole-home repairs'' means modifications, repairs, or updates to home-owner or renter-occupied units to address—

(A) physical and sensory accessibility for individuals with disabilities and older adults, such as bathroom and kitchen modifications, installation of grab bars and handrails, guards and guardrails, lifting devices, ramp additions or repairs, sidewalk addition or repair, or doorway or hallway widening;

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

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

(b) PILOT PROGRAM.—

(1) ESTABLISHMENT.—There is authorized a Pilot Program to provide grants to implementing organizations to administer a whole-home repairs program for eligible home-owners and eligible landlords.

(2) USE OF FUNDS.—An implementing organization that receives a grant from appropriated funds made available for this subsection—

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

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

(ii) be calculated and approved by the Secretary;

(B) shall provide loans, which may be forgivable, to eligible landlords to implement whole-home repairs not covered by other Federal home repair programs for individual affordable units, public and common use areas within the property, and common structural elements up to a maximum amount per unit, area, or element, as applicable, which maximum amount should—

(i) reflect local construction costs; and

(ii) be calculated and approved by the Secretary;

(C) shall evaluate, or provide assistance to eligible home-owners and eligible landlords to evaluate, whole-home repair program funds provided under this subsection with Federal, State, Tribal, and local home repair programs to provide the greatest benefit to the greatest number of eligible landlords and eligible home-owners and avoid duplication of benefits and redundancies for the same home repairs;

(D) shall require that—

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

(ii) if repairs are not completed and the plan for whole-home repairs is not updated to reflect the new scope of work, that the loan or grant is repaid on a prorated basis based on completed work; and

(iii) any unused grant or loan balance is returned to the implementing organization, and is reused by the implementing organization for a new whole-home repair grant or loan under this subsection;

(E) may use not more than 5 percent of the awarded funds to carry out related functions, including workforce training for home repair professions, which shall be related to efforts to increase the number of home repairs performed and approved by the Secretary;

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

(G) shall comply with Federal accessibility requirements and standards under applicable Federal fair housing and civil rights laws and regulations,

including section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); and

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

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

(A) comply with Federal accessibility requirements and standards under applicable Federal fair housing and civil rights laws and regulations, including section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); and

(B)(i) if the landlord is renting the assisted units available in the eligible rental property to tenants receiving tenant-based rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)), under another tenant-based rental assistance program administered by the Secretary or the Secretary of Agriculture, or

under a tenant-based rental subsidy provided by a State or local government, comply with the program requirements under the relevant tenant-based rental assistance program; or

(ii) if the eligible landlord is not renting to tenants receiving rental-based assistance as described in clause (i)—

(I)(aa) offer to extend the lease of current tenants on current terms, other than the terms described in subclause (iv) for not less than 3 years beginning after the completion of the repairs, unless the lease is terminated due to failure to pay rent, performance of an illegal act within the rental unit, or a violation of an obligation of tenancy that the tenants failed to correct after notice; and

(bb) if the tenant of an assisted unit moves out of the assisted unit at any point in the 3-year period following the loan agreement, maintain the unit as an affordable unit for the remainder of the 3-year period;

(II) provide documentation verifying that the property, upon completion of approved renovations, has met all applicable State and local housing and building codes;

(III) attest that the landlord has no known serious violations of renter protections that have resulted in fines, penalties, or judgments during the preceding 10 years; and

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

(4) APPLICATION.—

(A) IN GENERAL.—An implementing organization desiring an award under this subsection shall submit to the Secretary an application that includes—

(i) the geographic scope of the whole-home repairs program to be administered by the implementing organization, including the plan to address need in any rural, Tribal, suburban, or urban area within a jurisdiction;

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

(iii) a description of how the implementing organization plans to execute the coordination of Federal, State, Tribal, and local home repair programs, including programs administered by

the Department of Energy, the Department of the Interior, the Department of Veteran Affairs, or the Department of Agriculture, to increase efficiency and reduce redundancy;

(iv) available data on the need for affordable and quality housing within the geographic scope of the whole-home repairs program, and any plans to preserve affordability through the term of the award;

(v) a description of how the implementing organization plans to process and verify applications for grants from eligible home-owners and applications for loans from eligible landlords; and

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

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

(i) with respect to applications submitted by States other than the District of Columbia and the territories of the United States, prioritize those applications with a demonstrated plan to—

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

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

(ii) aim to select applicants so that the awardees collectively span diverse geographies, with an intent to understand the impact of the Pilot Program under this subsection in urban, suburban, rural, and Tribal settings; and

(iii) not disqualify implementing organizations that were awarded grants under the Pilot Program in prior application cycles.

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

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

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

(B) not more than 1 implementing organization in any State.

(7) LOANS THAT ARE NOT FORGIVEN.—If a loan made by an implementing organization under paragraph (2)(B) is not forgiven, the loan repayment funds shall be reused by the implementing organization for a new whole-home repair grant or loan under this subsection, which shall remain subject to the original terms of the assistance awarded under this subsection.

(8) SUPPLEMENT, NOT SUPPLANT.—Amounts awarded under this subsection to implementing organizations shall supplement, not supplant, other Federal, State, Tribal, and local funds made available to those entities.

(9) STREAMLINING PROGRAM DELIVERY AND ENSURING EFFICIENCY.—To the extent possible, in carrying out the Pilot Program under this subsection, the Secretary shall—

(A) endeavor to improve efficiency of service delivery, as well as the experience of and impact on the taxpayer, by encouraging programmatic collaboration and information sharing across Federal,

State, Tribal, and local programs for home repair or improvement, including programs administered by the Department of Agriculture, the Department of the Interior, the Department of Veterans Affairs, or the Department of Energy; and

(B) enhance collaboration and cross-agency streamlining efforts that reduce the burden of multiple income verification processes and applications on the eligible home-owner, the eligible landlord, the implementing organization, and the Federal Government, including by establishing assistance application procedures for income eligibility under this subsection that recognize income eligibility determinations for assistance using any of the criteria under subsection (a)(3)(A) that have been used for assistance applications during the 1-year period preceding the date on which an eligible home-owner or eligible landlord applies for assistance under this subsection.

(10) REPORTING REQUIREMENTS.—

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

(i) the number of units served, including reporting on both home-ownership and rental units, as well as accessible units;

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

(iii) the number of applications received, served, denied, or not completed, disaggregated by geographic area;

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

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

(vi) an affirmation that the implementation organization has complied with the applicable regulations, including compliance with Federal accessibility requirements;

(vii) in the first year of receiving a grant, and as certified in subsequent reports, a com-

prehensive plan to prevent waste, fraud, and abuse in the administration of the Pilot Program, which shall include, at a minimum—

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

(II) a policy enacted and enforced by the implementing organization to detect and deter fraudulent activity, including fraud occurring in individual projects and patterns of fraud by parties involved in the expenditure of funds under this subsection;

(III) a statement setting forth any violations detected by the implementing organization during the previous calendar year, including details about steps taken to achieve compliance and any remedial measures; and

(IV) a certification by the chief executive or most senior compliance officer of the organization that the organization maintains sufficient staff and resources to

effectively carry out the above-mentioned policies; and

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

(B) REPORTING REQUIREMENT ALIGNMENT.—To limit the costs of implementing the Pilot Program under this subsection, the Secretary shall endeavor, to the extent possible, to structure reporting requirements such that they align with the data reporting requirements in place for funding streams that implementing organizations are likely to use together with funding from this subsection, including the reporting requirements under—

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

(ii) the HOME Investment Partnerships program under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.);

(iii) the Weatherization Assistance Program for low-income persons established under part A of title IV of the Energy Conservation

and Production Act (42 U.S.C. 6861 et seq.); and

(iv) the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.).

(C) PILOT PROGRAM PERIOD REPORTS.—Not less frequently than twice during the period in which the Pilot Program established under this subsection operates, the Office of Inspector General of the Department of Housing and Urban Development shall complete an assessment of the implementation of measures to ensure the fair and legitimate use of the Pilot Program.

(D) SUMMARY TO CONGRESS.—The Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives an annual report providing a summary of the data provided under subparagraphs (A) and (C) during the 1-year period preceding the report and all data previously provided under those subparagraphs.

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

(A) treated as assistance for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547); and

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

(12) TERMINATION.—The Pilot Program established under this subsection shall terminate on October 1, 2031.

SEC. 203. COMMUNITY INVESTMENT AND PROSPERITY ACT.

(a) REVISED STATUTES.—The paragraph designated as the ''Eleventh'' of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended, in the fifth sentence, by striking ''15'' each place the term appears and inserting ''20''.

(b) FEDERAL RESERVE ACT.—Section 9(23) of the Federal Reserve Act (12 U.S.C. 338a) is amended, in the fifth sentence, by striking ''15'' each place the term appears and inserting ''20''.

(c) STUDY.—Not later than 2 years after the date of the enactment of this section, and every 2 years thereafter, the Comptroller of the Currency and the Board of Governors of the Federal Reserve System shall each submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs

of the Senate, a report, after consulting with the other agency in the development of such report, about public welfare investments that were made by associations under section 5136 of the Revised Statutes of the United States and State member banks under section 9(23) of the Federal Reserve Act in the 2 previous calendar years, that—

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

(A) purpose;

(B) type;

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

(D) State, or other location;

(2) identifies the dollar amounts of such investments, broken down by—

(A) purpose;

(B) type;

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

(D) State or other location; and

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

(A) in the case of a report by the Comptroller of the Currency, section 5136 of the Revised Statutes of the United States; or

(B) in the case of a report by the Board of Governors, section 9(23) of the Federal Reserve Act.

SEC. 204. ADDITION OF AFFORDABLE HOUSING CONSTRUCTION AS AN ELIGIBLE ACTIVITY.

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

(1) in paragraph (25)(D), by striking ''and'' at the end;

(2) in paragraph (26), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(27) the new construction of affordable housing, within the meaning given such term under section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745), and which shall not exceed 20 percent of the amounts allocated to the recipient.''.

(b) LOW- AND MODERATE-INCOME REQUIREMENT.—Section 105(c)(3) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(c)(3)) is amended by striking ''or rehabilitation'' and inserting '', rehabilitation, or new construction''.

(c) APPLICABILITY.—The amendments made by this section shall apply with respect only to amounts appropriated after the date of enactment of this Act.

SEC. 205. BETTER USE OF INTERGOVERNMENTAL AND LOCAL DEVELOPMENT (BUILD) HOUSING ACT.

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

''SEC. 13. DESIGNATION OF ENVIRONMENTAL REVIEW PROCEDURE.

''(a) IN GENERAL.—Except as provided in subsection (b), the Secretary may, for purposes of environmental review, decision making, and action pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and other provisions of law that further the purposes of such Act, designate the treatment of assistance administered by the Secretary as funds for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547).

''(b) EXCEPTION.—The designation described in subsection (a) shall not apply to assistance for which a procedure for carrying out the responsibilities of the Secretary under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and other provisions of law that further the purposes of such Act, is otherwise specified in law.''.

(b) TRIBAL ASSUMPTION OF ENVIRONMENTAL REVIEW OBLIGATIONS.—Section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547) is amended—

(1) by striking ''State or unit of general local government'' each place it appears and inserting ''State, Indian Tribe, or unit of general local government'';

(2) in paragraph (1)(C), in the heading, by striking ''STATE OR UNIT OF GENERAL LOCAL GOVERNMENT'' and inserting ''STATE, INDIAN TRIBE, OR UNIT OF GENERAL LOCAL GOVERNMENT''; and

(3) by adding at the end the following:

''(5) DEFINITION OF INDIAN TRIBE.—For purposes of this subsection, the term 'Indian Tribe' means a federally recognized Tribe, as defined in section 4(13)(B) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(13)(B)).''.

(c) IMPLEMENTATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), a designation of assistance under section 13 of the Department of Housing and Urban Development Act, as added by subsection (a), shall only apply with respect to funds appropriated after the date of enactment of this Act.

(2) EXCEPTION.—If a grantee of assistance administered by the Secretary of Housing and Urban Development combines funds appropriated before and after the date of enactment of this Act to carry out a project, section 13 of the Department of and Urban Development Act, as added by subsection (a), shall not apply to that assistance.

SEC. 206. UNLOCKING HOUSING SUPPLY THROUGH STREAMLINED AND MODERNIZED REVIEWS ACT.

(a) DEFINITIONS.—In this section:

(1) INFILL PROJECT.—The term ''infill project'' means a project that—

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

(B) is adequately served by existing utilities and public services as required under applicable law;

(C) is located on a site of previously disturbed land of not more than 5 acres and substantially surrounded by residential or commercial development;

(D) will repurpose a vacant or underutilized parcel of land, or a dilapidated or abandoned structure; and

(E) will serve a residential or commercial purpose.

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

(b) NEPA STREAMLINING FOR HUD HOUSING-RELATED ACTIVITIES.—

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

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

(i) Tenant-based rental assistance.

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

(iii) Operating costs, including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training, and recruitment and other incidental costs.

(iv) Economic development activities, including equipment purchases, inventory financing, interest subsidies, operating expenses, and similar costs not associated with construction or expansion of existing operations.

(v) Activities to assist home-buyers in the purchase of existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest rate buydowns, and similar activities that result in the transfer of title.

(vi) Affordable housing predevelopment costs related to obtaining site options, project financing, administrative costs and fees for

loan commitment, zoning approvals, and other related activities that do not have a physical impact.

(vii) Approval of supplemental assistance, including insurance or guarantee, to a project previously approved by the Secretary.

(viii) Emergency home-owner or renter assistance for the repair or replacement of HVAC, hot water heaters, and other necessary existing utilities required under applicable law.

(B) The following housing-related activities shall be subject to regulations equivalent or substantially similar to the regulations entitled, (i) ''categorical exclusions not subject to section 58.5'' and (ii) ''categorical exclusions not subject to the Federal laws and authorities cited in section 50.4'' in section 58.35(b) and section 50.19, respectively of title 24, Code of Federal Regulations, as in effect on January 1, 2025, if such activities do not materially alter environmental conditions and do not materially exceed the original scope of the project:

(i) Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) if the facilities and improvements are in place

and will be retained in the same use without change in size or capacity of more than 20 percent, including replacement of water or sewer lines, reconstruction of curbs and sidewalks, and repaving of streets.

(ii) Rehabilitation of 1-to-4 unit residential buildings, and existing housing-related infrastructure, such as repairs or rehabilitation of existing wells, septics, or utility lines that connect to that housing.

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

(iv) Acquisitions (including leasing) of, disposition of, or equity loans on an existing structure, or acquisition (including leasing) of vacant land if the structure or land acquired, financed, or disposed of will be retained for the same use.

(C) The following housing-related activities shall be subject to regulations equivalent or substantially similar to the regulations entitled, (i) ''categorical exclusions subject to section 58.5'' and (ii) ''categorical exclusions subject to the Federal

laws and authorities cited in section 50.4'' in section 58.35(a) and section 50.20, respectively, of title 24, Code of Federal Regulations, as in effect on January 1, 2025, if such activities do not materially alter environmental conditions and do not materially exceed the original scope of the project:

(i) Acquisitions of open space or residential property, where such property will be retained for the same use or will be converted to open space to help residents relocate out of an area designated as a high-risk area by the Secretary.

(ii) Conversion of existing office buildings into residential development, subject to—

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

(II) a limitation on the change in building size of not more than 20 percent.

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

(iv) New construction, development, demolition, acquisition, or disposition of 15 or more housing units developed on scattered sites when there are not more than 15 housing units on any 1 site, and the sites are more than a set number of feet apart as determined by the Secretary.

(v) Rehabilitation of buildings and improvements in the case of a building for residential use with 5 to 15 units, if the density is not increased beyond 15 units and the land use is not changed.

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

(vii) The voluntary acquisition of properties—

(I) located in—

(aa) a floodway;

(bb) a floodplain; or

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

(II) that have been impacted by a predictable environmental threat to the safety and well-being of program bene-

ficiaries caused or exacerbated by a federally declared disaster.

(c) IMPLEMENTATION.—For purposes of implementing the streamlining of environmental review for housing-related activities under subsection (b), the agency actions carried out under that subsection—

(1) shall only apply with respect to funds appropriated after the effective date of those actions; and

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

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

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

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a State, insular area, metropolitan city, or urban county, as those terms are defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302); or

(B) a regional planning agency or consortia of regional planning agencies.

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

(A) increase the amount of available housing to meet the demand for such housing and any projected increase in the demand for such housing;

(B) increase the affordability of housing;

(C) increase the accessibility of housing for people with disabilities, including location-efficient housing;

(D) preserve or improve the quality of housing;

(E) reduce barriers to housing development; and

(F) coordinate with transportation-related agencies.

(3) HOUSING STRATEGY.—The term ''housing strategy'' means a housing strategy required under section 105 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(b) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish a program to award grants on a competitive basis to eligible entities to assist planning and implementation activities associated with affordable housing, except that such grant awards may not be used for construction, alteration, or repair work.

(c) USE OF AMOUNTS.—

(1) BY REGIONAL PLANNING AGENCIES.—If an eligible entity that receives amounts under this section is an eligible entity described in subsection (a)(1)(B), the eligible entity shall use those amounts to assist planning activities with respect to affordable housing, including—

(A) the development of housing plans;

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

(C) the development of new regulatory requirements and processes;

(D) updating zoning codes;

(E) increasing the capacity to conduct housing inspections;

(F) increasing the capacity to reduce barriers to housing supply elasticity and housing affordability;

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

(H) the substantial improvement of community development strategies, including strategies designed to—

(i) increase the availability of affordable housing and access to affordable housing;

(ii) increase access to public transportation; and

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

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

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

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

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

(D) implement and administer regulatory requirements and processes with respect to reformed zoning codes;

(E) increase the capacity to conduct housing inspections;

(F) increase the capacity to reduce barriers to housing supply elasticity and housing affordability;

(G) implement and administer local or regional plans for community development; and

(H) fund any planning to increase—

(i) the availability of affordable housing and access to affordable housing;

(ii) access to public transportation; and

(iii) any location-efficient community development goals.

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

(d) COORDINATION.—To the extent practicable, the Secretary shall coordinate with the Administrator of the Federal Transit Administration in carrying out this section.

(e) EXPIRATION OF AUTHORITY.—After the expiration of the 5-year period beginning on the date of enactment of this Act, the Secretary may not newly establish a program as described in this section.

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

SEC. 208. INNOVATION FUND.

(a) DEFINITIONS.—In this section:

(1) ATTAINABLE HOUSING.—The term ''attainable housing'' means housing that serves households earning not more than 120 percent of the area median income, if the majority of the housing units are affordable to households earning not more than 60 percent of the area median income.

(2) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a metropolitan city or urban county, as those terms are defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302), that has demonstrated an objective improvement in housing supply growth, as deter-

mined by the Secretary, whose methodology for determining such growth is published in the Federal Register to allow for public comment not less than 90 days before the date on which the notice of funding opportunity is made available; or

(B) a unit of general local government or an Indian Tribe, as those terms are defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302), that has demonstrated an objective improvement in housing supply growth, as determined by the Secretary, whose methodology for determining such improvement is published in the Federal Register to allow for public comment not less than 90 days before the date on which the notice of funding opportunity is made available.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(b) ESTABLISHMENT OF A GRANT PROGRAM.—

(1) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish a program to award grants on a competitive basis to eligible entities that have increased their local housing supply.

(2) LIST OF ELIGIBLE ENTITIES.—The Secretary shall make a list of eligible entities publicly available on the website of the Department of Housing and Urban Development.

(3) ELIGIBLE PURPOSES.—An eligible entity receiving a grant under this section may use funds to—

(A) carry out any of the activities described in section 105 of the Housing and Community Development Act of 1974 (42 U.S.C. 5305);

(B) carry out any of the activities permitted under the Local and Regional Project Assistance Program established under section 6702 of title 49, United States Code; and

(C) carry out initiatives of the eligible entity that facilitate the expansion of the supply of attainable housing and that supplement initiatives the eligible entity has carried out, or is in the process of carrying out, as specified in the application submitted under paragraph (4).

(4) APPLICATION.—

(A) IN GENERAL.—An eligible entity seeking a grant under this section shall submit to the Secretary an application that provides—

(i) a description of each purpose for which the eligible entity will use the grant, and an at-

testation that the grant will be used only for 1 or more eligible purposes described in paragraph (3);

(ii) data on characteristics of increased housing supply during the 3-year period ending on the date on which the application is submitted, which may include whether such housing—

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

(II) has improved the quality and affordability of housing in the jurisdiction of the eligible entity;

(iii) a description of how each eligible purpose described in clause (i) may address a community need or advance an objective, or an aspect of an objective, included in the comprehensive housing affordability strategy and community development plan of the eligible entity under part 91 of title 24, Code of Federal Regulations, or any successor regulation (commonly referred to as a ''consolidated plan''); and

(iv) a description of how the eligible entity has carried out, or is in the process of carrying

out, initiatives that facilitate the expansion of the supply of housing.

(B) INITIATIVES.—Initiatives that meet the criteria described in paragraph (3)(C) include, but shall not be limited to—

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

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

(iii) revising minimum lot size requirements, floor area ratio requirements, set-back requirements, building heights, and bans or limits on construction that allow for denser and more affordable development;

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

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

(vi) streamlining regulatory requirements and shortening processes, increasing code enforcement and permitting capacity, reforming

zoning codes, or other initiatives that reduce barriers to increasing housing supply and affordability;

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

(viii) using local tax incentives or public financing to promote development of attainable housing;

(ix) streamlining environmental regulations;

(x) eliminating unnecessary manufactured-housing or cooperative housing regulations and restrictions;

(xi) minimizing the impact of overburdensome energy and water efficiency standards on housing costs; and

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

(5) GRANTS.—

(A) IN GENERAL.—The Secretary shall make not fewer than 25 grants on an annual basis (unless amounts appropriated to provide grant amounts consistent with subsection (b) are insufficient, in

which case fewer grants may be awarded), with strong consideration of different geographical areas and a relatively even spread of rural, suburban, and urban communities.

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

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

(ii) less than $250,000.

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

(i) demonstrated the use of innovative policies, interventions, or programs for increasing housing supply; and

(ii) demonstrated a marked improvement in housing supply growth, as needed.

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

(c) RULES OF CONSTRUCTION.—Nothing in this section shall be construed—

(1) to authorize the Secretary to mandate, supersede, or preempt any local zoning or land use policy; or

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

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

(e) AUTHORIZATION OF APPROPRIATIONS.—

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

(2) ADJUSTMENT.—The amount authorized to be appropriated under paragraph (1) shall be adjusted for inflation based on the Consumer Price Index for all Urban Customers published by the Bureau of Labor Statistics of the Department of Labor.

SEC. 209. ACCELERATING HOME BUILDING ACT.

(a) DEFINITIONS.—In this section:

(1) AFFORDABLE HOUSING.—The term ''affordable housing'' means housing for which the total monthly housing cost payment is not more than 30 percent of the

monthly household income for a household earning not more than 80 percent of the area median income.

(2) COVERED STRUCTURE.—The term ''covered structure'' means—

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

(B) includes—

(i) an accessory dwelling unit;

(ii) infill development;

(iii) a duplex;

(iv) a triplex;

(v) a fourplex;

(vi) a cottage court;

(vii) a courtyard building;

(viii) a townhouse;

(ix) a multiplex; and

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

(3) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

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

(B) a municipal membership organization; and

(C) an Indian Tribe, as defined in section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)).

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

(5) INFILL DEVELOPMENT.—The term ''infill development'' means residential development on small parcels in previously established areas for replacement with new or refurbished housing that utilizes existing utilities and infrastructure.

(6) MIXED-INCOME HOUSING.—The term ''mixed-income housing'' means a housing development that is comprised of housing units that promote differing levels of affordability in the community.

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

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

(9) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

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

(c) CONSIDERATIONS.—In reviewing applications submitted by eligible entities for a grant under this section, the Secretary shall consider—

(1) the need for affordable housing in the service area of the eligible entity;

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

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

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

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

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

(1) the impacts of the activities carried out using the grant amounts in improving the production and supply of affordable housing;

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

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

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

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

(1) to the extent possible, encourage localities to make publicly available through a website information on the prereviewed designs selected and submitted to the Secretary by eligible entities receiving grants under this section, including information on the benefits of use of those designs; and

(2) collect, identify, and disseminate best practices regarding such designs and make such information publicly available on the website of the Department of Housing and Urban Development.

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

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

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

SEC. 210. REVITALIZING EMPTY STRUCTURES INTO DESIRABLE ENVIRONMENTS (RESIDE) ACT.

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

"SEC. 227. REVITALIZING EMPTY STRUCTURES INTO DESIRABLE ENVIRONMENTS.

''(a) DEFINITIONS.—In this section:

''(1) ATTAINABLE HOUSING.—The term 'attainable housing' means housing that serves households earning not more than 120 percent of the area median income, if the majority of the housing units are affordable to households earning not more than 60 percent of the area median income.

''(2) CONVERTED HOUSING UNIT.—The term 'converted housing unit' means a housing unit that is created using a covered grant.

''(3) COVERED GRANT.—The term 'covered grant' means a grant awarded under the Pilot Program.

''(4) ELIGIBLE ENTITY.—The term 'eligible entity' means a participating jurisdiction.

''(5) PILOT PROGRAM.—The term 'Pilot Program' means the Pilot Program established under subsection (b).

''(6) VACANT AND ABANDONED BUILDING.—The term 'vacant and abandoned building' means a property—

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

''(B)(i) with respect to which—

''(I) a code enforcement inspection has determined that the property is not safe; and

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

''(ii) that is subject to a court-ordered receivership or nuisance abatement related to abandonment

pursuant to State or local law or otherwise meets the definition of an abandoned property under State law.

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

''(c) AMOUNT OF GRANT.—

''(1) IN GENERAL.—For any fiscal year for which not less than $100,000,000 is made available to carry out the Pilot Program, the amount of a covered grant shall be not less than $1,000,000 and not more than $10,000,000.

''(2) FISCAL YEARS WITH LOWER FUNDING.—For any fiscal year for which less than $100,000,000 is made available to carry out the Pilot Program pursuant to subsection (b), the Secretary shall seek to maximize the number of covered grants awarded.

''(d) RELATION TO FORMULA ALLOCATION.—A covered grant awarded to an eligible entity shall be in addition to, and shall not affect, the formula allocation for the eligible entity under section 217.

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

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

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

''(3) will use the covered grant to construct housing that will serve a need identified in the comprehensive housing affordability strategy and community development plan of the eligible entity under part 91 of title 24, Code of Federal Regulations, or any successor regulation (commonly referred to as a 'consolidated plan'); or

''(4) has enacted ordinances to reduce regulatory barriers to conversion of vacant and abandoned buildings to housing, which shall not include any alteration of an ordinance that governs safety and habitability.

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

''(1) property acquisition;

''(2) demolition;

''(3) health hazard remediation;

''(4) site preparation;

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

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

''(g) WAIVER AUTHORITY.—In administering covered grants, the Secretary may waive, or specify alternative requirements for, any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by eligible entities of covered grant funds (except for requirements related to fair housing, nondiscrimination, labor standards, or the environment) if the Secretary makes a public finding that good cause exists for the waiver or alternative requirement.

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

''(1) improving the tax base of local communities;

''(2) increasing access to affordable housing, especially for elderly individuals, disabled individuals, and veterans;

''(3) increasing home-ownership; and

''(4) removing blight.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of contents in section 1(b) of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625; 104

Stat. 4079) is amended by inserting after the item relating to section 226 the following:

''Sec. 227. Revitalizing empty structures into desirable environments.''.

SEC. 211. HOUSING AFFORDABILITY ACT.

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

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

(A) in subsection (a), in the matter following paragraph (7), by striking ''(commencing in 2004'' and all that follows through the period at the end and inserting the following: '', commencing on July 1, 2025. The adjustment of the dollar amounts shall be calculated by the Secretary using the percentage change in the Price Deflator Index of Multifamily Residential Units Under Construction released by the Bureau of the Census from March of the previous year to March of the year in which the adjustment is made, or by the Secretary using an alternative indicator after publishing information about such alternative indicator in the Federal Register for public comment if the Price Deflator Index of Multifamily Residential Units Under Construction is not available or published.''; and

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

''(b) PUBLICATION.—

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

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

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

(A) by striking ''$38,025'' and inserting ''$167,310'';

(B) by striking ''$42,120'' and inserting ''$185,328'';

(C) by striking ''$50,310'' and inserting ''$221,364'';

(D) by striking ''$62,010'' and inserting ''$272,844'';

(E) by striking ''$70,200'' and inserting ''$308,880'';

(F) by striking '', or not to exceed $17,460 per space'';

(G) by striking ''$43,875'' and inserting ''$193,050'';

(H) by striking ''$49,140'' and inserting ''$216,216'';

(I) by striking ''$60,255'' and inserting ''$265,122'';

(J) by striking ''$75,465'' and inserting ''$332,046''; and

(K) by striking ''$85,328'' and inserting ''$375,443'';

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

(A) by striking ''$41,207'' and inserting ''$181,311'';

(B) by striking ''$47,511'' and inserting ''$209,048'';

(C) by striking ''$57,300'' and inserting ''$252,120'';

(D) by striking ''$73,343'' and inserting ''$322,709'';

(E) by striking ''$81,708'' and inserting ''$359,515'';

(F) by striking ''$43,875'' and inserting ''$193,050'';

(G) by striking ''$49,710'' and inserting ''$218,724'';

(H) by striking ''$60,446'' and inserting ''$265,962'';

(I) by striking ''$78,197'' and inserting ''$344,067''; and

(J) by striking ''$85,836'' and inserting ''$377,678'';

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

(A) by striking ''$38,025'' and inserting ''$167,310'';

(B) by striking ''$42,120'' and inserting ''$185,328'';

(C) by striking ''$50,310'' and inserting ''$221,364'';

(D) by striking ''$62,010'' and inserting ''$272,844'';

(E) by striking ''$70,200'' and inserting ''$308,880'';

(F) by striking ''$43,875'' and inserting ''$193,050'';

(G) by striking ''$49,140'' and inserting ''$216,216'';

(H) by striking ''$60,255'' and inserting ''$265,122'';

(I) by striking ''$75,465'' and inserting ''$332,046''; and

(J) by striking ''$85,328'' and inserting ''$375,443'';

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

(A) by striking ''$37,843'' and inserting ''$166,509'';

(B) by striking ''$42,954'' and inserting ''$188,997'';

(C) by striking ''$51,920'' and inserting ''$228,448'';

(D) by striking ''$65,169'' and inserting ''$286,744'';

(E) by striking ''$73,846'' and inserting ''$324,922'';

(F) by striking ''$40,876'' and inserting ''$179,854'';

(G) by striking ''$46,859'' and inserting ''$206,180'';

(H) by striking ''$56,979'' and inserting ''$250,708'';

(I) by striking ''$73,710'' and inserting ''$324,324''; and

(J) by striking ''$80,913'' and inserting ''$356,017'';

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

(A) by striking ''$35,978'' and inserting ''$166,509'';

(B) by striking ''$40,220'' and inserting ''$188,997'';

(C) by striking ''$48,029'' and inserting ''$228,448'';

(D) by striking ''$57,798'' and inserting ''$286,744'';

(E) by striking ''$67,950'' and inserting ''$324,922'';

(F) by striking ''$40,876'' and inserting ''$179,854'';

(G) by striking ''$46,859'' and inserting ''$206,180'';

(H) by striking ''$56,979'' and inserting ''$250,708'';

(I) by striking ''$73,710'' and inserting ''$324,324''; and

(J) by striking ''$80,913'' and inserting ''$356,017''; and

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

(A) by striking ''$42,048'' and inserting ''$185,011'';

(B) by striking ''$48,481'' and inserting ''$213,316'';

(C) by striking ''$58,469'' and inserting ''$257,263'';

(D) by striking ''$74,840'' and inserting ''$329,296'';

(E) by striking ''$83,375'' and inserting ''$366,850'';

(F) by striking ''$44,250'' and inserting ''$194,700'';

(G) by striking ''$50,724'' and inserting ''$223,186'';

(H) by striking ''$61,680'' and inserting ''$271,392'';

(I) by striking ''$79,793'' and inserting ''$351,089''; and

(J) by striking ''$87,588'' and inserting ''$385,387''.

(b) RULE OF CONSTRUCTION.—Nothing in this section or the amendments made by this section may be construed to limit the authority of the Secretary of Housing and Urban Development to revise the statutory exceptions for high-cost percentage and high-cost areas annual indexing.

TITLE III—MANUFACTURED HOUSING FOR AMERICA

SEC. 301. HOUSING SUPPLY EXPANSION ACT.

(a) IN GENERAL.—Section 603(6) of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5402(6)) is amended by striking ''on a permanent chassis'' and inserting ''with or without a permanent chassis''.

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

''(7) STANDARDS FOR MANUFACTURED HOMES BUILT WITHOUT A PERMANENT CHASSIS.—

''(A) IN GENERAL.—The Secretary, in consultation with the consensus committee, shall issue revised standards for manufactured homes built without a permanent chassis using the process described in paragraph (4).

''(B) CREATING FINAL STANDARDS.—The Secretary shall, after consulting and conferring with the consensus committee, establish standards to ensure that manufactured homes without a permanent chassis have—

''(i) a distinct label, with revenue generated to be deposited into the Manufactured Housing Fees Trust Fund established under section 620(e)(1), to be issued by the Secretary distinguishing manufactured home built without a permanent chassis from manufactured homes built on a permanent chassis;

''(ii) a data plate, as described in section 3280.5 of title 24, Code of Federal Regulations (or any successor regulation), distinguishing manufactured homes built without a permanent chassis from manufactured homes built on a permanent chassis; and

''(iii) a notation on any invoice produced by the manufacturer of a manufactured home that is distinguishable from the invoice for a manufactured home constructed with a permanent chassis.''.

(c) MANUFACTURED HOME CERTIFICATIONS.—Section 604 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5403) is amended by adding at the end the following:

''(i) MANUFACTURED HOME CERTIFICATIONS.—

''(1) IN GENERAL.—

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

''(i) treat any manufactured home in parity with a manufactured home (as defined and regulated by the State); and

''(ii) subject a manufactured home without a permanent chassis to the same laws and regulations of the State as a manufactured home built on a permanent chassis, including with respect to financing, title, insurance, manufacture, sale, taxes, transportation, installation, and other areas as the Secretary determines, after consultation with and approval by the consensus committee, are necessary to give effect to the purpose of this section.

''(B) STATE PLAN SUBMISSION.—Any State plan submitted under section 623(b) shall contain the required State certification under subparagraph (A) and, if contained therein, no additional or State certification under subparagraph (A) or paragraph (3).

''(C) EXTENDED DEADLINE.—With respect to a State with a legislature that meets biennially, the deadline for the submission of the initial certification required under subparagraph (A) shall be 2 years after the date of enactment of the 21st Century ROAD to Housing Act.

''(D) LATE CERTIFICATION.—

''(i) NO WAIVER.—The Secretary may not waive the prohibition described in paragraph (5)(B) with respect to a certification submitted after the deadline under subparagraph (A) or paragraph (3) unless the Secretary approves the late certification.

''(ii) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to prevent a State from submitting the initial certification required under subparagraph (A) after the required deadline under that subparagraph.

''(2) FORM OF STATE CERTIFICATION NOT PRESENTED IN A STATE PLAN.—The initial certification required under paragraph (1)(A), if not submitted with a State plan under paragraph (1)(B), shall contain, in a form prescribed by the Secretary, an attestation by an official that the State has taken the steps necessary to

ensure the veracity of the certification required under paragraph (1)(A), including, as necessary, by—

"(A) amending the definition of 'manufactured home' in the laws and regulations of the State; and

"(B) directing State agencies to amend the definition of 'manufactured home' in regulations.

"(3) ANNUAL RECERTIFICATION.—Not later than a date to be determined by the Secretary each year, a State shall submit to the Secretary an additional certification that—

"(A) confirms the accuracy of the initial certification submitted under subparagraph (A) or (B) of paragraph (1); and

"(B) certifies that any new laws or regulations enacted or adopted by the State since the date of the previous certification do not change the veracity of the initial certification submitted under paragraph (1)(A).

"(4) LIST.—The Secretary shall publish and maintain in the Federal Register and on the website of the Department of Housing and Urban Development a list of States that are up to date with the submission of initial and subsequent certifications required under this subsection.

"(5) PROHIBITION.—

''(A) DEFINITION.—In this paragraph, the term 'covered manufactured home' means a home that is—

''(i) not considered a manufactured home under the laws and regulations of a State because the home is constructed without a permanent chassis;

''(ii) considered a manufactured home under the definition of the term in section 603; and

''(iii) constructed after the date of enactment of the 21st Century ROAD to Housing Act.

''(B) BUILDING, INSTALLATION, AND SALE.—If a State does not submit a certification under paragraph (1)(A) or (3) by the date on which those certifications are required to be submitted—

''(i) with respect to a State in which the State administers the installation of manufactured homes, the State shall prohibit the manufacture, installation, or sale of a covered manufactured home within the State; and

''(ii) with respect to a State in which the Secretary administers the installation of manufactured homes, the State and the Secretary

shall prohibit the manufacture, installation, or sale of a covered manufactured home within the State.''.

(d) OTHER FEDERAL LAWS REGULATING MANUFACTURED HOMES.—The Secretary of Housing and Urban Development may coordinate with the heads of other Federal agencies to ensure that Federal agencies treat a manufactured home (as defined in Federal laws and regulations other than section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5402)) in the same manner as a manufactured home (as defined in section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5402), as amended by this Act).

(e) ASSISTANCE TO STATES.—Section 609 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5408) is amended—

(1) in paragraph (1), by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(3) model guidance to support the submission of the certification required under section 604(i).''.

(f) PREEMPTION.—Nothing in this section or the amendments made by this section may be construed as limiting the

scope of Federal preemption under section 604(d) of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5403(d)).

(g) PRIMARY AUTHORITY TO ESTABLISH MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS.—The National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.) is further amended—

(1) in section 603(7), by inserting ''energy efficiency,'' after ''design,''; and

(2) in section 604, by adding at the end the following:

''(j) PRIMARY AUTHORITY TO ESTABLISH STANDARDS.—

''(1) IN GENERAL.—The Secretary shall have the primary authority to establish Federal manufactured home construction and safety standards.

''(2) APPROVAL FROM SECRETARY.—

''(A) IN GENERAL.—The head of any Federal agency that seeks to establish a manufactured home construction and safety standard on or after the date of the enactment of this subsection—

''(i) shall submit to the Secretary a proposal describing such standard; and

''(ii) may not establish such standard without approval from the Secretary.

''(B) REJECTION OF STANDARDS.—The Secretary shall reject a standard submitted to the Secretary for approval under subparagraph (A)—

''(i) if the standard would significantly increase the cost of producing manufactured homes, as determined by the Secretary;

''(ii) if the standard would conflict with existing manufactured home construction and safety standards established by the Secretary; or

''(iii) for any other reason as determined appropriate by the Secretary.

''(C) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to require the Secretary to establish new or revised Federal manufactured home construction and safety standards.''.

SEC. 302. MODULAR HOUSING PRODUCTION ACT.

(a) DEFINITIONS.—In this section:

(1) MANUFACTURED HOME.—The term ''manufactured home'' has the meaning given the term in section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5402).

(2) MODULAR HOME.—The term ''modular home'' means a home that is constructed in a factory in 1 or more modules, each of which meets applicable State and local building codes of the area in which the home will be located, and that are transported to the home building site, installed on foundations, and completed.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(b) FHA CONSTRUCTION FINANCING PROGRAMS.—

(1) IN GENERAL.—The Secretary shall conduct a review of Federal Housing Administration construction financing programs to identify barriers to the use of modular home methods.

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

(A) identify and evaluate regulatory and programmatic features that restrict participation in construction financing programs by modular home developers, including construction draw schedules; and

(B) identify administrative measures authorized under section 525 of the National Housing Act (12 U.S.C. 1735f–3) to facilitate program utilization by modular home developers.

(3) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall publish a report that describes the results of the review conducted under paragraph (1), which shall include a description of programmatic and policy changes that the Secretary recommends to reduce or eliminate identified barriers to the use of modular home methods in Federal Housing Administration construction financing programs.

(4) RULEMAKING.—

(A) IN GENERAL.—Not later than 120 days after the date on which the Secretary publishes the report under paragraph (3), the Secretary shall initiate a rulemaking to examine an alternative draw schedule for construction financing loans provided to modular and manufactured home developers, which shall include the ability for interested stakeholders to provide robust public comment.

(B) DETERMINATION.—Following the period for public comment under subparagraph (A), the Secretary shall—

(i) issue a final rule regarding an alternative draw schedule described in subparagraph (A); or

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

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

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

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

SEC. 303. PROPERTY IMPROVEMENT AND MANUFACTURED HOUSING LOAN MODERNIZATION ACT.

(a) NATIONAL HOUSING ACT AMENDMENTS.—

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

(A) in subsection (a), by inserting ''construction of additional or accessory dwelling units, as defined by the Secretary,'' after ''energy conserving improvements,''; and

(B) in subsection (b)—

(i) in paragraph (1)—

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

''(A) $75,000 if made for the purpose of financing alterations, repairs, and improvements upon or in con-

nection with an existing single-family structure, including a manufactured home;'';

(II) in subparagraph (B)—

(aa) by striking ''$60,000'' and inserting ''$150,000'';

(bb) by striking ''$12,000'' and inserting ''$37,500''; and

(cc) by striking ''an apartment house or'';

(III) by striking subparagraphs (C) and (D) and inserting the following:

''(C)(i) $106,405 if made for the purpose of financing the purchase of a single-section manufactured home; and

''(ii) $195,322 if made for the purpose of financing the purchase of a multi-section manufactured home;

''(D)(i) $149,782 if made for the purpose of financing the purchase of a single-section manufactured home and a suitably developed lot on which to place the home; and

''(ii) $238,699 if made for the purpose of financing the purchase of a multi-section manufactured home and a suitably developed lot on which to place the home;'';

(IV) in subparagraph (E)—

(aa) by striking ''$23,226'' and inserting ''$43,377''; and

(bb) by striking the period at the end and inserting a semicolon;

(V) in subparagraph (F), by striking ''and'' at the end;

(VI) in subparagraph (G), by striking the period at the end and inserting ''; and''; and

(VII) by inserting after subparagraph (G) the following:

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

(ii) in the matter immediately preceding paragraph (2)—

(I) by striking ''regulation'' and inserting ''notice'';

(II) by striking ''increase'' and inserting ''set'';

(III) by striking ''(A)(ii), (C), (D), and (E)'' and inserting ''(A) through (H)'';

(IV) by inserting '', or as necessary to achieve the goals of the Federal Hous-

ing Administration, periodically reset the dollar amount limitations in subparagraphs (A) through (H) based on justification and methodology set forth in advance by regulation'' before the period at the end; and

(V) by adjusting the margins appropriately;

(iii) in paragraph (3), by striking ''exceeds—'' and all that follows through the period at the end and inserting ''exceeds such period of time as determined by the Secretary, not to exceed 30 years.'';

(iv) by striking paragraph (9) and inserting the following:

''(9) ANNUAL INDEXING OF CERTAIN DOLLAR AMOUNT LIMITATIONS.—The Secretary shall develop or choose 1 or more methods of indexing in order to annually set the loan limits established in paragraph (1), based on data the Secretary determines is appropriate for purposes of this section.''; and

(v) in paragraph (11), by striking ''lease—'' and all that follows through the period at the end and inserting ''lease meets the

terms and conditions established by the Secretary''.

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

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

(B) INTERIM INDEX.—During the period beginning on the date of enactment of this Act and ending on the date on which the Secretary of Housing and Urban Development develops or chooses 1 or more methods of indexing as required under section 2(b)(9) of the National Housing Act (12 U.S.C. 1703(b)(9)), as amended by paragraph (1) of this subsection, the method of indexing established by the Secretary under such section 2(b)(9) before the date of enactment of this Act shall apply.

(b) HUD STUDY OF OFFSITE CONSTRUCTION.—

(1) DEFINITIONS.—In this subsection:

(A) OFFSITE CONSTRUCTION HOUSING.—The term ''offsite construction housing'' includes manufactured homes and modular homes.

(B) MANUFACTURED HOME.—The term ''manufactured home'' means any home constructed in accordance with the construction and safety standards established under the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.).

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

(2) STUDY.—Not later than 1 year after the date of the enactment of this section the Secretary of Housing and Urban Development shall conduct a study and submit to Congress a report on the cost effectiveness of offsite construction housing, that includes—

(A) an analysis of the advantages and the impact of centralization in a factory and transportation to a construction site on cost, precision, and materials waste;

(B) the extent to which offsite construction housing meets housing quality standards under the National Standards for the Physical Inspection of Real Estate, or other standards as the Secretary may prescribe, compared to the extent for site-built homes, for such standards;

(C) the expected replacement and maintenance costs over the first 40 years of life of offsite construction homes compared to those costs for site-built homes; and

(D) opportunities for use beyond single-family housing, such as applications in accessory dwelling units, two- to four-unit housing, and large multifamily housing.

TITLE IV—ACCESSING THE AMERICAN DREAM

SEC. 401. CREATING INCENTIVES FOR SMALL-DOLLAR LOAN ORIGINATORS.

(a) DEFINITIONS.—In this section:

(1) DIRECTOR.—The term ''Director'' means the Director of the Bureau of Consumer Financial Protection.

(2) SMALL-DOLLAR MORTGAGE.—The term ''small-dollar mortgage'' means a mortgage loan having an

original principal obligation of not more than $100,000 that is—

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

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

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

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

(iv) eligible to be purchased or securitized by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

(b) REQUIREMENT REGARDING LOAN ORIGINATOR COMPENSATION PRACTICES.—Not later than 270 days after the date of enactment of this Act, the Director shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on loan originator compensation practices throughout the residential mortgage market, including the relative frequency of loan originators being compensated—

(1) with a salary;

(2) with a commission reflecting a fixed percentage of the amount of credit extended;

(3) with a commission based on a factor other than a fixed percentage of the amount of credit extended;

(4) with a combination of salary and commission;

(5) on a loan volume basis; and

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

(c) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION LOAN ORIGINATORS.—In performing the study required under subsection (b), the Secretary shall, in coordination with relevant Federal agencies that regulate federally backed small-dollar mortgages and in consultation with the Director of the Community Development Financial Institutions Fund established under section 104 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4703), give due consideration to the practices for compensating loan originators that are employed by or originate loans on behalf of community development financial institutions.

(d) CONTENTS.—The report required under subsection (b) shall include—

(1) data and other analyses regarding the effect of the approaches to loan originator compensation de-

scribed in subsection (b) on the availability of small-dollar mortgage loans; and

(2) an analysis and a discussion regarding potential barriers to small-dollar mortgage lending.

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

(a) SMALL-DOLLAR MORTGAGE DEFINED.—In this section, the term ''small-dollar mortgage'' means a mortgage with an original principal obligation of less than $100,000.

(b) AMENDMENTS.—Not later than 270 days after the date of enactment of this Act, the Director of the Bureau of Consumer Financial Protection, in consultation with the Secretary of Housing and Urban Development and the Director of the Federal Housing Finance Agency, shall evaluate the impact of the thresholds under section 1026.43 of title 12, Code of Federal Regulations (as in effect on the date of enactment of this Act), on small-dollar mortgage originations.

SEC. 403. APPRAISAL INDUSTRY IMPROVEMENT ACT.

(a) APPRAISAL STANDARDS.—

(1) CERTIFICATION OR LICENSING.—

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

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

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

''(A) be certified or licensed by the State in which the property to be appraised is located, except that an appraiser who has as their primary duty conducting appraisal-related activities and who chooses to become a State-licensed or certified real estate appraiser need only to be licensed or certified in 1 State or territory to perform appraisals on mortgages insured by the Federal Housing Administration in all States and territories;

''(B) meet the requirements under the competency rule set forth in the Uniform Standards of Professional Appraisal Practice before accepting an assignment; and

''(C) have demonstrated verifiable education in the appraisal requirements established by the Federal Housing Administration under this subsection, which shall include the completion of a course or seminar that educates appraisers on those appraisal requirements, which shall be provided by—

''(i) the Federal Housing Administration; or

''(ii) a third party, if the course is approved by the Secretary or a State appraiser certifying or licensing agency.''.

(B) APPLICATION.—Subparagraph (C) of section 202(g)(5) of the National Housing Act (12

U.S.C. 1708(g)(5)), as added by subparagraph (A), shall not apply with respect to any certified appraiser approved by the Federal Housing Administration to conduct appraisals on property securing a mortgage to be insured by the Federal Housing Administration on or before the effective date described in paragraph (3)(C).

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

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

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

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

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

(B) clearly sets forth all of the specific requirements under section 202(g)(5) of the National Housing Act (12 U.S.C. 1708(g)(5)), as amended by paragraph (1), for approval to conduct appraisals on property secured by a mortgage to be insured by the Federal Housing Administration, which shall include—

(i) providing that, before the effective date of the mortgagee letter or guidance, compliance with the requirements under subparagraphs (A), (B), and (C) of such section 202(g)(5), as amended by paragraph (1), shall be considered to fulfill the requirements under such subparagraphs; and

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

(C) takes effect not later than the date that is 180 days after the date on which the Secretary issues the mortgagee letter or guidance.

(b) ANNUAL REGISTRY FEES FOR APPRAISAL MANAGEMENT COMPANIES.—Section 1109(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3338(a)) is amended, in the matter following clause (ii) of paragraph (4)(B), by adding at the end the following: ''Subject to the approval of the Council, the Appraisal Subcommittee may adjust fees established under clause (i) or (ii) to carry out its functions under this Act.''.

(c) STATE CREDENTIALED TRAINEES.—

(1) MAINTENANCE ON NATIONAL REGISTRY.—Section 1103(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3332(a)) is amended—

(A) in paragraph (3)—

(i) by inserting ''and State credentialed trainee appraisers'' after ''licensed appraisers''; and

(ii) by striking ''and'' at the end;

(B) by striking paragraph (4);

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

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

(i) by striking ''year. The report shall also detail'' and inserting ''year, detailing'';

(ii) by striking ''provide'' and inserting ''provides''; and

(iii) by striking the period at the end and inserting ''; and''.

(2) ANNUAL REGISTRY FEES.—

(A) IN GENERAL.—Section 1109 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3338) is amended—

(i) in the section heading, by striking ''certified or licensed'' and inserting '', certified, licensed, and credentialed trainee''; and

(ii) in subsection (a)—

(I) in paragraph (1), by inserting '', and in the case of a State with a supervisory or trainee program, a roster listing individuals who have received a State trainee credential'' after ''this title''; and

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

''(2) transmit reports on the issuance and renewal of licenses, certifications, credentials, sanctions, and disciplinary actions, including license, credential, and certification revocations, on a timely basis to the national registry of the Appraisal Subcommittee;''.

(B) RULE OF CONSTRUCTION.—Nothing in the amendments made by subparagraph (A) shall require a State to establish or operate a program for State credentialed trainee appraisers, as defined in paragraph (12) of section 1121 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as added by paragraph (4) of this subsection.

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

(A) by striking ''In determining'' and inserting ''(a) IN GENERAL.—In determining''; and

(B) by adding at the end the following:

''(b) USE OF STATE CREDENTIALED TRAINEE APPRAISERS.—In performing an appraisal under this section, a State certified appraiser may use the assistance of a State credentialed trainee appraiser or an unlicensed trainee appraiser, except that the State certified appraiser assisted by a trainee shall be liable for appraisal and valuation work.''.

(4) DEFINITION.—Section 1121 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3350) is amended by adding at the end the following:

''(12) STATE CREDENTIALED TRAINEE APPRAISER.—The term 'State credentialed trainee appraiser' means an individual who—

''(A) meets the minimum criteria established by the Appraiser Qualification Board for a trainee appraiser credential; and

''(B) is credentialed by a State appraiser certifying and licensing agency.''.

(d) GRANTS FOR WORKFORCE AND TRAINING.—Section 1109(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3338(b)) is amended—

(1) in paragraph (5)(B), by striking ''and'' at the end;

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

(3) by adding at the end the following:

''(7) to make grants to State appraiser certifying and licensing agencies to support the carrying out of education and training activities or other activities related to addressing appraiser industry workforce needs, including recruiting and retaining workforce talent, such as through scholarship assistance and career pipeline development, and such agencies shall report on the use of funds and outcomes.''.

(e) APPRAISAL SUBCOMMITTEE.—Section 1011 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3310) is amended, in the first sentence, by inserting ''the Department of Veterans Affairs, the Rural Housing Service of the Department of Agriculture, the Department of Housing and Urban Development,'' after ''Financial Protection,''.

SEC. 404. HELPING MORE FAMILIES SAVE ACT.

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

''(p) ESCROW EXPANSION PILOT PROGRAM.—

''(1) DEFINITIONS.—In this subsection:

''(A) COVERED FAMILY.—The term 'covered family' means a family that receives assistance under section 8 or 9 of this Act and is enrolled in the Pilot Program.

''(B) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity described in subsection (c)(2).

''(C) PILOT PROGRAM.—The term 'Pilot Program' means the Pilot Program established under paragraph (2).

''(D) WELFARE ASSISTANCE.—The term 'welfare assistance' has the meaning given the term in

section 984.103 of title 24, Code of Federal Regulations, or any successor regulation.

''(2) ESTABLISHMENT.—The Secretary may establish a Pilot Program under which the Secretary shall select not more than 25 eligible entities to establish and manage escrow accounts for not more than 5,000 covered families, in accordance with this subsection.

''(3) ESCROW ACCOUNTS.—

''(A) IN GENERAL.—An eligible entity selected to participate in the Pilot Program—

''(i) shall establish an interest-bearing escrow account and place into the account an amount equal to any increase in the amount of rent paid by each covered family in accordance with the provisions of section 3, 8(o), or 8(y), as applicable, that is attributable to increases in earned income by the covered families during the participation of each covered family in the Pilot Program; and

''(ii) notwithstanding any other provision of law, may use funds it controls under section 8 or 9 for purposes of making the escrow deposit for covered families assisted under, or residing in units assisted under, section 8 or 9, respectively, provided such funds are offset by

the increase in the amount of rent paid by the covered family.

''(B) INCOME LIMITATION.—An eligible entity may not escrow any amounts for any covered family whose adjusted income exceeds 80 percent of the area median income at the time of enrollment.

''(C) WITHDRAWALS.—A covered family may withdraw funds, including interest earned, from an escrow account established by an eligible entity under the Pilot Program—

''(i) after the covered family ceases to receive welfare assistance; and

''(ii)(I) not earlier than the date that is 5 years after the date on which the eligible entity establishes the escrow account under this subsection;

''(II) not later than the date that is 7 years after the date on which the eligible entity establishes the escrow account under this subsection, if the covered family chooses to continue to participate in the Pilot Program after the date that is 5 years after the date on which the eligible entity establishes the escrow account;

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

''(IV) earlier than 5 years after the date on which the eligible entity establishes the escrow account, if the covered family is using the funds to advance a self-sufficiency goal as approved by the eligible entity;

''(V) for any reason listed under section 984.303(k) of title 24, Code of Federal Regulations; or

''(VI) under other circumstances in which the Secretary determines an exemption for good cause is warranted.

''(D) INTERIM RECERTIFICATION.—For purposes of the Pilot Program, a covered family may recertify the income of the covered family multiple times per year at the request of the participating family, as determined by the Secretary, and not less frequently than once per year, unless the eligible entity has established an alternative rent structure with approval from the Secretary.

''(E) CONTRACT OR PLAN.—A covered family is not required to complete a standard contract of participation or an individual training and services plan in order to participate in the Pilot Program.

''(4) EFFECT OF INCREASES IN FAMILY INCOME.—Any increase in the earned income of a covered family during the enrollment of the family in the Pilot Program may not be considered as income or a resource for purposes of eligibility of the family for other benefits, or amount of benefits payable to the family, under any program administered by the Secretary.

''(5) APPLICATION.—

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

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

''(ii) that includes the number of proposed covered families to be served by the eligible entity under this subsection.

''(B) GEOGRAPHIC AND ENTITY VARIETY.—The Secretary shall ensure that eligible entities selected to participate in the Pilot Program—

"(i) are located across various States and in both urban and rural areas; and

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

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

"(A) notify covered families of their enrollment in the Pilot Program;

"(B) provide covered families with a detailed description of the Pilot Program, including how the Pilot Program will impact their rent and finances;

"(C) inform covered families that the families cannot simultaneously participate in the Pilot Program and the Family Self-Sufficiency program under this section; and

"(D) provide covered families with the ability to elect not to participate in the Pilot Program—

"(i) not less than 2 weeks before the date on which the escrow account is established under paragraph (3); and

"(ii) at any point during the duration of the Pilot Program.

''(7) MAXIMUM RENTS.—During the term of participation by a covered family in the Pilot Program, the amount of rent paid by the covered family shall be calculated under the rental provisions of section 3 or 8(o), as applicable.

''(8) PILOT PROGRAM TIMELINE.—

''(A) AWARDS.—Not later than 1 year after establishing the Pilot Program, the Secretary shall select the eligible entities to participate in the Pilot Program.

''(B) ESTABLISHMENT AND TERM OF ACCOUNTS.—An eligible entity selected to participate in the Pilot Program shall—

''(i) not later than 6 months after selection, establish escrow accounts under paragraph (3) for covered families; and

''(ii) maintain those escrow accounts for not less than 5 years, or until a determination is made for termination with FSS escrow disbursement under section 984.303(k) of title 24, Code of Federal Regulations, or until the date the family ceases to receive assistance under section 8 or 9, and, at the discretion of the covered family, not more than 7 years after

the date on which the escrow account is established.

''(9) NONPARTICIPATION AND HOUSING ASSISTANCE.—

''(A) IN GENERAL.—Assistance under section 8 or 9 for a family that elects not to participate in the Pilot Program shall not be delayed or denied by reason of such election.

''(B) NO TERMINATION.—Housing assistance may not be terminated as a consequence of participating, or not participating, in the Pilot Program under this subsection for any period.

''(10) STUDY.—Not later than 10 years after the date the Secretary selects eligible entities to participate in the Pilot Program under this subsection, the Secretary shall, if awards were made, conduct a study and submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on outcomes for covered families under the Pilot Program, which shall evaluate the effectiveness of the Pilot Program in assisting families to achieve economic independence and self-sufficiency, and the impact coaching and supportive services, or the lack thereof, had on individual incomes.

''(11) WAIVERS.—To allow selected eligible entities to effectively administer the Pilot Program and make the required escrow account deposits under this subsection, the Secretary may waive requirements under this section.

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

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

''(A) for technical assistance related to implementation of the Pilot Program; and

''(B) to carry out an evaluation of the Pilot Program under paragraph (10).''.

SEC. 405. CHOICE IN AFFORDABLE HOUSING ACT.

(a) SATISFACTION OF INSPECTION REQUIREMENTS THROUGH PARTICIPATION IN OTHER HOUSING PROGRAMS.—Section 8(o)(8) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(8)) is amended by adding at the end the following:

''(I) SATISFACTION OF INSPECTION REQUIREMENTS THROUGH PARTICIPATION IN OTHER HOUSING PROGRAMS.—

''(i) LOW-INCOME HOUSING TAX CREDIT-FINANCED BUILDINGS.—A dwelling unit shall be deemed to meet the inspection requirements under this paragraph if—

''(I) the dwelling unit is in a building, the acquisition, rehabilitation, or construction of which was done by a building owner who may be eligible for low-income housing credits because the building had been allocated a housing credit dollar amount under section 42(h) of the Internal Revenue Code of 1986 or is described in section 42(h)(4) of such Code (concerning buildings that meet a criterion for a certain amount of tax-exempt financing);

''(II) the dwelling unit, during the preceding 12-month period, was physically inspected and satisfied the suitability-for-occupancy requirement in section 42(i)(3)(B)(ii) of such Code; and

''(III) the applicable public housing agency performed the inspection itself or is able to obtain the results of the inspection described in subclause (II).

''(ii) HOME INVESTMENT PARTNERSHIPS PROGRAM.—A dwelling shall be deemed to meet the inspection requirements under this paragraph if—

''(I) the dwelling unit is assisted under the HOME Investment Partnerships Program under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.);

''(II) the dwelling unit was physically inspected and passed inspection as part of the program described in subclause (I) during the preceding 12-month period; and

''(III) the applicable public housing agency is able to obtain the results of the inspection described in subclause (II).

''(iii) RURAL HOUSING SERVICE.—A dwelling unit shall be deemed to meet the inspection requirements under this paragraph if—

''(I) the dwelling unit is assisted by the Rural Housing Service of the Department of Agriculture;

''(II) the dwelling unit was physically inspected and passed inspection in connec-

tion with the assistance described in subclause (I) during the preceding 12-month period; and

''(III) the applicable public housing agency is able to obtain the results of the inspection described in subclause (II).

''(iv) REMOTE OR VIDEO INSPECTIONS.—When complying with inspection requirements for a housing unit located in a rural or small area using assistance under this section, the Secretary may allow a grantee to conduct a remote or video inspection of a unit if the remote or video inspection—

''(I) is thorough;

''(II) does not misrepresent the condition of the unit; and

''(III) provides the information necessary to fully and accurately evaluate the conditions of the unit to ensure that the unit meets the relevant standards.

''(v) RULE OF CONSTRUCTION.—Nothing in clause (i), (ii), (iii), or (iv) shall be construed to affect the operation of a housing program described in, or authorized under a provision of law described in, that clause.''.

(b) PRE-APPROVAL OF UNITS.—Section 8(o)(8)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(8)(A)) is amended by adding at the end the following:

"(iv) INITIAL INSPECTION PRIOR TO LEASE AGREEMENT.—

"(I) DEFINITION.—In this clause, the term 'new landlord' means an owner of a dwelling unit who has not previously entered into a housing assistance payment contract with a public housing agency under this subsection for any dwelling unit.

"(II) EARLY INSPECTION.—Upon the request of a new landlord, a public housing agency may inspect the dwelling unit owned by the new landlord to determine whether the unit meets the housing quality standards under subparagraph (B) before the unit is selected by a tenant assisted under this subsection.

"(III) EFFECT.—An inspection conducted under subclause (II) that determines that the dwelling unit meets the housing quality standards under subpara-

graph (B) shall satisfy this subparagraph and subparagraph (C) if the new landlord enters into a lease agreement with a tenant assisted under this subsection not later than 60 days after the date of the inspection.

''(IV) INFORMATION WHEN FAMILY IS SELECTED.—When a public housing agency selects a family to participate in the tenant-based assistance program under this subsection, the public housing agency shall include in the information provided to the family a list of dwelling units that have been inspected under subclause (II) and determined to meet the housing quality standards under subparagraph (B).''.

TITLE V—PROGRAM REFORM

SEC. 501. HOME INVESTMENT PARTNERSHIPS REAUTHORIZATION AND REFORM ACT.

(a) AUTHORIZATION.—Section 205 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12724) is amended to read as follows:

"SEC. 205. AUTHORIZATION OF PROGRAM.

''The HOME Investment Partnerships Program under subtitle A is hereby authorized.''.

(b) DEFINITION OF COMMUNITY HOUSING DEVELOPMENT ORGANIZATION.—Section 104(6)(B) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704(6)(B)) is amended by striking ''significant''.

(c) ASSISTANCE FOR LOW-INCOME FAMILIES.—Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) is amended—

(1) in section 214(2) (42 U.S.C. 12742(2)), by striking ''households that qualify as low-income families'' and inserting ''families with a household income that does not exceed 100 percent of the median family income of the area, as determined by the Secretary''; and

(2) in section 271(c) (42 U.S.C. 12821(c))—

(A) in paragraph (1)(B), by striking ''low-income'' and inserting ''families with a household income that does not exceed 100 percent of the median family income of the area as determined by the Secretary with adjustments for smaller and larger families''; and

(B) in paragraph (2)(A), by striking ''low-income families'' and inserting ''families with a household income that does not exceed 100 percent of the median family income of the area as deter-

mined by the Secretary with adjustments for smaller and larger families''.

(d) CHOICES MADE BY PARTICIPATING JURISDICTIONS.—Section 212(a)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(a)(2)) is amended to read as follows:

''(2) LIMITATION.—The Secretary may not restrict the choice by a participating jurisdiction of rehabilitation, substantial rehabilitation, new construction, reconstruction, acquisition, or other eligible housing uses authorized in paragraph (1) unless the restriction is explicitly authorized under section 223(2).''.

(e) USE OF AMOUNTS BY CERTAIN JURISDICTIONS FOR INFRASTRUCTURE IMPROVEMENTS.—

(1) IN GENERAL.—Section 212(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(a)) is amended by inserting after paragraph (3) the following:

''(4) INFRASTRUCTURE IMPROVEMENTS IN NONENTITLEMENT AREAS.—

''(A) IN GENERAL.—A participating jurisdiction may use funds provided under this subtitle for infrastructure improvements, including the installation or repair of water and sewer lines, sidewalks, roads, and utility connections if—

''(i) such participating jurisdiction does not receive assistance under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5310); and

''(ii) such improvements are directly related to, and located within or immediately adjacent to—

''(I) housing assisted under this subtitle; or

''(II) housing assisted under section 42 of the Internal Revenue Code of 1986.

''(B) APPLICATION OF LABOR STANDARDS.—The labor standards and requirements set forth in section 110 of the Housing and Community Development Act of 1974 (42 U.S.C. 5310) shall apply to any infrastructure improvement conducted using funds provided under this subtitle.

''(C) RULE OF CONSTRUCTION.—Nothing in this paragraph may be construed to impose any requirements of the HOME Investment Partnerships program on housing that benefits from an infrastructure improvement conducted using funds provided under this subtitle but was not otherwise assisted under the HOME Investment Partnerships program.''.

(2) RULEMAKING.—Not later than 1 year after the date of enactment of this Act, the Secretary of Housing and Urban Development shall issue rules to carry out the amendment made by paragraph (1).

(f) PER UNIT INVESTMENT LIMITATIONS.—Section 212(e)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(e)(1)) is amended by striking the second sentence.

(g) AFFORDABLE RENTAL HOUSING QUALIFICATIONS.—Section 215(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(a)) is amended by adding at the end the following:

''(7) QUALIFICATION EXCEPTION.—Notwithstanding paragraph (1)(A), a rental unit shall be considered to qualify as affordable housing under this title if—

''(A) the unit is occupied by a tenant receiving tenant-based rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f);

''(B) the contribution of the tenant toward rent does not exceed the amount permitted under the assistance described in subparagraph (A); and

''(C) the total rent for the unit does not exceed the amount approved by the public housing agency

administering the assistance described in subparagraph (A).''.

(h) AFFORDABLE HOME-OWNERSHIP HOUSING QUALIFICATIONS.—Section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745) is amended—

(1) in subsection (b)—

(A) in paragraph (2), by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and adjusting the margins accordingly;

(B) in paragraph (3)—

(i) in subparagraph (A), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins accordingly; and

(ii) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and adjusting the margins accordingly;

(C) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and adjusting the margins accordingly;

(D) by striking ''Housing that is for homeownership'' and inserting the following:

''(1) QUALIFICATION.—Housing that is for homeownership'';

(E) in paragraph (1), as so designated—

(i) in subparagraph (A), as so redesignated—

(I) by striking ''95 percent'' and inserting ''110 percent''; and

(II) by inserting ''(defined as the amount borrowed by the homebuyer to purchase the home, or the estimated value after rehabilitation, which may be adjusted to account for the limits on future value imposed by the resale restriction)'' after ''purchase price'';

(ii) in subparagraph (B), as so redesignated, in the matter preceding clause (i), by striking ''whose family qualifies as a low-income family'' and inserting ''with a family income that does not exceed 100 percent of the median family income of the area as determined by the Secretary with adjustments for smaller and larger families'';

(iii) in subparagraph (C), as so redesignated—

(I) in clause (i)(II)—

(aa) by striking ''low-income home-buyers'' and inserting ''home-

buyers with a household income that does not exceed 100 percent of the median family income of the area, as determined by the Secretary with adjustments for smaller and larger families''; and

(bb) by striking ''or'' at the end;

(II) in clause (ii), by striking ''and'' at the end and inserting ''or''; and

(III) by adding at the end the following:

''(iii) maintain long-term affordability through a shared equity ownership model, a community land trust, a limited equity cooperative, a community development corporation, or other mechanism approved by the Secretary, that preserves affordability for future eligible home-buyers and ensures compliance with the purposes of this title, including through the use of purchase options, rights of first refusal, or other preemptive rights to purchase housing;'';

(iv) in subparagraph (D), as so redesignated, by striking the period at the end and inserting ''; and''; and

(v) by adding at the end the following:

''(E) is subject to restrictions that are established by the participating jurisdiction and determined by the Secretary to be appropriate, including with respect to the useful life of the property, to—

''(i) require that any subsequent purchase of the property be—

''(I) only by a person who meets the qualifications specified under subparagraph (B); and

''(II) at a price that is determined by a formula or method established by the participating jurisdiction that provides the owner with a reasonable return on investment, which may include a percentage of the cost of any improvements; or

''(ii) recapture the investment provided under this title in order to assist other persons in accordance with the requirements of this title, except where there are no net proceeds or where the net proceeds are insufficient to repay the full amount of the assistance.''; and

(F) by adding at the end the following:

''(2) PURCHASE BY COMMUNITY LAND TRUST OR COOPERATIVE HOUSING CORPORATION.—Notwithstanding subparagraph (C)(i) of paragraph (1) and

under terms determined by the Secretary, the Secretary may permit a participating jurisdiction to allow a community land trust, housing cooperative, or a community development corporation that used assistance provided under this subtitle for the development of housing that meets the criteria under paragraph (1), to acquire the housing—

''(A) in accordance with the terms of the preemptive purchase option, lease, covenant on the land, or other similar legal instrument of the community land trust or housing cooperative when the terms and rights in the preemptive purchase option, lease, covenant, or legal instrument are and remain subject to the requirements of this title;

''(B) when the purchase is for—

''(i) the purpose of—

''(I) entering into the chain of title;

''(II) enabling a purchase by a person who meets the qualifications specified under paragraph (1)(B) and is on a waitlist maintained by the community land trust or housing cooperative, subject to enforcement by the participating jurisdiction of all applicable requirements of this title, as determined by the Secretary;

''(III) performing necessary rehabilitation and improvements; or

''(IV) adding a subsidy to preserve affordability, which may be from Federal or non-Federal sources; or

''(ii) another purpose determined appropriate by the Secretary; and

''(C) if, within a reasonable period of time after the applicable purpose under subparagraph (B) of this paragraph is fulfilled, as determined by the Secretary, the housing is then sold to a person who meets the qualifications specified under paragraph (1)(B).''; and

(2) by adding at the end the following:

''(c) QUALIFICATION EXCEPTIONS FOR HOME-OWNERSHIP.—

''(1) MILITARY MEMBERS.—A participating jurisdiction, in accordance with terms established by the Secretary, may suspend or waive the income qualifications described in subsection (b)(1)(B) with respect to housing that otherwise meets the criteria described in subsection (b)(1) if the owner of the housing—

''(A) is a member of a regular component of the armed forces or a member of the National Guard on full-time National Guard duty, active

Guard and Reserve duty, or inactive-duty training (as those terms are defined in section 101 of title 10, United States Code); and

''(B) has received—

''(i) temporary duty orders to deploy with a military unit or military orders to deploy as an individual acting in support of a military operation, to a location that is not within a reasonable distance from the housing, as determined by the Secretary, for a period of not less than 90 days; or

''(ii) orders for a permanent change of station.

''(2) HEIRS AND BENEFICIARIES OF DECEASED OWNERS.—Housing that meets the criteria described in subsection (b)(1)(C) prior to the death of an owner of such housing shall continue to qualify as affordable housing under this title if—

''(A) the housing is the principal residence of an heir or beneficiary of the deceased owner, as defined by the Secretary; and

''(B) the heir or beneficiary, in accordance with terms established by the Secretary, assumes the duties and obligations of the deceased owner with respect to funds provided under this title.''.

(i) ELIMINATION OF EXPIRATION OF RIGHT TO DRAW HOME INVESTMENT TRUST FUNDS.—Section 218 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748) is amended—

(1) by striking subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

(j) ADJUSTED RECAPTURE AND REUSE OF SET-ASIDE FOR COMMUNITY HOUSING DEVELOPMENTAL ORGANIZATIONS.—Section 231(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12771(b)) is amended to read as follows:

''(b) RECAPTURE AND REUSE.—If any funds reserved under subsection (a) remain uninvested for a period of 24 months, the Secretary shall make such funds available to the participating jurisdiction for any eligible activities under this title without regard to whether a community housing development organization materially participates in the use of such funds.''.

(k) ASSET RECYCLING INFORMATION DISSEMINATION EXPANSION.—Section 245(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12785(b)(2)) is amended by striking ''95 percent'' and inserting ''110 percent''.

(l) ENVIRONMENTAL REVIEW REQUIREMENTS.—

(1) IN GENERAL.—Section 288 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12838) is amended by adding at the end the following:

''(e) CATEGORICAL EXEMPTIONS.—The following categories of activities carried out under this title shall be statutorily exempt from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and shall not require further review under such Act—

''(1) new construction infill housing projects;

''(2) acquisition of real property for affordable housing purposes;

''(3) rehabilitation projects carried out pursuant to section 212(a)(1); and

''(4) new construction projects of 15 units or less.

''(f) REMOVING DUPLICATIVE REVIEWS.—

''(1) IN GENERAL.—To the extent practicable and permitted by law, the Secretary shall ensure that a project that has undergone an environmental review under this section shall not be subject to a duplicative environmental review solely due to the addition, substitution, or reallocation of other sources of Federal assistance, if the scope, scale, and location of the project remain substantially unchanged.

''(2) COORDINATION OF ENVIRONMENTAL REVIEW RESPONSIBILITIES.—The Secretary shall, by regulation,

provide for coordination of environmental review responsibilities with other Federal agencies to streamline interagency compliance and avoid unnecessary duplication of effort under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws.

''(3) RECOGNITION OF PRIOR REVIEWS BY RESPONSIBLE ENTITIES.—A project may not be subject to an environmental review under this section if a substantially similar review has already been completed by an entity designated under section 104(g)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(g)(1)) or by another entity the Secretary determines to have equivalent authority, if the scope, scale, and location of the project remain substantially unchanged.''.

(2) RULEMAKING.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall issue such rules as the Secretary determines necessary to carry out the amendment made by this subsection.

(3) APPLICABILITY.—Any activity generated under this subsection would be subject to an authorization of appropriations.

(4) DEFINITION.—Section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C.

12704) is amended by adding at end the following new paragraph:

''(27) The term 'infill housing project' means a residential housing project that—

''(A) is located within the geographic limits of a municipality;

''(B) is adequately served by existing utilities and public services as required under applicable law;

''(C) is located on a site of previously disturbed land of not more than 5 acres; and

''(D) is substantially surrounded by residential or commercial development, as determined by the Secretary.''.

(m) APPLICATION OF BUILD AMERICA, BUY AMERICA REQUIREMENTS FOR HOME INVESTMENT PARTNERSHIPS PROGRAM.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this section, the Secretary of Housing and Urban Development shall complete a review of the implementation of the Build America, Buy America Act (title IV of division G of Public Law 117–58; 42 U.S.C. 8301 note) with respect to the activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.).

(2) UPDATED GUIDANCE.—Not later than 90 days after the review described in subsection (a) is completed, the Secretary shall issue updated guidance to clarify the application of the Build America, Buy America Act (title IV of division G of Public Law 117–58; 42 U.S.C. 8301 note) with respect to the activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.).

(3) REPORT.—Not later than 270 days after the date of the enactment of this section, the Secretary shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report that describes—

(A) the results of the review required under subsection (a); and

(B) the guidance issued as described in subsection (b).

(n) APPLICATION OF OTHER SPECIFIED STATUTORY REQUIREMENTS.—Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) is amended by adding at the end the following:

"SEC. 291. NONAPPLICABILITY OF CERTAIN REQUIREMENTS FOR SMALL PROJECTS.

"Notwithstanding any other provision of law, the requirements of section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and any implementing regulations or guidance, shall not apply to an activity assisted under this title that involves rehabilitation, construction, or other development of housing if—

"(1) the recipient of assistance under this title is—

"(A) a State recipient pursuant to section 216; or

"(B) a participating jurisdiction that received a total allocation of less than $3,000,000 in the most recent fiscal year pursuant to section 216; and

"(2) the total number of dwelling units assisted as a part of such activity is not more than 50.".

(o) REALLOCATION NOT AVAILABLE FOR CERTAIN JURISDICTIONS.—Section 217(d) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(d)) is amended—

(1) in paragraph (1), by striking the second sentence and inserting the following: "Subject to paragraph (4), jurisdictions eligible for such reallocations shall include participating jurisdictions and jurisdictions meeting the requirements of this title, including the require-

ments in paragraphs (3), (4), and (5) of section 216.''; and

(2) by adding at the end the following:

''(4) REALLOCATION NOT AVAILABLE FOR CERTAIN JURISDICTIONS.—The Secretary may decline to make a reallocation available to a jurisdiction eligible for such reallocation if such jurisdiction has failed to meet or comply with any requirement under this title.''.

(p) AMENDMENTS TO QUALIFICATION AS AFFORDABLE HOUSING.—Section 215(a)(1)(E) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(a)) is amended by striking ''except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if such action (i) recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid termination of low-income affordability in the case of foreclosure or transfer in lieu of foreclosure, and (ii) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary; and'' and inserting the following: ''except—

''(i) upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if such action—

''(I) recognizes any contractual or legal rights of public agencies, nonprofit

sponsors, or others to take actions that would avoid termination of low-income affordability in the case of foreclosure or transfer in lieu of foreclosure; and

''(II) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary; or

''(ii) where existing affordable housing is no longer financially viable due to unforeseen acts or occurrences beyond the reasonable contemplation or control of the participating jurisdiction in which the affordable housing is located or the owner of the affordable housing that significantly impact the financial or physical condition of the affordable housing, as determined by the Secretary; and''.

(q) TENANT AND PARTICIPANT PROTECTIONS FOR AFFORDABLE HOUSING.—Section 225 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12755) is amended by adding at the end the following:

''(e) EXCEPTION.—Paragraphs (2), (3), and (4) of subsection (d) shall not apply to housing under this section that meets the following criteria:

''(1) The housing is affordable housing with not more than 4 dwelling units, each of which is made available for rental.

''(2) Each dwelling unit in the housing bears rent in an amount that complies with the requirements described in paragraph (1)(A).

''(3) Each dwelling unit in the housing is accompanied by a low-income family.

''(4) No dwelling in the housing is refused for leasing to a holder of a voucher under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) because of the status of the prospective tenant as a holder of that voucher.

''(5) The housing complies with the requirement described in paragraph (1)(E).

''(6) The participating jurisdiction in which the housing is located monitors the compliance of the housing with the requirements of this title in a manner consistent with the purposes of section 226(b), as determined by the Secretary.''.

(r) REVISION OF DEFINITION OF COMMUNITY LAND TRUST.—Section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704) is amended by adding at the end the following:

‘‘(26) The term ‘community land trust’ means a nonprofit entity, a State, a unit of local government, or an instrumentality of a State or unit of local government that—

‘‘(A) is not managed by, or an affiliate of, a forprofit organization;

‘‘(B) has as a primary purpose of acquiring, developing, or holding land to provide housing that is permanently affordable to low- and moderate-income persons;

‘‘(C) monitors properties to ensure affordability is preserved;

‘‘(D) provides housing that is permanently affordable to low- and moderate-income persons using a ground lease, deed covenant, or other similar legally enforceable measure, determined acceptable by the Secretary, that—

‘‘(i) keeps housing affordable to low- and moderate-income persons for not less than 30 years; and

‘‘(ii) enables low- and moderate-income persons to rent or purchase the housing for home-ownership; and

‘‘(E) maintains preemptive purchase options to purchase the property if such purchase would allow

the housing to remain affordable to low-and moderate-income persons.''.

(s) SET-ASIDE FOR COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS.—Section 231(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12771(a)) is amended, in the first sentence, by striking ''to be developed, sponsored, or owned by community housing development organizations'' and inserting ''when a community housing development organization materially participates in the ownership or development of that housing, as determined by the Secretary''.

(t) ADMINISTRATIVE REFORMS.—

(1) INCREASE IN PROGRAM ADMINISTRATION RESOURCES.—Section 220(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12750(b)) is amended—

(A) by striking ''RECOGNITION.—'' and all that follows through ''A contribution'' and inserting ''RECOGNITION.—A contribution'';

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively and

(C) by striking paragraph (2).

(2) MODIFICATION OF JURISDICTIONS ELIGIBLE FOR REALLOCATIONS.—Section 217(d)(3) of the Cran-

ston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(d)(3)) is amended—

(A) in the paragraph heading, by striking ''LIMITATION'' and inserting ''LIMITATIONS''; and

(B) by striking ''Unless otherwise specified'' and inserting the following:

''(A) REMOVAL OF PARTICIPATING JURISDICTIONS FROM REALLOCATION.—The Secretary may, upon a finding that the participating jurisdiction has failed to meet or comply with the requirements of this title, remove a participating jurisdiction from participation in reallocations of funds made available under this title.

''(B) REALLOCATION TO SAME TYPE OF ENTITY.—Unless otherwise specified''.

(3) HOME PROPERTY INSPECTIONS.—Section 226(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12756(b)) is amended—

(A) by striking ''Each participating jurisdiction'' and inserting the following:

''(1) IN GENERAL.—Each participating jurisdiction''; and

(B) by striking ''Such review shall include'' and all that follows and inserting the following:

''(2) ONSITE INSPECTIONS.—

''(A) INSPECTIONS BY UNITS OF GENERAL LOCAL GOVERNMENT.—A review conducted under paragraph (1) by a participating jurisdiction that is a unit of general local government shall include an onsite inspection to determine compliance with housing codes and other applicable regulations.

''(B) INSPECTIONS BY STATES.—A review conducted under paragraph (1) by a participating jurisdiction that is a State shall include an onsite inspection to determine compliance with a national standard as determined by the Secretary.

''(3) INCLUSION IN PERFORMANCE REPORT AND PUBLICATION.—A participating jurisdiction shall include in the performance report of the participating jurisdiction submitted to the Secretary under section 108(a), and make available to the public, the results of each review conducted under paragraph (1).''.

(4) REVISIONS TO STRENGTHEN ENFORCEMENT AND PENALTIES FOR NONCOMPLIANCE.—Section 223 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12753) is amended—

(A) in the section heading, by striking ''**PENALTIES FOR MISUSE OF FUNDS**'' and inserting ''**PROGRAM ENFORCEMENT AND PENALTIES FOR NONCOMPLIANCE**'';

(B) in the matter preceding paragraph (1), by inserting after ''any provision of this subtitle'' the following: '', including any provision applicable throughout the period required by section 215(a)(1)(E) and applicable regulations,'';

(C) in paragraph (2), by striking ''or'' at the end;

(D) in paragraph (3), by striking the period at the end and inserting ''; or''; and

(E) by adding at the end the following:

''(4) reduce payments to the participating jurisdiction under this subtitle by an amount equal to the amount of such payments that were not expended by the participating jurisdiction in accordance with this title.''.

(u) MINIMUM ALLOCATIONS.—Section 217(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747 (b)) is amended—

(1) in paragraph (2), by striking ''$500,000'' each place that term appears and inserting ''$750,000'';

(2) in paragraph (3)—

(A) by striking ''jurisdictions that are allocated an amount of $500,000 or more'' and inserting ''jurisdictions that are allocated an amount of $750,000 or more'';

(B) by striking ''that are allocated an amount less than $500,000'' and inserting ''that are allocated an amount less than $500,000 before the date of enactment of the 21st Century ROAD to Housing Act or less than $750,000 on or after the date of enactment of the 21st Century ROAD to Housing Act''; and

(C) by striking '', except as provided in paragraph (4)''; and

(3) by striking paragraph (4).

(v) TECHNICAL AND CONFORMING AMENDMENTS.—The Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 et seq.) is amended—

(1) by striking ''Stewart B. McKinney Homeless Assistance Act'' each place that term appears and inserting ''McKinney-Vento Homeless Assistance Act'';

(2) by striking ''Committee on Banking, Finance and Urban Affairs'' each place that term appears and inserting ''Committee on Financial Services'';

(3) in the table of contents in section 1(b) (Public Law 101–625; 104 Stat. 4079)—

(A) by striking the item relating to section 205 and inserting the following:

''Sec. 205. Authorization of program.'';

(B) by striking the item relating to section 223 and inserting the following:

''Sec. 223. Program enforcement and penalties for noncompliance.''; and

(C) by inserting after the item relating to section 290 the following:

''Sec. 291. Nonapplicability of certain requirements for small projects.'';

(4) in section 104 (42 U.S.C. 12704)—

(A) by redesignating paragraph (23) (relating to the definition of the term ''to demonstrate to the Secretary'') as paragraph (22); and

(B) by redesignating paragraph (24) (relating to the definition of the term ''insular area'', as added by section 2(2) of Public Law 102–230) as paragraph (23);

(5) in section 105(b)(8) (42 U.S.C. 12705(b)(8)), by striking ''subparagraphs'' and inserting ''paragraphs'';

(6) in section 108(a)(1) (42 U.S.C. 12708(a)(1)), by striking ''section 105(b)(15)'' and inserting ''section 105(b)(18)'';

(7) in section 212 (42 U.S.C. 12742)—

(A) in subsection (a)(3)(A)(ii), by inserting ''United States'' before ''Housing Act'';

(B) in subsection (d)(5), by inserting ''United States'' before ''Housing Act''; and

(C) in subsection (e)(1)—

(i) by striking ''section 221(d)(3)(ii)'' and inserting ''section 221(d)(4)''; and

(ii) by striking ''not to exceed 140 percent'' and inserting ''as determined by the Secretary'';

(8) in section 215(a)(6)(B) (42 U.S.C. 12745(a)(6)(B)), by striking ''grand children'' and inserting ''grandchildren'';

(9) in section 217 (42 U.S.C. 12747)—

(A) in subsection (a)—

(i) in paragraph (1), by striking ''(3)'' and inserting ''(2)'';

(ii) by striking paragraph (3), as added by section 211(a)(2)(D) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3756); and

(iii) by redesignating the remaining paragraph (3), as added by the matter under the heading ''HOME INVESTMENT PARTNERSHIPS PROGRAM'' under the heading ''HOUSING PROGRAMS'' in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993 (Public Law 102–389; 106 Stat. 1581), as paragraph (2); and

(B) in subsection (b)(1)—

(i) in subparagraph (A), in the first sentence—

(I) by striking ''in regulation'' and inserting '', by regulation,''; and

(II) by striking ''eligible jurisdiction'' and inserting ''eligible jurisdictions''; and

(ii) in subparagraph (F), in the first sentence—

(I) in clause (i), by striking ''Subcommittee on Housing and Urban Affairs'' and inserting ''Subcommittee on Housing, Transportation, and Community Development''; and

(II) in clause (ii), by striking ''Subcommittee on Housing and Community Development'' and inserting ''Subcommittee on Housing and Insurance'';

(10) in section 220(c) (42 U.S.C. 12750(c))—

(A) in paragraph (3), by striking ''Secretary'' and all that follows and inserting ''Secretary;'';

(B) in paragraph (4), by striking ''under this title'' and all that follows and inserting ''under this title;''; and

(C) by redesignating paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively;

(11) in section 225(d)(4)(B) (42 U.S.C. 12755(d)(4)(B)), by striking ''for'' the first place that term appears; and

(12) in section 233 (42 U.S.C. 12773)—

(A) in subsection (b)(6), by striking ''to community land trusts (as such term is defined in subsection (f))'' and inserting ''to community land trusts (as such term is defined in section 104)''; and

(B) by striking subsection (f).

SEC. 502. RURAL HOUSING SERVICE REFORM ACT.

(a) APPLICATION OF MULTIFAMILY MORTGAGE FORECLOSURE PROCEDURES TO MULTIFAMILY MORTGAGES HELD BY THE SECRETARY OF AGRICULTURE AND PRESERVATION OF THE RENTAL ASSISTANCE CONTRACT UPON FORECLOSURE.—

(1) MULTIFAMILY MORTGAGE PROCEDURES.—Section 363(2) of the Multifamily Mortgage Foreclosure Act of 1981 (12 U.S.C. 3702(2)) is amended—

(A) in subparagraph (E), by striking ''and'' at the end;

(B) in subparagraph (F), by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(F) section 514, 515, or 538 of the Housing Act of 1949 (42 U.S.C. 1484, 1485, 1490p–2).''.

(2) PRESERVATION OF CONTRACT.—Section 521(d) of the Housing Act of 1949 (42 U.S.C. 1490a(d)) is amended by adding at the end the following:

''(3) Notwithstanding any other provision of law, in managing and disposing of any multifamily property that is owned or has a mortgage held by the Secretary, and during the process of foreclosure on any property with a contract for rental assistance under this section—

''(A) the Secretary shall maintain any rental assistance payments that are attached to any dwelling units in the property; and

''(B) the rental assistance contract may be used to provide further assistance to existing projects under 514, 515, or 516.''.

(b) STUDY ON RURAL HOUSING LOANS FOR HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES.—Not later than 6 months after the date of enactment of this Act, the Secretary of Agriculture shall conduct a study and submit to Congress a publicly available report on the loan program under section 521 of the Housing Act of 1949 (42 U.S.C. 1490a), including—

(1) the total amount provided by the Secretary in subsidies under such section 521 to borrowers with loans made pursuant to section 502 of such Act (42 U.S.C. 1472);

(2) how much of the subsidies described in paragraph (1) are being recaptured; and

(3) the amount of time and costs associated with recapturing those subsidies.

(c) STAFFING AND INFORMATION TECHNOLOGY UPGRADES.—Utilizing funds appropriated for such purposes, the Secretary of Agriculture may increase staffing capacity and upgrade information technology to support all Rural Housing Service programs.

(d) TECHNICAL IMPROVEMENTS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Utilizing funds appropriated for such purposes, the Secretary of Agriculture may make improvements to the technology of the Rural Housing Service of the Department of Agriculture used to process and manage housing loans.

(2) AVAILABILITY.—Amounts appropriated pursuant to paragraph (1) shall remain available until the date that is 5 years after the date of the appropriation.

(3) TIMELINE.—The Secretary of Agriculture shall make the improvements described in paragraph (1) dur-

ing the 5-year period beginning on the date on which amounts are appropriated under paragraph (1).

(e) PERMANENT ESTABLISHMENT OF HOUSING PRESERVATION AND REVITALIZATION PROGRAM.—Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) is amended by adding at the end the following:

"SEC. 545. HOUSING PRESERVATION AND REVITALIZATION PROGRAM.

''(a) ESTABLISHMENT.—The Secretary shall carry out a program under this section for the preservation and revitalization of multifamily rental housing projects financed under section 514, 515, or 516.

''(b) NOTICE OF MATURING LOANS.—

''(1) TO OWNERS.—On an annual basis, the Secretary shall provide written notice to each owner of a property financed under section 514, 515, or 516 that will mature within the 4-year period beginning upon the provision of the notice, setting forth the options and financial incentives that are available to facilitate the extension of the loan term or the option to decouple a rental assistance contract pursuant to subsection (f).

''(2) TO TENANTS.—

''(A) IN GENERAL.—On an annual basis, for each property financed under section 514, 515, or 516, not later than the date that is 2 years before

the date that the loan will mature, the Secretary shall provide written notice to each household residing in the property that informs them of—

''(i) the date of the loan maturity;

''(ii) the possible actions that may happen with respect to the property upon that maturity; and

''(iii) how to protect their right to reside in federally assisted housing, or how to secure housing voucher, after that maturity.

''(B) LANGUAGE.—Notice under this paragraph shall be provided in plain English and shall be translated to other languages in the case of any property located in an area in which a significant number of residents speak such other languages.

''(c) LOAN RESTRUCTURING.—Under the program under this section, in any circumstance in which the Secretary proposes a restructuring to an owner or an owner proposes a restructuring to the Secretary, the Secretary may restructure such existing housing loans, as the Secretary considers appropriate, for the purpose of ensuring that those projects have sufficient resources to preserve the projects to provide safe and affordable housing for low-income residents and farm laborers, by—

''(1) reducing or eliminating interest;

''(2) deferring loan payments;

''(3) subordinating, reducing, or reamortizing loan debt;

''(4) providing other financial assistance, including advances, payments, and incentives (including the ability of owners to obtain reasonable returns on investment) required by the Secretary; and

''(5) permanently removing a portion of the housing units from income restrictions when sustained vacancies have occurred.

''(d) RENEWAL OF RENTAL ASSISTANCE.—

''(1) IN GENERAL.—When the Secretary proposes to restructure a loan or agrees to the proposal of an owner to restructure a loan pursuant to subsection (c), the Secretary shall offer to renew the rental assistance contract under section 521(a)(2) for a term that is the shorter of 20 years and the term of the restructured loan, subject to annual appropriations, provided that the owner agrees to bring the property up to such standards that will ensure maintenance of the property as decent, safe, and sanitary housing for the full term of the rental assistance contract.

''(2) ADDITIONAL RENTAL ASSISTANCE.—With respect to a project described in paragraph (1), if rental assistance is not available for all households in the

project for which the loan is being restructured pursuant to subsection (c), the Secretary may extend such additional rental assistance to unassisted households at that project as is necessary to make the project safe and affordable to low-income households.

''(e) RESTRICTIVE USE AGREEMENTS.—

''(1) REQUIREMENT.—As part of the preservation and revitalization agreement for a project, the Secretary shall obtain a restrictive use agreement that is recorded and obligates the owner to operate the project in accordance with this title.

''(2) TERM.—

''(A) NO EXTENSION OF RENTAL ASSISTANCE CONTRACT.—Except when the Secretary enters into a 20-year extension of the rental assistance contract for a project, the term of the restrictive use agreement for the project shall be consistent with the term of the restructured loan for the project.

''(B) EXTENSION OF RENTAL ASSISTANCE CONTRACT.—If the Secretary enters into a 20-year extension of the rental assistance contract for a project, the term of the restrictive use agreement for the project shall be for the longer of—

''(i) 20 years; or

''(ii) the remaining term of the loan for that project.

''(C) TERMINATION.—The Secretary may terminate the 20-year restrictive use agreement for a project before the end of the term of the agreement if the 20-year rental assistance contract for the project with the owner is terminated at any time for reasons outside the control of the owner.

''(f) DECOUPLING OF RENTAL ASSISTANCE.—

''(1) RENEWAL OF RENTAL ASSISTANCE CONTRACT.—If the Secretary determines that a loan maturing during the 4-year period beginning upon the provision of the notice required under subsection (b)(1) for a project cannot reasonably be restructured in accordance with subsection (c) because it is not financially feasible or the owner does not agree with the proposed restructuring, and the project was operating with rental assistance under section 521 and the recipient is a borrower under section 514 or 515, the Secretary may renew the rental assistance contract, notwithstanding any requirement under section 521 that the recipient be a current borrower under section 514 or 515, for a term of 20 years, subject to annual appropriations.

''(2) ADDITIONAL RENTAL ASSISTANCE.—With respect to a project described in paragraph (1), if rental

assistance is not available for all households in the project for which the loan is being restructured pursuant to subsection (c), the Secretary may extend such additional rental assistance to unassisted households at that project as is necessary to make the project safe and affordable to low-income households.

''(3) RENTS.—

''(A) IN GENERAL.—Any agreement to extend the term of the rental assistance contract under section 521 for a project shall obligate the owner to continue to maintain the project as decent, safe, and sanitary housing and to operate the development as affordable housing in a manner that meets the goals of this title.

''(B) RENT AMOUNTS.—Subject to subparagraph (C), in setting rents, the Secretary—

''(i) shall determine the maximum initial rent based on current fair market rents established under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f); and

''(ii) may annually adjust the rent determined under clause (i) by the operating cost adjustment factor as provided under section 524 of the Multifamily Assisted Housing Re-

form and Affordability Act of 1997 (42 U.S.C. 1437f note).

''(C) HIGHER RENT.—

''(i) IN GENERAL.—Subparagraph (B) shall not apply if the Secretary determines that the budget-based needs of a project require a higher rent than the rent described in subparagraph (B).

''(ii) RENT.—If the Secretary makes a positive determination under clause (i), the Secretary may approve a budget-based rent level for the project.

''(4) CONDITIONS FOR APPROVAL.—Before the approval of a rental assistance contract authorized under this section, the Secretary shall require, through an annual notice in the Federal Register, the owner to submit to the Secretary a plan that identifies financing sources and a timetable for renovations and improvements determined to be necessary by the Secretary to maintain and preserve the project.

''(g) MULTIFAMILY HOUSING TRANSFER TECHNICAL ASSISTANCE.—Under the program under this section, the Secretary may provide grants to qualified nonprofit organizations, housing cooperative corporations, and public housing agencies to provide technical assistance, including financial

and legal services, to borrowers under loans under this title for multifamily housing to facilitate the acquisition or preservation of such multifamily housing properties in areas where the Secretary determines there is a risk of loss of affordable housing.

''(h) ADMINISTRATIVE EXPENSES.—Of any amounts made available for the program under this section for any fiscal year, the Secretary may use not more than $1,000,000 for administrative expenses for carrying out such program.

''(i) RULEMAKING.—

''(1) IN GENERAL.—Not later than 180 days after the date of enactment of the 21st Century ROAD to Housing Act, the Secretary shall—

''(A) publish an advance notice of proposed rulemaking; and

''(B) consult with appropriate stakeholders.

''(2) INTERIM FINAL RULE.—Not later than 1 year after the date of enactment of the 21st Century ROAD to Housing Act, the Secretary shall publish an interim final rule to carry out this section.''.

(f) RENTAL ASSISTANCE CONTRACT AUTHORITY.—Section 521(d) of the Housing Act of 1949 (42 U.S.C. 1490a(d)), as amended by this section, is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(B) by inserting after subparagraph (A) the following:

''(B) upon request of an owner of a project financed under section 514 or 515, the Secretary is authorized to enter into renewal of such agreements for a period of 20 years or the term of the loan, whichever is shorter, subject to amounts made available in appropriations Acts;'';

(C) in subparagraph (C), as so redesignated, by striking ''subparagraph (A)'' and inserting ''subparagraphs (A) and (B)''; and

(D) in subparagraph (D), as so redesignated, by striking ''subparagraphs (A) and (B)'' and inserting ''subparagraphs (A), (B), and (C)'';

(2) in paragraph (2), by striking ''shall'' and inserting ''may''; and

(3) by adding at the end the following:

''(4) In the case of any rental assistance contract authority that becomes available because of the termination of assistance on behalf of an assisted family—

''(A) at the option of the owner of the rental project, the Secretary shall provide the owner a period of not more than 6 months before unused assistance is made available pursuant to subparagraph (B) during

which the owner may use such authority to provide assistance on behalf of an eligible unassisted family that—

''(i) is residing in the same rental project in which the assisted family resided before the termination; or

''(ii) newly occupies a dwelling unit in the rental project during that 6-month period; and

''(B) except for assistance used as provided in subparagraph (A), the Secretary shall use such remaining authority to provide assistance on behalf of eligible families residing in other rental projects originally financed under section 514, 515, or 516.''.

(g) MODIFICATIONS TO LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS; INCOME ELIGIBILITY.—Section 504(a) of the Housing Act of 1949 (42 U.S.C. 1474(a)) is amended—

(1) in the first sentence, by inserting ''and may make a loan to an eligible low-income applicant'' after ''applicant''; and

(2) by striking ''$7,500'' and inserting ''$15,000''.

(h) RURAL COMMUNITY DEVELOPMENT INITIATIVE.—Subtitle E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009 et seq.) is amended by adding at the end the following:

"SEC. 381O. RURAL COMMUNITY DEVELOPMENT INITIATIVE.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) a private, nonprofit community-based housing or community development organization;

''(B) a rural community; or

''(C) a federally recognized Indian Tribe.

''(2) ELIGIBLE INTERMEDIARY.—The term 'eligible intermediary' means a qualified—

''(A) private, nonprofit organization; or

''(B) public organization.

''(b) ESTABLISHMENT.—The Secretary shall establish a Rural Community Development Initiative, under which the Secretary shall provide grants, subject to the availability of appropriations, to eligible intermediaries to carry out programs to provide financial and technical assistance to eligible entities to develop the capacity and ability of eligible entities to carry out projects to improve housing, community facilities, and community and economic development projects in rural areas.

''(c) AMOUNT OF GRANTS.—The amount of a grant provided to an eligible intermediary under this section shall be not more than $500,000.

''(d) MATCHING FUNDS.—

''(1) IN GENERAL.—An eligible intermediary receiving a grant under this section shall provide matching funds from other sources, including Federal funds for related activities, in an amount not less than the amount of the grant.

''(2) WAIVER.—The Secretary may waive paragraph (1) with respect to a project that would be carried out in a persistently poor rural region, as determined by the Secretary.''.

(i) ANNUAL REPORT ON RURAL HOUSING PROGRAMS.—Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.), as amended by this section, is amended by adding at the end the following:

''SEC. 546. ANNUAL REPORT.

''(a) IN GENERAL.—The Secretary shall submit to the appropriate committees of Congress and publish on the website of the Department of Agriculture an annual report on rural housing programs carried out under this title, which shall include significant details on the health of Rural Housing Service programs, including—

''(1) raw data sortable by programs and by region regarding loan performance;

''(2) the housing stock of those programs, including information on why properties end participation in those

programs, such as for maturation, prepayment, foreclosure, or other servicing issues; and

''(3) risk ratings for properties assisted under those programs.

''(b) PROTECTION OF INFORMATION.—The data included in each report required under subsection (a) may be aggregated or anonymized to protect participant financial or personal information.''.

(j) GAO REPORT ON RURAL HOUSING SERVICE TECHNOLOGY.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report that includes—

(1) an analysis of how the outdated technology used by the Rural Housing Service impacts participants in the programs of the Rural Housing Service;

(2) an estimate of the amount of funding that is needed to modernize the technology used by the Rural Housing Service; and

(3) an estimate of the number and type of new employees the Rural Housing Service needs to modernize the technology used by the Rural Housing Service.

(k) ADJUSTMENT TO RURAL DEVELOPMENT VOUCHER AMOUNT.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Secretary of Agri-

culture shall issue regulations to establish a process for adjusting the voucher amount provided under section 542 of the Housing Act of 1949 (42 U.S.C. 1490r) after the issuance of the voucher following an interim or annual review of the amount of the voucher.

(2) INTERIM REVIEW.—The interim review described in paragraph (1) shall, at the request of a tenant, allow for a recalculation of the voucher amount when the tenant experiences a reduction in income, change in family composition, or change in rental rate.

(3) ANNUAL REVIEW.—

(A) IN GENERAL.—The annual review described in paragraph (1) shall require tenants to annually recertify the family composition of the household and that the family income of the household does not exceed 80 percent of the area median income at a time determined by the Secretary of Agriculture.

(B) CONSIDERATIONS.—If a tenant does not recertify the family composition and family income of the household within the time frame required under subparagraph (A), the Secretary of Agriculture—

(i) shall consider whether extenuating circumstances caused the delay in recertification; and

(ii) may alter associated consequences for the failure to recertify based on those circumstances.

(C) EFFECTIVE DATE.—Following the annual review of a voucher under paragraph (1), the updated voucher amount shall be effective on the 1st day of the month following the expiration of the voucher.

(4) DEADLINE.—The process established under paragraph (1) shall require the Secretary of Agriculture to review and update the voucher amount described in paragraph (1) for a tenant not later than 60 days before the end of the voucher term.

(l) ELIGIBILITY FOR RURAL HOUSING VOUCHERS.—Section 542 of the Housing Act of 1949 (42 U.S.C. 1490r) is amended by adding at the end the following:

''(c) ELIGIBILITY OF HOUSEHOLDS IN SECTIONS 514, 515, AND 516 PROJECTS.—The Secretary may provide rural housing vouchers under this section for any low-income household (including those not receiving rental assistance) residing for a term longer than the remaining term of their lease that is in effect on the date of prepayment, foreclosure,

or mortgage maturity, in a property financed with a loan under section 514 or 515 or a grant under section 516 that has—

''(1) been prepaid with or without restrictions imposed by the Secretary pursuant to section 502(c)(5)(G)(ii)(I);

''(2) been foreclosed; or

''(3) matured after September 30, 2005.''.

(m) AMOUNT OF VOUCHER ASSISTANCE.—Notwithstanding any other provision of law, in the case of any rural housing voucher provided pursuant to section 542 of the Housing Act of 1949 (42 U.S.C. 1490r), the amount of the monthly assistance payment for the household on whose behalf the assistance is provided shall be determined as provided in subsection (a) of such section 542, including providing for interim and annual review of the voucher amount in the event of a change in household composition or income or rental rate.

(n) TRANSFER OF MULTIFAMILY RURAL HOUSING PROJECTS.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended—

(1) in subsection (h), by adding at the end the following:

''(3) TRANSFER TO NONPROFIT ORGANIZATIONS.—A nonprofit or public body purchaser, including a limited

partnership with a general partner with the principal purpose of providing affordable housing, may purchase a property for which a loan is made or insured under this section that has received a market value appraisal, without addressing rehabilitation needs at the time of purchase, if the purchaser—

''(A) makes a commitment to address rehabilitation needs during ownership and long-term use restrictions on the property; and

''(B) at the time of purchase, accepts long-term use restrictions on the property.''; and

(2) in subsection (w)(1), in the first sentence in the matter preceding subparagraph (A), by striking ''9 percent'' and inserting ''25 percent''.

(o) EXTENSION OF LOAN TERM.—

(1) IN GENERAL.—Section 502(a)(2) of the Housing Act of 1949 (42 U.S.C. 1472(a)(2)) is amended—

(A) by inserting ''(A)'' before ''The Secretary'';

(B) in subparagraph (A), as so designated, by striking ''paragraph'' and inserting ''subparagraph''; and

(C) by adding at the end the following:

''(B) The Secretary may refinance or modify the period of any loan, including any refinanced loan, made under this section in accordance with terms and condi-

tions as the Secretary shall prescribe, but in no event shall the total term of the loan from the date of the refinance or modification exceed 40 years.''.

(2) APPLICATION.—The amendment made under paragraph (1) shall apply with respect to loans made under section 502 of the Housing Act of 1949 (42 U.S.C. 1472) before, on, or after the date of enactment of this Act.

(p) RELEASE OF LIABILITY FOR SECTION 502 GUARANTEED BORROWER UPON ASSUMPTION OF ORIGINAL LOAN BY NEW BORROWER.—Section 502(h) of the Housing Act of 1949 (42 U.S.C. 1472(h)) is amended—

(1) by striking paragraph (10) and inserting the following:

''(10) TRANSFER AND ASSUMPTION.—Upon the transfer of property for which a guaranteed loan under this subsection was made, and the assumption of the guaranteed loan by an approved eligible borrower, the original borrower of a guaranteed loan under this subsection shall be relieved of liability with respect to the loan.'';

(2) by redesignating paragraph (16) as paragraph (17); and

(3) by inserting after paragraph (15) the following:

''(16) FEE.—

''(A) IN GENERAL.—The mortgagee may charge an assuming borrower a reasonable and customary processing fee for an assumption request made under this subsection.

''(B) MAXIMUM FEE.—The Secretary shall set a maximum allowable fee described in subparagraph (A), which may be indexed for inflation.''.

(q) DEPARTMENT OF AGRICULTURE LOAN RESTRICTIONS.—

(1) DEFINITIONS.—In this subsection, the terms ''State'' and ''tribal organization'' have the meanings given those terms in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(2) REVISION.—The Secretary of Agriculture shall revise section 3555.102(c) of title 7, Code of Federal Regulations, to exclude from the restriction under that section—

(A) a home-based business that is a licensed, registered, or regulated child care provider under State law or by a tribal organization; and

(B) an applicant that has applied to become a licensed, registered, or regulated child care provider under State law or by a tribal organization.

(r) LOAN GUARANTEES.—Section 502(h)(4) of the Housing Act of 1949 (42 U.S.C. 1472(h)(4)) is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and adjusting the margins accordingly;

(2) by striking ''Loans may be guaranteed'' and inserting the following:

''(A) DEFINITION.—In this paragraph, the term 'accessory dwelling unit' means a single, habitable living unit—

''(i) with means of separate ingress and egress;

''(ii) that is usually subordinate in size;

''(iii) that can be added to, created within, or detached from a primary 1-unit, single-family dwelling; and

''(iv) in combination with a primary 1-unit, single-family dwelling, constitutes a single interest in real estate.

''(B) SINGLE-FAMILY REQUIREMENT.—Loans may be guaranteed''; and

(3) by adding at the end the following:

''(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to prohibit the leasing of an accessory dwelling unit or the use of

rental income derived from such a lease to qualify for a loan guaranteed under this subsection—

"(i) after the date of enactment of the 21st Century ROAD to Housing Act; and

"(ii) if the property that is the subject of the loan was constructed before the date of enactment of the 21st Century ROAD to Housing Act.".

(s) APPLICATION REVIEW.—

(1) SENSE OF CONGRESS.—It is the sense of Congress, not later than 90 days after the date on which the Secretary of Agriculture receives an application for a loan, grant, or combined loan and grant under section 502 or 504 of the Housing Act of 1949 (42 U.S.C. 1472, 1474), the Secretary of Agriculture should—

(A) review the application;

(B) complete the underwriting;

(C) make a determination of eligibility with respect to the application; and

(D) notify the applicant of determination.

(2) REPORT.—

(A) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, and annually thereafter until the date described in subparagraph (B), the Secretary of Agriculture shall submit

to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report—

(i) detailing the timeliness of eligibility determinations and final determinations with respect to applications under sections 502 and 504 of the Housing Act of 1949 (42 U.S.C. 1472, 1474), including justifications for any eligibility determinations taking longer than 90 days; and

(ii) that includes recommendations to shorten the timeline for notifications of eligibility determinations described in clause (i) to not more than 90 days.

(B) DATE DESCRIBED.—The date described in this subparagraph is the date on which, during the preceding 5-year period, the Secretary of Agriculture provides each eligibility determination described in subparagraph (A) during the 90-day period beginning on the date on which each application is received.

SEC. 503. INCENTIVIZING LOCAL SOLUTIONS TO HOMELESSNESS.

Section 414 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11373) is amended by adding at the end the following:

''(f) FUNDING CAP WAIVER AUTHORITY.—

''(1) IN GENERAL.—Notwithstanding any other provision of law or regulation, a recipient may request a waiver to the expenditure limit established pursuant to section 415(b) for amounts provided for each of fiscal years 2027 through 2030.

''(2) WAIVER REQUEST.—

''(A) IN GENERAL.—A recipient seeking a waiver described in paragraph (1) shall submit to the Secretary a waiver request that includes not more than the following:

''(i) A demonstration of local needs and circumstances that necessitate a waiver.

''(ii) A detailed plan for how the recipient intends to use funds.

''(iii) A justification for how the proposed use of funds supports the most recent Consolidated Plan submitted by the recipient.

''(iv) Any public input solicited under subparagraph (B)(ii).

''(B) NOTIFICATION.—Each recipient shall—

''(i) notify all subrecipients and local Continuums of Care that serve the recipient's geographic area of the availability of waivers under this subsection; and

''(ii) prior to the submission of a waiver request under subparagraph (A), solicit public input regarding the potential need for and proposed uses of such waiver.

''(C) APPROVAL; PUBLICATION.—The Secretary shall—

''(i) make all waiver requests submitted under subparagraph (A) publicly available on the website of the Department of Housing and Urban Development;

''(ii) not later than 60 days after the date on which the Secretary receives a waiver request under subparagraph (A), approve or deny the request; and

''(iii) deny any waiver request submitted under subparagraph (A) by a recipient that relocates or threaten to relocate individuals or their property without providing emergency shelter, rapid rehousing, transitional housing, permanent supportive housing, or other permanent housing options.

''(3) REVOCATION.—

''(A) IN GENERAL.—A waiver approved under this subsection shall remain in effect for the duration of the period of performance of fiscal year 2027 through 2030 grants, unless the recipient notifies the Secretary in writing that the recipient wishes to revoke the waiver.

''(B) NOTIFICATION.—If a recipient intends to revoke a waiver under subparagraph (A), the recipient shall—

''(i) solicit input from subrecipients regarding the revocation before submitting the revocation; and

''(ii) provide subrecipients with a summary of the input and the justification for the revocation in its submittal prior to notifying the Secretary in writing.

''(C) PUBLICATION.—The Secretary shall publish any revocation of a waiver under subparagraph (A) and the justification of the recipient for the waiver on the website of the Department of Housing and Urban Development.''.

TITLE VI—VETERANS AND HOUSING

SEC. 601. MILITARY SERVICE QUESTION.

(a) IN GENERAL.—Subpart A of part 2 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4541 et seq.) is amended by adding at the end the following:

"SEC. 1329. UNIFORM RESIDENTIAL LOAN APPLICATION.

''Not later than 6 months after the date of enactment of this section, the Director shall, by regulation or order, require each enterprise to include a disclosure below the military service question which shall be above the signature line on the form known as the Uniform Residential Loan Application stating, 'If yes, you may qualify for a VA Home Loan. Consult your lender regarding eligibility.'.''.

(b) GAO STUDY.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study and submit to the Congress a report on whether or not less than 80 percent of lenders using the Uniform Residential Loan Application have included on that form the disclaimer required under section 1329 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as added by subsection (a).

SEC. 602. HOUSING UNHOUSED DISABLED VETERANS ACT.

(a) EXCLUSION OF CERTAIN DISABILITY BENEFITS.—Section 3(b)(4)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(4)(B)) is amended—

(1) by redesignating clauses (iv) and (v) as clauses (vi) and (vii), respectively; and

(2) by inserting after clause (iii) the following:

''(iv) for the purpose of determining income eligibility with respect to the supported housing program under section 8(o)(19), any disability benefits received under chapter 11 or chapter 15 of title 38, United States Code, received by a veteran, except that this exclusion shall not apply to the income in the definition of adjusted income;

''(v) for the purpose of determining income eligibility with respect to any household receiving rental assistance under the supported housing program under section 8(o)(19) as it relates to eligibility for other types of housing assistance, any disability benefits received under chapter 11 or chapter 15 of title 38, United States Code, received by a veteran, but such amounts shall not be excluded from income when determining adjusted income;''.

(b) TREATMENT OF CERTAIN DISABILITY BENEFITS.—

(1) IN GENERAL.—When determining the eligibility of a veteran to rent a residential dwelling unit constructed on Department property on or after the date of the enactment of this Act, for which assistance is provided as part of a housing assistance program administered by the Secretary, the Secretary shall exclude from income any disability benefits received under chapter 11 or chapter 15 of title 38, United States Code by such person.

(2) DEFINITIONS.—In this subsection:

(A) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(B) DEPARTMENT PROPERTY.—The term ''Department property'' has the meaning given the term in section 901 of title 38, United States Code.

TITLE VII—OVERSIGHT AND ACCOUNTABILITY

SEC. 701. REQUIRING ANNUAL TESTIMONY AND OVERSIGHT FROM HOUSING REGULATORS.

Section 7 of the Department of Housing and Urban Development Act (42 U.S.C. 3535) is amended by adding at the end the following:

''(u) ANNUAL TESTIMONY.—The Secretary shall appear before the Committee on Banking, Housing, and Urban Af-

fairs of the Senate and the Committee on Financial Services of the House of Representatives at an annual hearing and present testimony regarding the operations of the Department during the preceding year, including—

''(1) the current programs and operations of the Department;

''(2) the physical condition of all public housing and other housing assisted by the Department;

''(3) the financial health of the mortgage insurance funds of the Federal Housing Agency;

''(4) oversight by the Department of grantees and subgrantees for purposes of preventing waste, fraud, and abuse;

''(5) the progress made by the Federal Government in ending the affordable housing and homelessness crises;

''(6) the capacity of the Department to deliver on its statutory mission; and

''(7) other ongoing activities of the Department, as appropriate.''.

SEC. 702. FHA REPORTING REQUIREMENTS ON SAFETY AND SOUNDNESS.

Section 202(a) of the National Housing Act (12 U.S.C. 1708(a)) is amended by adding at the end the following:

''(8) OTHER REQUIRED REPORTING.—The Secretary shall—

''(A) submit to Congress monthly reports on the capital ratio required under section 205(f)(2); and

''(B) notify Congress as soon as practicable after the Fund falls below the capital ratio required under section 205(f)(2).''.

SEC. 703. UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS OVERSIGHT.

Section 203(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11313(a)) is amended—

(1) in paragraph (1)—

(A) by striking ''Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009'' and inserting ''21st Century ROAD to Housing Act''; and

(B) by striking ''update such plan annually'' and inserting ''submit to the President and Congress a report every year thereafter that includes—

''(A) the status of completion of the plan; and

''(B) any modifications that were made to the plan and the reasons for those modifications;'';

(2) by redesignating paragraphs (10) through (13) as paragraphs (11) through (14), respectively;

(3) by redesignating the second paragraph (9) (relating to collecting and disseminating information) as paragraph (10);

(4) in paragraph (13), as so redesignated, by striking ''and'' at the end;

(5) in paragraph (14), as so redesignated, by striking the period at the end and inserting ''; and''; and

(6) by adding at the end the following:

''(15) testify annually before Congress, if requested.''.

SEC. 704. APPRAISAL MODERNIZATION ACT.

(a) RECONSIDERATION OF VALUE.—

(1) FEDERALLY BACKED MORTGAGE LOAN DEFINED.—In this subsection, the term ''federally backed mortgage loan'' has the meaning given the term in section 4022 of the CARES Act (15 U.S.C. 9056).

(2) REQUIREMENT.—The Secretary of Agriculture, the Secretary of Veterans Affairs, the Commissioner of the Federal Housing Administration, and the Director of the Federal Housing Finance Agency shall each implement and maintain requirements that creditors of a federally backed mortgage loan have a review and resolution procedure for a consumer-initiated reconsideration of value or subsequent appraisal in connection with a con-

sumer credit transaction secured by a consumer's principal dwelling.

(b) PUBLIC APPRAISAL DATABASE.—

(1) COVERED AGENCIES DEFINED.—In this subsection, the term ''covered agencies'' means—

(A) the Federal Housing Finance Agency, on behalf of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation;

(B) the Department of Housing and Urban Development, including the Federal Housing Administration;

(C) the Department of Agriculture; and

(D) the Department of Veterans Affairs.

(2) FEASIBILITY REPORT.—No later than 240 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a public report assessing the feasibility of creating a publicly available appraisal database that consists of a searchable and downloadable appraisal-level public use file that consolidates appraisal data held or aggregated by covered agencies, including—

(A) the costs and benefits associated with establishing and maintaining the public database;

(B) the benefits and risks associated with the Federal Housing Finance Agency or the Bureau of Consumer Financial Protection being responsible for the public database and whether there is another Federal agency best suited for implementing and administering such database;

(C) any safety and soundness, antitrust, or consumer privacy-related risks associated with making certain appraisal data factors publicly available, including whether—

(i) there are any existing legal requirements, including under the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2801 et seq.) and section 552 of title 5, United States Code (commonly known as the ''Freedom of Information Act''), or additional actions Federal agencies could take to mitigate such risks, such as modifying or aggregating data or eliminating personally identifiable information; and

(ii) there are any data factors that, if made public, may violate conduct, ethics, or other professional standards as they relate to appraisals and appraisal or valuation professionals;

(D) the feasibility of consolidating or matching appraisal data held by covered agencies with corresponding data that are required and made public under the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2801 et seq.);

(E) whether the publication of any appraisal data factors may pose unfair business advantages within the valuation industry;

(F) the feasibility of including all valuation data held by covered agencies, including data produced by automated valuation models;

(G) the feasibility and benefits of making the full appraisal dataset, including any modified fields, available to—

(i) Federal agencies, including for purposes related to enforcement and supervision responsibilities;

(ii) relevant State licensing, supervision, and enforcement agencies and State attorneys general;

(iii) approved researchers, including academics and nonprofit organizations that, in connection with their mission, work to ensure the fairness and consistency of home valuations, including appraisals; and

(iv) any other entities identified by the Comptroller General as having a compelling use for disaggregated data;

(H) what appraisal data are already available in the public domain; and

(I) the feasibility of incorporating legacy data held by covered agencies during the period beginning on January 1, 2017, and ending on the date of enactment of this Act, and whether there are specific data points not easily consolidated or matched, as described in subparagraph (D), with more recent data.

(3) PURPOSE.—The database described in paragraph (2) shall be used to provide the public, the Federal Government, and State governments with residential real estate appraisal data to help determine whether financial institutions, appraisal management companies, appraisers, valuation technologies, such as automated valuation models, and other valuation professionals are effectively serving the entire housing market.

(4) CONSULTATION.—As part of the information used in the report required under paragraph (2), the Comptroller General of the United States shall conduct interviews with—

(A) relevant Federal agencies;

(B) relevant State licensing, supervision, and enforcement agencies and State attorneys general;

(C) appraisers and other home valuation industry professionals;

(D) mortgage lending institutions;

(E) fair housing and fair lending experts; and

(F) any other relevant stakeholders as determined by the Comptroller General.

(5) HEARING.—Upon the completion of the report under paragraph (2), the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives shall each hold a hearing on the findings of the report and the feasibility of establishing a public appraisal-level appraisal database.

TITLE VIII—ACCOUNTABILITY, COORDINATION, STUDIES, AND REPORTING

SEC. 801. HUD–USDA–VA INTERAGENCY COORDINATION ACT.

(a) MEMORANDUM OF UNDERSTANDING.—The Secretary of Housing and Urban Development, the Secretary of Agriculture, and the Secretary of Veterans Affairs shall establish a memorandum of understanding, or other appropriate interagency agreement, to share relevant housing-re-

lated research and market data that facilitate evidence-based policymaking.

(b) INTERAGENCY REPORT.—

(1) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary of Housing and Urban Development, the Secretary of Agriculture, and the Secretary of Veterans Affairs shall jointly submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report containing—

(A) a description of opportunities for increased collaboration between the Secretary of Housing and Urban Development, the Secretary of Agriculture, and the Secretary of Veterans Affairs to reduce inefficiencies in housing programs;

(B) a list of Federal laws (including regulations) that adversely affect the availability and affordability of new construction of assisted housing and single-family and multifamily residential housing subject to mortgages insured under title II of the National Housing Act (12 U.S.C. 1707 et seq.), insured, guaranteed, or made by the Secretary of Agriculture under title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.), or insured, guaran-

teed, or made by the Secretary of Veterans Affairs under chapter 37 of title 38, United States Code; and

(C) recommendations for Congress regarding the Federal laws (including regulations) described in subparagraph (B).

(2) PUBLICATION.—The report required under paragraph (1) shall, prior to submission under this subsection, be published in the Federal Register and open for comment for a period of 30 days.

SEC. 802. STREAMLINING RURAL HOUSING ACT.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Housing and Urban Development and the Secretary of Agriculture shall enter into a memorandum of understanding to—

(1) evaluate categorical exclusions under the environmental review process for housing projects funded by amounts from the Department of Housing and Urban Development and the Department of Agriculture;

(2) develop a process to designate a lead agency and streamline adoption of environmental impact statements and environmental assessments approved by the other Department to construct housing projects funded by both agencies;

(3) maintain compliance with environmental regulations under part 58 of title 24, Code of Federal Regulations, as in effect on January 1, 2025, except as required to amend, add, or remove categorical exclusions identified under section 58.35 of title 24, Code of Federal Regulations, through standard rulemaking procedures; and

(4) evaluate the feasibility of a joint physical inspection process for housing projects funded by amounts from the Department of Housing and Urban Development and the Department of Agriculture.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Housing and Urban Development and the Secretary of Agriculture shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that includes recommendations for legislative, regulatory, or administrative actions—

(1) to improve the efficiency and effectiveness of housing projects funded by amounts from the Department of Housing and Urban Development and the Department of Agriculture; and

(2) that do not materially, with respect to residents of housing projects described in paragraph (1)—

(A) reduce the safety of those residents;

(B) shift long-term costs onto those residents; or

(C) undermine the environmental standards of those residents.

SEC. 803. IMPROVING SELF-SUFFICIENCY OF FAMILIES IN HUD-SUBSIDIZED HOUSING.

(a) IN GENERAL.—

(1) STUDY.—Subject to subsection (b), the Secretary of Housing and Urban Development shall conduct a study on the implementation of work requirements implemented prior to the date of enactment of this Act by public housing agencies described in paragraph (4) participating in the Moving to Work demonstration authorized under section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437f note).

(2) SCOPE.—The study required under paragraph (1) shall—

(A) consider the short-, medium-, and long-term benefits and challenges of work requirements on public housing agencies described in paragraph (4) and on program participants who are subject to such requirements, including the effects work requirements have on homelessness rates, poverty

rates, asset building, earnings growth, job attainment and retention, and public housing agencies' administrative capacity; and

(B) include quantitative and qualitative evidence, including interviews with program participants described in subparagraph (A) and their respective resident councils.

(3) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the initial findings of the study required under paragraph (1).

(4) PUBLIC HOUSING AGENCIES DESCRIBED.—The public housing agencies described in this paragraph are public housing agencies that, as part of an application to participate in the demonstration authorized under section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437f note), submit a proposal identifying work requirements as an innovative proposal.

(b) DETERMINATION.—The requirement under subsection (a) shall apply if the Secretary of Housing and Urban Development determines that—

(1) there are a sufficient number of public housing agencies described in subsection (a)(4) such that the Secretary of Housing and Urban Development can rigorously evaluate the impact of the implementation of work requirements described in that subsection; and

(2) the study would not negatively impact low-income families receiving assistance through a public housing agency described in subsection (a)(4).

SEC. 804. GAO STUDIES.

(a) WORKFORCE HOUSING STUDY.—

(1) MIDDLE-INCOME HOUSEHOLD DEFINED.—In this subsection, the term ''middle-income household'' means a household with an income above 80 percent but that does not exceed 120 percent of the median family income of the area, as determined by the Secretary of Housing and Urban Development with adjustments for smaller and larger families.

(2) STUDY.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study and submit to Congress a report that—

(A) identifies obstacles middle-income households face when looking to secure affordable housing;

(B) identifies geographic areas where housing is the most unaffordable and unavailable for middle-income households;

(C) includes a list of Federal housing programs, including Federal tax credits, grants, and loan programs, that are not available to middle-income households due to their income status, including Federal housing programs designed to promote affordability;

(D) recommends income and other parameters to establish a clear and consistent Federal definition for the term ''workforce housing'' for use when describing the segment of housing that could be made available to those middle-income households in Federal housing programs if funding commensurate with the additional eligibility were to be made available; and

(E) analyzes how to modify or newly develop new Federal housing programs and incentives to include ''workforce housing'' if funding commensurate with the additional eligibility were to be made available.

(b) HOUSING FOR ELDERLY OR DISABLED.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall carry out a

study and submit to Congress a report that identifies options to remove barriers and improve housing for persons who are elderly or disabled, including any potential impacts of providing capital advances for—

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

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

(c) PROXIMITY OF HOUSING TO SUPERFUND SITES.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall carry out a study and submit to Congress a report that identifies how many residential dwelling units, and how many dwelling units that are a part of public housing (as defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))), are located less than 1 mile from a site that is included on the National Priorities List established pursuant to section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9605).

(d) RESIDENTIAL HEIRS PROPERTY.—Not later than 1 year after the date of enactment of this Act, the Comptroller

General of the United States shall carry out a study and submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that—

(1) establishes a comprehensive definition of residential heirs property, or family land inherited without a will or legal documentation of ownership;

(2) examines the occurrence of and consequences to owners of residential heirs property, and provides an estimate regarding the number of current residential heirs properties;

(3) describes the objectives and requirements of the Uniform Partition of Heirs Property Act as approved by the National Conference of Commissioners on Uniform State Laws in 2010;

(4) details the various resources that may be available to the owners of residential heirs properties, including housing counseling, legal services, and financial assistance to resolve residential heirs property title issues from the Federal Government, nonprofit organizations, and institutions of higher education; and

(5) makes recommendations with respect to how to reduce the number of residential heirs properties, including—

(A) by incentivizing States and other jurisdictions which enact or adopt the Uniform Partition of Heirs Property Act or similar such reforms;

(B) by awarding grants to States and other jurisdictions to assist residents of those States and jurisdictions to establish and document property ownership rights or settle a decedent's estate;

(C) by awarding grants to entities that—

(i) provide housing counseling, legal assistance, and financial assistance to home-owners and their heirs relating to title clearing and home retention efforts of heirs' property; and

(ii) target services to low- and moderate-income persons or provide services in neighborhoods that have a high concentration of low- and moderate-income persons; and

(D) by conducting other activities that assist individuals to clear title with respect to heirs' property and with general estate planning.

SEC. 805. IMPROVING PUBLIC HOUSING AGENCY ACCOUNTABILITY.

(a) IN GENERAL.—The Secretary shall require each covered public housing agency to provide a notice each year to the Secretary that—

(1) indicates that if a receiver or Federal monitor remains appointed for the covered public housing agency as of October 1 of the calendar year to which such notice relates;

(2) provides the date on which the receiver or Federal monitor was first appointed and the projected date, if known, the appointment of the receiver or Federal monitor will be terminated; and

(3) identifies the current receiver or Federal monitor appointed to oversee the public housing agency.

(b) FEDERAL MONITOR AND RECEIVER TRANSPARENCY.—

(1) Notwithstanding any other provision of law, not later than October 1 of each year, each receiver or Federal monitor that is currently appointed to oversee a covered public housing agency shall provide to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a written assessment that—

(A) describes the management and oversight activities of the receiver or Federal monitor for the covered public housing agency;

(B) identifies the significant factors that led to the appointment of the receiver or Federal monitor for the covered public housing agency;

(C) identifies the factors that remain unresolved at the covered public housing agency that have led to the continued oversight of the receiver or Federal monitor; and

(D) includes a timeline developed by the receiver or Federal monitor that projects when the factors identified under subparagraphs (B) and (C) will be resolved.

(2) In addition to the written assessment required in paragraph (1), upon written request by the Committee on Financial Services of the House of Representatives or the Committee on Banking, Housing, and Urban Affairs of the Senate, each receiver or Federal monitor appointed to oversee a covered public housing agency shall promptly furnish additional or supplemental information requested by the Committee on Financial Services of the House of Representatives or the Committee on Banking, Housing, and Urban Affairs of the Senate with respect to the covered public housing agency which such receiver or Federal monitor is appointed to oversee, including presenting testimony upon request.

(c) DISCLOSURE REQUIRED.—The Secretary shall, not later than 1 year after the date of the enactment of this section, require each covered public housing agency to publicly disclose, on the website of the covered public housing agency,

with respect to each contract entered into by such covered public housing agency in the preceding year, the following information:

(1) All material information about the contract, including the goods and service provided.

(2) The identity of the vendor selected to receive the contract.

(3) The date of the solicitation of the contract.

(4) The relevant information pertaining to the bids and quotes solicited for the contract.

(5) The name of the official who solicited the contract.

(d) INSPECTOR GENERAL REVIEW.—Not later than 180 days after receiving a written request from the Committee on Financial Services of the House of Representatives or the Committee on Banking, Housing, and Urban Affairs of the Senate, the Inspector General shall provide to the requesting committee an analysis of—

(1) the status of any covered public housing agency's compliance with any agreements entered into between the covered public housing agency and the Department of Housing and Urban Development, including specific areas of deficiency and progress toward compliance;

(2) a review of actions taken by the receiver or Federal monitor appointed to oversee a covered public hous-

ing agency and any private sector housing development partners pursuant to such agreement, including any gaps in oversight by the receiver or Federal monitor;

(3) an assessment of the physical conditions of housing provided by the covered public housing agency, including the status of the covered public housing agency's compliance with relevant health and safety requirements;

(4) an examination of any allegations of waste, fraud, abuse or violations of Federal law committed by employees or contractors of the covered public housing agency;

(5) any additional pertinent information, as determined necessary and appropriate by the inspector general; and

(6) any recommendations of the inspector general that relate to how to improve the compliance of the covered public housing agency with any agreements entered into with the Department of Housing and Urban Development or enhance the oversight of the receiver or Federal monitor over such covered public housing agency.

(e) DEFINITIONS.—

(1) COVERED PUBLIC HOUSING AGENCY.—The term ''covered public housing agency'' means a public housing agency (as such term is defined in section 3(b) of the

United States Housing Act of 1937 (42 U.S.C. 1437a(b))) for which an administrative or judicial receiver or Federal monitor was appointed.

(2) INSPECTOR GENERAL.—The term ''inspector general'' means the inspector general of the Department of Housing and Urban Development.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

TITLE IX—STRENGTHENING COMMUNITY BANKS' ROLE IN HOUSING

SEC. 901. COMMUNITY BANK DEPOSIT ACCESS.

(a) IN GENERAL.—Section 29 of the Federal Deposit Insurance Act (12 U.S.C. 1831f) is amended by adding at the end the following:

''(j) LIMITED EXCEPTION FOR CUSTODIAL DEPOSITS.—

''(1) IN GENERAL.—Custodial deposits of an eligible institution shall not be considered to be funds obtained, directly or indirectly, by or through a deposit broker to the extent that the total amount of such custodial deposits does not exceed an amount equal to 20 percent of the total liabilities of the eligible institution.

''(2) DEFINITIONS.—In this subsection:

''(A) CUSTODIAL DEPOSIT.—The term 'custodial deposit' means a deposit that is not deposited

at an insured depository institution in return for fees paid by the insured depository institution pursuant to an agreement with a third party and that would otherwise be considered to be obtained, directly or indirectly, by or through a deposit broker, if the deposit is deposited at 1 or more insured depository institutions, for the purpose of providing or maintaining deposit insurance for the benefit of a third party, by or through any of the following, each acting in a formal custodial or fiduciary capacity for the benefit of a third party:

"(i) An insured depository institution serving as agent, trustee, or custodian.

"(ii) A trust entity controlled by an insured depository institution serving as agent, trustee, or custodian.

"(iii) A State-chartered trust company serving as agent, trustee, or custodian.

"(iv) A plan administrator or investment advisor, acting in a formal custodial or fiduciary capacity for the benefit of a plan.

"(B) ELIGIBLE INSTITUTION.—The term 'eligible institution' means an insured depository institution that accepts custodial deposits, if the insured depository institution has less than

$10,000,000,000 in total assets as reported on the consolidated report of condition and income as reported quarterly to the appropriate Federal banking agency and—

''(i)(I) when most recently examined under section 10(d) was assigned a composite rating of 1, 2, or 3 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system); and

''(II) is well capitalized; or

''(ii) has obtained a waiver pursuant to subsection (c).

''(C) PLAN.—The term 'plan' has the meaning given the term in section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002).

''(D) PLAN ADMINISTRATOR.—The term 'plan administrator' has the meaning given the term 'administrator' in section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002).

''(E) WELL CAPITALIZED.—The term 'well capitalized' has the meaning given the term in section 38(b).''.

(b) INTEREST RATE RESTRICTION.—Section 29 of the Federal Deposit Insurance Act (12 U.S.C. 1831f), as amended by subsection (a), is further amended by adding at the end the following:

''(k) RESTRICTION ON INTEREST RATE PAID ON CERTAIN CUSTODIAL DEPOSITS.—

''(1) DEFINITIONS.—In this subsection—

''(A) the terms 'custodial deposit', 'eligible institution', and 'well capitalized' have the meanings given those terms in subsection (j); and

''(B) the term 'covered insured depository institution' means an insured depository institution that while acting as an eligible institution under subsection (j), accepts custodial deposits while not well capitalized.

''(2) PROHIBITION.—A covered insured depository institution may not pay a rate of interest on custodial deposits that are accepted while not well capitalized that, at the time the funds or custodial deposits are accepted, significantly exceeds the limit set forth in paragraph (3).

''(3) LIMIT ON INTEREST RATES.—The limit on the rate of interest referred to in paragraph (2) shall be not greater than—

''(A) the rate paid on deposits of similar maturity in the normal market area of the covered in-

sured depository institution for deposits accepted in the normal market area of the covered insured depository institution; or

''(B) the national rate paid on deposits of comparable maturity, as established by the Corporation, for deposits accepted outside the normal market area of the covered insured depository institution.''.

SEC. 902. KEEPING DEPOSITS LOCAL.

(a) AMOUNT OF RECIPROCAL DEPOSITS THAT ARE NOT CONSIDERED TO BE FUNDS OBTAINED BY OR THROUGH A DEPOSIT BROKER.—Section 29(i) of the Federal Deposit Insurance Act (12 U.S.C. 1831f(i)) is amended by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—The sum of the following amounts of reciprocal deposits of an agent institution shall not be considered to be funds obtained, directly or indirectly, by or through a deposit broker:

''(A) An amount equal to 50 percent of the portion of the total liabilities of the agent institution that is less than or equal to $1,000,000,000.

''(B) An amount equal to 40 percent of the portion, if any, of the total liabilities of the agent institution that is greater than $1,000,000,000, but less than or equal to $10,000,000,000.

"(C) An amount equal to 30 percent of the portion, if any, of the total liabilities of the agent institution that is greater than $10,000,000,000, but less than or equal to $250,000,000,000.".

(b) DEFINITION OF AGENT INSTITUTION.—Section 29(i)(2)(A)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1831f(i)(2)(A)(i)) is amended by striking subclause (I) and inserting the following:

"(I) when most recently examined under section 10(d) was assigned a CAMELS rating of 1, 2, or 3 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system); and".

(c) RECIPROCAL DEPOSITS STUDY.—

(1) IN GENERAL.—The Federal Deposit Insurance Corporation, in consultation with the Board of Governors of the Federal Reserve System, shall carry out a study on reciprocal deposits.

(2) CONTENTS.—The study required under paragraph (1) shall include—

(A) an analysis of how reciprocal deposits have performed since 2018, which shall include—

(i) the use of quantitative and qualitative data;

(ii) a breakdown of the usage of reciprocal deposits by size of insured depository institution;

(iii) the usage of reciprocal deposits during periods of stress; and

(iv) an analysis, to the extent practicable, of end-user depositors, such as municipalities, businesses, and nonprofit organizations, that drive demand for reciprocal products;

(B) an analysis, to the extent practicable, of how reciprocal deposits compare to other deposit arrangements; and

(C) an analysis of the benefits and potential risks of reciprocal deposits.

(3) REPORT.—Not later than 6 months after the date of enactment of this Act, the Federal Deposit Insurance Corporation shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the study required under paragraph (1).

SEC. 903. TAILORED REGULATORY UPDATES FOR SUPERVISORY TESTING.

Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)) is amended—

(1) in paragraph (4)(A), by striking ''$3,000,000,000'' and inserting ''$6,000,000,000''; and

(2) in paragraph (10), by striking ''$3,000,000,000'' and inserting ''$6,000,000,000''.

SEC. 904. CREDIT UNION BOARD MODERNIZATION.

Section 113 of the Federal Credit Union Act (12 U.S.C. 1761b) is amended—

(1) by striking ''monthly'' each place such term appears;

(2) in the matter preceding paragraph (1), by striking ''The board of directors'' and inserting the following: ''(a) IN GENERAL.—The board of directors'';

(3) in subsection (a) (as so designated), by striking ''shall meet at least once a month and''; and

(4) by adding at the end the following:

''(b) MEETINGS.—The board of directors of a Federal credit union shall meet as follows:

''(1) With respect to a de novo Federal credit union, not less frequently than monthly during each of the first five years of the existence of such Federal credit union.

''(2) Not less than six times annually, with at least one meeting held during each fiscal quarter, with respect to a Federal credit union—

''(A) with a composite rating of either 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system); and

''(B) with a capability of management rating under such composite rating of either 1 or 2.

''(3) Not less frequently than once a month, with respect to a Federal credit union—

''(A) with a composite rating of either 3, 4, or 5 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system); or

''(B) with a capability of management rating under such composite rating of either 3, 4, or 5.''.

SEC. 905. SYSTEMIC RISK AUTHORITY TRANSPARENCY.

(a) GAO REVIEW.—Section 13(c)(4)(G)(iv) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(G)(iv)) is amended to read as follows:

''(iv) GAO REVIEW.—

''(I) IN GENERAL.—The Comptroller General of the United States shall, not later than 60 days after a determination

is made under clause (i), and again 180 days thereafter, review and report to the Congress on the determination under clause (i), including—

''(aa) the basis for the determination;

''(bb) the purpose for which any action was taken pursuant to such clause;

''(cc) the likely effect of the determination and such action on the incentives and conduct of insured depository institutions and uninsured depositors;

''(dd) any mismanagement by the executives and board of the insured depository institution that contributed to the failure of the insured depository institution;

''(ee) a review of the compensation practices of the insured depository institution;

''(ff) any supervisory or regulatory shortcomings with respect to the appropriate Federal banking

agency of the insured depository institution;

''(gg) any actions taken by the Federal banking regulators, Financial Stability Oversight Council, Department of the Treasury, and other relevant financial regulators in relation to the failure of the insured depository institution; and

''(hh) any additional relevant entities or activities that may have contributed to the failure of the insured depository institution, including with respect to auditing, accounting, credit rating agencies, investment bank underwriters, and emergency liquidity options such as loans from the Federal reserve banks or advances through the Federal Home Loan Bank system.

''(II) RULE OF CONSTRUCTION.—Nothing in this clause or a report issued pursuant to this clause may be construed to limit the authority of a Federal agency

to enforce violations of Federal statutes, rules, or orders.''.

(b) APPROPRIATE FEDERAL BANKING AGENCY REPORT.—Section 13(c) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)) is amended by adding at the end the following:

''(12) APPROPRIATE FEDERAL BANKING AGENCY REPORT.—

''(A) IN GENERAL.—The appropriate Federal banking agency of an insured depository institution about which a determination is made under paragraph (4)(G)(i) shall, not later than 90 days after the date of such determination, and again 210 days thereafter, submit a report to the Congress that discloses the following:

''(i) Subject to such redactions as the appropriate Federal banking agency determines appropriate to protect personally identifiable information about customers and other financial institutions (as such term is defined under section 11(e)(9)(D))—

''(I) all reports of examination and inspection that relate to the failed insured depository institution in the previous 3-year period;

''(II) all formal communications of a material supervisory determination conveyed to the failed insured depository institution in the previous 3-year period; and

''(III) any additional exam reports and correspondence that the appropriate Federal banking agency determines may be relevant to the failure of the insured depository institution.

''(ii) An examination of any mismanagement by the executives and board of the insured depository institution that contributed to the failure of the insured depository institution.

''(iii) Any supervisory or regulatory shortcomings by such appropriate Federal banking agency with respect to the insured depository institution.

''(iv) Any dynamics that the appropriate Federal banking agency determines may have contributed to the failure of the insured depository institution.

''(v) Any supervisory, regulatory, or legislative recommendations such appropriate Federal banking agency may have to improve the

safety and soundness of similarly situated insured depository institutions, the banking system, and financial stability.

''(B) PROTECTION OF SENSITIVE INFORMATION.—

''(i) EFFECT ON PRIVILEGE.—The provision of any information by a Federal banking agency under this paragraph may not be construed as—

''(I) waiving, destroying, or otherwise affecting any privilege applicable to the information; or

''(II) waiving any exemption applicable to the information under section 552 of title 5, United States Code (commonly known as the 'Freedom of Information Act').

''(ii) TRANSPARENCY.—

''(I) IN GENERAL.—A Federal banking agency shall publish materials contained in a report required under subparagraph (A) to the fullest extent possible to promote transparency.

''(II) CONSULTATION ON OMITTING MATERIALS.—If a Federal banking agency

determines particular materials described under subclause (I) should not be published, the Federal banking agency shall consult with the chair and ranking member of the Committee on Financial Services of the House of Representatives and the chair and ranking member of the Committee on Banking, Housing, and Urban Affairs of the Senate.

''(III) OMITTING MATERIALS.—If, after the consultation required under subclause (II), the Federal banking agency determines there is a substantial public interest in not publishing such materials, the Federal banking agency shall provide those materials to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with a written explanation describing the reasons for not publishing those materials.

''(iii) PRIVILEGE.—For purposes of this subparagraph, the term 'privilege' includes any

work-product, attorney-client, or other privilege recognized under Federal or State law.

''(C) REPORT EXTENSION.—A Federal banking agency may extend a deadline described under subparagraph (A) for an additional 60 days, if the Federal banking agency—

''(i) faces ongoing circumstances that require the Federal banking agency to prioritize activities to promote stability of the United States banking system; and

''(ii) notifies the Congress of such extension and the reasons for such extension.

''(D) CONSOLIDATED REPORTS.—A Federal banking agency may consolidate multiple reports required under this paragraph so long as the individual reports being consolidated all meet the timing requirements under this paragraph.

''(E) RULE OF CONSTRUCTION.—Nothing in this paragraph or reports or materials provided pursuant to this paragraph may be construed to limit the authority of a Federal agency to enforce violations of Federal statutes, rules, or orders.''.

SEC. 906. LEAST COST EXCEPTION.

(a) IN GENERAL.—Section 13(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)) is amended—

(1) in subparagraph (A)(ii), by inserting ''except as provided in subparagraph (I),'' before ''the total amount'';

(2) in subparagraph (E)(i), by inserting ''and except as provided in subparagraph (I),'' after ''appropriate,''; and

(3) by adding at the end the following:

''(I) LEAST COST RESOLUTION EXCEPTION.—

''(i) IN GENERAL.—With respect to an exercise of authority by the Corporation described in subparagraph (A), the Corporation may, at the discretion of the Corporation, select an alternative method of exercising such authority that is not the least costly to the Deposit Insurance Fund, if—

''(I) the Corporation determines that the selected alternative complies with the requirements of clause (iii); and

''(II) the Corporation and the Board of Governors of the Federal Reserve System, after consultation with the Secretary of the Treasury, determine that the potential additional risks to the Deposit Insurance Fund of the selected alternative are outweighed by the reasonably expected

benefits of limiting further concentration of the United States banking system in global systemically important banking organizations.

''(ii) MAXIMUM COST TO THE DEPOSIT INSURANCE FUND.—Not later than 1 year after the date of enactment of this subparagraph, the Corporation, by rule, shall establish criteria for determining on a case-by-case basis the maximum allowable cost against the net worth of the Deposit Insurance Fund that may be utilized to account for any determination under clause (i).

''(iii) REQUIREMENTS DESCRIBED.—The requirements for the selected alternative described in clause (i) are as follows:

''(I) The selected alternative is the least costly to the Deposit Insurance Fund of all alternatives that do not involve a transaction with a global systemically important banking organization and that do not exceed the cost of liquidating the insured depository institution.

''(II) The difference between the cost of the selected alternative and the cost of

a covered alternative is less than or equal to the maximum cost to the Deposit Insurance Fund specified pursuant to the rule adopted under clause (ii).

''(III) In the case of a selected alternative that involves another person purchasing assets of the insured depository institution or assuming deposit liabilities of the insured depository institution, such person agrees to pay an assessment to the Corporation comprised of payments—

''(aa) made over a period to be determined by the Corporation, but which may not be less than 5 years; and

''(bb) in an amount that takes into account, on a case-by-case basis, criteria the Corporation, by rule, shall establish, including a realistic discount rate, the aggregate amount equal to the difference calculated in subclause (II), and any bid inconsistent with the purposes of this Act, with such rule to be established by the Corporation not later than 1 year

after the date of enactment of this subparagraph.

''(iv) REPORT TO CONGRESS.—Not later than 30 days after selecting an alternative described in clause (i), the Corporation shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing an analysis of the economic difference between the cost to the Deposit Insurance Fund of the selected alternative and the cost to the Deposit Insurance Fund of the least costly alternative that would have been selected absent the application of this subparagraph.

''(v) COST DETERMINATIONS.—All cost determinations required under this subparagraph shall be made in accordance with subparagraphs (B) and (C).

''(vi) DEFINITIONS.—In this subparagraph:

''(I) COVERED ALTERNATIVE.—The term 'covered alternative' means a method of exercising authority described in subparagraph (A) that is the least costly to

the Deposit Insurance Fund of all such methods that involve a sale of all or substantially all assets of the insured depository institution to, and assumption of all or substantially all deposit liabilities of the insured depository institution by, a global systemically important banking organization.

''(II) GLOBAL SYSTEMICALLY IMPORTANT BANKING ORGANIZATION.—The term 'global systemically important banking organization' means a global systemically important BHC (as such term is defined in section 217.402 of title 12, Code of Federal Regulations, or any successor thereto) and any affiliate thereof.''.

(b) RULE OF CONSTRUCTION.—Section 13(c)(4)(H) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(H)) does not apply to the amendments made by subsection (a).

SEC. 907. FAILING BANK ACQUISITION FAIRNESS.

(a) CONCENTRATION LIMIT EXCEPTIONS ONLY AVAILABLE TO AVOID SERIOUS ADVERSE ECONOMIC OR FINANCIAL EFFECTS.—

(1) CONCENTRATION LIMITS WITH RESPECT TO DEPOSITS.—

(A) FEDERAL DEPOSIT INSURANCE ACT.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(i) in section 18(c)(13)—

(I) by amending subparagraph (B) to read as follows:

''(B) Subparagraph (A) shall not apply to an interstate merger transaction if—

''(i) such interstate merger transaction involves 1 or more insured depository institutions in default or in danger of default and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from a company that is not subject to the prohibition in subparagraph (A); or

''(ii) the Corporation provides assistance under section 13 to facilitate such interstate merger transaction and the responsible agency

determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from a company that is not subject to the prohibition in subparagraph (A).''; and

(II) in subparagraph (C)—

(aa) in clause (i), by striking ''and'' at the end;

(bb) in clause (ii), by striking the period at the end and inserting a semicolon; and

(cc) by adding at the end the following:

''(iii) the term 'qualified bid' means an application, proposed application, or bid from a company where—

''(I) if applicable, the company, any affiliate insured depository institution, and any affiliate depository institution holding company are well capitalized and well

managed, as of the date of the application, proposed application, or bid; and

''(II) upon consummation of the transaction, the resulting insured depository institution is well capitalized;

''(iv) the term 'well capitalized'—

''(I) with respect to an insured depository institution, has the meaning given such term in section 38(b) of the Federal Deposit Insurance Act (12 U.S.C. 1831o(b));

''(II) with respect to a bank holding company, has the meaning given such term in section 2(o)(1)(B) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(o)(1)(B));

''(III) with respect to a savings and loan holding company, has the meaning given such term in section 238.2 of title 12, Code of Federal Regulations; and

''(IV) with respect to a company that is not an insured depository institution, bank holding company, or savings and loan holding company, means maintaining equity capital that the Corporation deter-

mines is commensurate with the capital maintained by an insured depository institution that is well capitalized; and

''(v) the term 'well managed' has the meaning given such term in section 2(o)(9) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(o)(9)).''; and

(ii) in section 44, by amending subsection (e) to read as follows:

''(e) EXCEPTION FOR BANKS IN DEFAULT OR IN DANGER OF DEFAULT.—

''(1) GENERAL EXCEPTION.—The responsible agency may, without regard to paragraph (1), (3), (4), or (5) of subsection (b) or paragraph (2), (4), or (5) of subsection (a), approve an application under subsection (a)(1) for approval of a merger transaction if—

''(A) the merger transaction involves 1 or more banks in default or in danger of default; or

''(B) the Corporation provides assistance under section 13(c) to facilitate such merger transaction.

''(2) CONCENTRATION LIMIT EXCEPTION.—The responsible agency may, without regard to subsection (b)(2), approve an application under subsection (a)(1) for approval of a merger transaction if—

''(A) the merger transaction involves 1 or more banks in default or in danger of default and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in subsection (b)(2); or

''(B) the Corporation provides assistance under section 13(c) to facilitate such merger transaction and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in subsection (b)(2).

''(3) QUALIFIED BID DEFINED.—In this subsection, the term 'qualified bid' has the meaning given that term in section 18(c)(13)(C).''.

(B) BANK HOLDING COMPANY ACT OF 1956.—The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended—

(i) in section 3(d), by amending paragraph (5) to read as follows:

''(5) EXCEPTION FOR BANKS IN DEFAULT OR IN DANGER OF DEFAULT.—

''(A) GENERAL EXCEPTION.—The Board may, without regard to subparagraph (B) or (D) of paragraph (1) or paragraph (3), approve an application pursuant to paragraph (1)(A) if—

''(i) the application is for an acquisition of 1 or more banks in default or in danger of default; or

''(ii) the application is for an acquisition with respect to which assistance is provided under section 13(c) of the Federal Deposit Insurance Act.

''(B) CONCENTRATION LIMIT EXCEPTION.—The Board may, without regard to paragraph (2), approve an application pursuant to paragraph (1)(A) if—

''(i) the application is for the acquisition of 1 or more banks in default or in danger of default and the Board determines, based on

clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in paragraph (2); or

''(ii) the application is for an acquisition with respect to which assistance is provided under section 13(c) of the Federal Deposit Insurance Act and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in paragraph (2).

''(C) QUALIFIED BID DEFINED.—In this paragraph, the term 'qualified bid' has the meaning given that term in section 18(c)(13)(C) of the Federal Deposit Insurance Act.''; and

(ii) in section 4(i)(8), by amending subparagraph (B) to read as follows:

''(B) EXCEPTION.—Subparagraph (A) shall not apply to an acquisition if—

''(i) such acquisition involves an insured depository institution in default or in danger of default and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid (as defined in section 18(c)(13)(C) of the Federal Deposit Insurance Act) from another institution that is not subject to the prohibition in paragraph (2); or

''(ii) the Federal Deposit Insurance Corporation provides assistance under section 13 of the Federal Deposit Insurance Act to facilitate such acquisition and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not

received any qualified bid (as defined in section 18(c)(13)(C) of the Federal Deposit Insurance Act) from another institution that is not subject to the prohibition in paragraph (2).''.

(2) CONCENTRATION LIMIT WITH RESPECT TO CONSOLIDATED LIABILITIES.—Section 14(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1852(c)) is amended—

(A) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(B) by striking ''With the'' and inserting the following:

''(1) IN GENERAL.—With the''; and

(C) by adding at the end the following:

''(2) LIMITATION.—The Board may provide written consent for an acquisition described in paragraph (1)(A) or in paragraph (1)(B) only if the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid (as defined in section 18(c)(13)(C) of the Federal Deposit Insurance Act) from

another institution that is not subject to the prohibition in subsection (b).''.

(b) CONGRESSIONAL NOTIFICATION AND JUSTIFICATION FOR WAIVERS.—

(1) IN GENERAL.—Whenever the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, or the Federal Deposit Insurance Corporation waives a concentration limit under section 18(c)(13)(B) or section 44(e) of the Federal Deposit Insurance Act or under section 3(d)(5), section 4(i)(8)(B), or section 14(c)(2) of the Bank Holding Company Act of 1956, in connection with the acquisition of a bank or insured depository institution in default or in danger of default, or in connection with an acquisition with respect to which the Federal Deposit Insurance Corporation provides assistance under section 13 of the Federal Deposit Insurance Act, the waiving agency and the Federal Deposit Insurance Corporation, jointly, shall, not later than 30 days after such waiver, submit a written report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

(A) a justification for the waiver, including an analysis of why it was necessary to prevent signifi-

cant economic disruption or significant adverse effects on financial stability;

(B) a description of alternative bids or outcomes considered, including efforts to solicit and encourage bids from entities that would not require a waiver;

(C) an explanation of why alternative bids were not selected, if applicable; and

(D) any recommendations for legislative or regulatory changes to improve competition in future insured depository institution resolutions.

(2) PUBLIC DISCLOSURE.—The waiving agency submitting a report under paragraph (1) and the Federal Deposit Insurance Corporation shall make the report publicly available on their respective websites, subject to redactions for confidential supervisory information and any other information described under section 552(b) of title 5, United States Code.

(c) LIMITATION ON CONSIDERING BAD FAITH BIDS IN LEAST COST DETERMINATION.—Section 13(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)), as amended by section 906(a)(3), is further amended by adding at the end the following:

''(J) LIMITATION ON CONSIDERING BAD FAITH BIDS.—In making a determination under this para-

graph of whether an exercise of authority is the least costly to the Deposit Insurance Fund, the Corporation may not consider any application, proposed application, or bid from a company, if such application, proposed application, or bid would result in violation of—

''(i) section 18(c)(13) or 44(b)(2); or

''(ii) section 3(d)(2), 4(i)(8), or 14 of the Bank Holding Company Act of 1956.''.

SEC. 908. ADVANCING THE MENTOR-PROTÉGÉ PROGRAM FOR SMALL FINANCIAL INSTITUTIONS.

Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note) is amended by adding at the end the following new subsection:

''(d) FINANCIAL AGENT MENTOR-PROTÉGÉ PROGRAM.—

''(1) IN GENERAL.—The Secretary of the Treasury shall establish a program to be known as the 'Financial Agent Mentor-Protégé Program' (in this subsection referred to as the 'Program') under which a financial agent designated by the Secretary or a large financial institution may serve as a mentor, under guidance or regulations prescribed by the Secretary, to a small financial institution to allow such small financial institution—

''(A) to be prepared to perform as a financial agent; or

''(B) to improve capacity to provide services to the customers of the small financial institution.

''(2) OUTREACH.—The Secretary shall hold outreach events to promote the participation of financial agents, large financial institutions, and small financial institutions in the Program at least once a year.

''(3) EXCLUSION.—The Secretary shall issue guidance or regulations to establish a process under which a financial agent, large financial institution, or small financial institution may be excluded from participation in the Program.

''(4) REPORT.—The Secretary shall report to Congress information pertaining to the Program, including—

''(A) the number of financial agents, large financial institutions, and small financial institutions participating in such Program; and

''(B) the number of outreach events described in paragraph (2) held during the year covered by such report.

''(5) DEFINITIONS.—In this subsection:

''(A) FINANCIAL AGENT.—The term 'financial agent' means any national banking association designated by the Secretary of the Treasury to be employed as a financial agent of the Government.

''(B) LARGE FINANCIAL INSTITUTION.—The term 'large financial institution' means any entity regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration that has total consolidated assets greater than or equal to $50,000,000,000.

''(C) RURAL DEPOSITORY INSTITUTION.—The term 'rural depository institution' means a depository institution (as defined in section 3 of the Federal Deposit Insurance Act)—

''(i) with total consolidated assets of less than $10,000,000,000; and

''(ii) located in a rural area, as defined under section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations.

''(D) SMALL FINANCIAL INSTITUTION.—The term 'small financial institution' means—

''(i) any entity regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration that has total

consolidated assets less than or equal to $2,000,000,000;

"(ii) a minority depository institution; or

"(iii) a rural depository institution.".

SEC. 909. AMERICAN ACCESS TO BANKING.

(a) STREAMLINING APPLICATION PROCESS AND REVIEW OF CAPITAL RAISING BY DE NOVO REGULATED INSTITUTIONS.—

(1) IN GENERAL.—Each of the Federal financial institutions regulatory agencies shall—

(A) for the purpose of streamlining the process of applying to become a de novo regulated institution, conduct a review of any application forms related to such process;

(B) to the extent practicable, gather information needed from applicants seeking to become a de novo regulated institution from other Federal Government agencies or public sources to minimize information requests of such applicants; and

(C) in consultation with the Securities and Exchange Commission, review how de novo regulated institutions raise capital while maintaining investor protections, including the impact of—

(i) general capital raising restrictions; and

(ii) capital raising restrictions related to individuals who are not accredited investors.

(2) REPORT.—Not later than 1 year after the date of the enactment of this section, and annually for 5 years thereafter, each of the Federal financial institutions regulatory agencies shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate and publish on a public website of such agency a report that contains—

(A) a description of the actions taken by such agency pursuant to paragraph (1); and

(B) as appropriate, any administrative or legislative recommendations with respect to the purpose described in paragraph (1)(C).

(b) IMPROVING COMMUNICATION WITH DE NOVO REGULATED INSTITUTIONS.—

(1) IN GENERAL.—Each of the Federal financial institutions regulatory agencies shall, at the request of an applicant to become a de novo regulated institution, designate an employee of the agency as a caseworker, who may perform such duty in addition to the other duties of the employee.

(2) CASEWORKER DUTIES.—Each caseworker described in paragraph (1) shall, to the maximum extent practicable—

(A) meet with the lead organizers applying to become a de novo regulated institution to provide a tutorial with respect to the application process; and

(B) be the primary point of contact of the respective Federal financial institutions regulatory agency for such organizers during the application process.

(3) NEW CASEWORKER.—Each agency described in paragraph (1) may designate a new caseworker, as appropriate, to support continuity based on staffing and responsibilities assigned to the current caseworker.

(c) DE NOVO MENTOR-PROTÉGÉ PARTNERSHIPS.—

(1) IN GENERAL.—At the request of an institution that seeks to become a de novo regulated institution, each of the Federal financial institutions regulatory agencies shall, to the maximum extent practicable, provide a list to such institution of similar types of institutions that—

(A) were recently approved to become a de novo regulated institution; and

(B) are interested in volunteering to serve as a mentor to provide advice about the de novo application process.

(2) MENTORSHIP INFORMATION.—Not later than 1 year after the date of the enactment of this section, each of the Federal financial institutions regulatory agencies shall provide public information and directions on how an institution may request a mentor or serve as a mentor as described in paragraph (1).

(d) STATE AND STAKEHOLDER ENGAGEMENT PLAN.—

(1) IN GENERAL.—Each of the Federal financial institutions regulatory agencies shall develop a plan to—

(A) regularly consult with State regulators to promote cooperation between State and Federal banking and credit union agencies in the creation of de novo regulated institutions, including responding to any State regulator that requests assistance on how a State-chartered financial institution can request Federal insurance;

(B) regularly consult with stakeholders, including applicants to become de novo regulated institutions and recently approved regulated institutions, to inform any reforms that may support the creation of de novo regulated institutions, including rural institutions, community development financial

institutions, and minority depository institutions; and

(C) provide guidance, training material, and regular workshops to assist any interested parties to understand such agencies' processes.

(2) SUBMISSION TO CONGRESS.—

(A) IN GENERAL.—Not later than 2 years after the date of the enactment of this section, and every 5 years thereafter, each of the Federal financial institutions regulatory agencies shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate the respective plan of such agency described in paragraph (1).

(B) PUBLIC COMMENT.—With respect to developing the plan described in paragraph (1), each of the Federal financial institutions regulatory agencies shall—

(i) provide an opportunity for public comments; and

(ii) take such public comments into consideration.

(e) DEFINITIONS.—

(1) IN GENERAL.—In this section:

(A) FEDERAL BANKING AGENCY.—The term ''Federal banking agency'' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(B) FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCIES.—The term ''Federal financial institutions regulatory agencies'' has the meaning given the term in section 1003 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3302).

(C) REGULATED INSTITUTION.—The term ''regulated institution'' means—

(i) with respect to a Federal banking agency, a depository institution (as such term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) for which the Federal banking agency is the appropriate Federal banking agency (as such term is defined in such section 3); and

(ii) with respect to the National Credit Union Administration, an insured credit union (as such term is defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).

(D) STATE.—The term ''State'' means each of the several States, the District of Columbia, and each territory of the United States.

(E) STATE REGULATOR.—The term ''State regulator'' means—

(i) with respect to a Federal banking agency, a State banking regulator; and

(ii) with respect to the National Credit Union Administration, the State regulatory agency having jurisdiction over a State credit union (as such term is defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).

(2) RULE OF CONSTRUCTION.—For purposes of this section, the process of applying to become a de novo regulated institution shall include the process of applying for Federal deposit insurance, Federal share insurance, or membership in the Federal Reserve System.

SEC. 910. PROMOTING NEW BANK FORMATION.

(a) PILOT PHASE-IN OF CAPITAL STANDARDS.—The Federal banking agencies may issue rules that provide for a 2-year phase-in period for a qualifying community bank or its depository institution holding company to meet any Federal capital requirements that would otherwise be applicable to the

qualifying community bank or its depository institution holding company, beginning on—

(1) the date on which the qualifying community bank became an insured depository institution; or

(2) in the case of its depository institution holding company, the date on which the qualifying community bank of the depository institution holding company became an insured depository institution.

(b) PILOT CHANGES TO BUSINESS PLANS.—

(1) IN GENERAL.—During the 2-year period beginning on the date on which a qualifying community bank became an insured depository institution, the qualifying community bank or its depository institution holding company may request to deviate from a business plan that has been approved by the appropriate Federal banking agency by submitting a request to such agency pursuant to this section.

(2) REVIEW OF CHANGES.—The appropriate Federal banking agency shall, not later than the end of the 90-day period beginning on the receipt of a request under paragraph (1)—

(A) approve, conditionally approve, or deny such request; and

(B) notify the applicant of such decision and, if the agency denies the request—

(i) provide the applicant with the reason for such denial; and

(ii) suggest changes to the request that, if adopted, would allow the agency to approve such request.

(3) RESULT OF FAILURE TO ACT.—If the appropriate Federal banking agency fails to approve or deny a request within the 90-day period required under paragraph (2), such request shall be deemed to be approved.

(c) PILOT PROGRAM STUDY.—

(1) STUDY.—The Federal banking agencies shall, jointly, carry out a study on the impact of the Pilot Program carried out pursuant to subsections (a) and (b) of this section on the formation of de novo insured depository institutions, including such institutions which are rural depository institutions, community development financial institutions, and minority depository institutions, taking into account safety and soundness, promoting competition, and expanding access to affordable financial products and services to underserved communities.

(2) REPORT TO CONGRESS.—Not later than December 31, 2031, the Federal banking agencies shall, jointly, issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate con-

taining all findings and determinations made in carrying out the study required under paragraph (1).

(d) STUDY ON DE NOVO INSURED DEPOSITORY INSTITUTIONS.—

(1) STUDY.—The Federal banking agencies shall, jointly, carry out a study on—

(A) the principal causes for the low number of de novo insured depository institutions in the 10-year period ending on the date of enactment of this subsection;

(B) ways to promote more de novo insured depository institutions in areas currently underserved by insured depository institutions; and

(C) ways to ensure de novo depository institutions, including institutions which are rural depository institutions, community development financial institutions, and minority depository institutions, can utilize the Community Bank Leverage Ratio.

(2) REPORT TO CONGRESS.—Not later than the end of the 1-year period beginning on the date of enactment of this Act, the Federal banking agencies shall, jointly, issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate con-

taining all findings and determinations made in carrying out the study required under paragraph (1).

(e) DEFINITIONS.—In this section:

(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term ''appropriate Federal banking agency'' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(2) DEPOSITORY INSTITUTION.—The term ''depository institution'' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(3) DEPOSITORY INSTITUTION HOLDING COMPANY.—The term ''depository institution holding company'' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(4) FEDERAL BANKING AGENCY.—The term ''Federal banking agency'' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(5) INSURED DEPOSITORY INSTITUTION.—The term ''insured depository institution'' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(6) QUALIFYING COMMUNITY BANK.—The term ''qualifying community bank'' means a depository institution that—

(A) including its holding company and all of its subsidiaries and affiliates, has total combined assets of less than $10,000,000,000; and

(B) became an insured depository institution between January 1, 2026, and December 31, 2028.

SEC. 911. RURAL DEPOSITORIES REVITALIZATION STUDY.

(a) STUDY.—The Federal banking agencies shall, jointly, carry out a study—

(1) to identify methods to improve the growth, capital adequacy, and profitability of depository institutions in the United States that primarily serve rural areas; and

(2) to identify Federal statutes (other than appropriations Acts) or regulations of the Federal banking agencies that limit—

(A) the methods identified under paragraph (1); or

(B) the establishment of de novo depository institutions in rural areas.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Federal banking agencies shall, jointly, issue a report to Congress containing all findings and

determinations made in carrying out the study required under subsection (a).

(c) STUDY ON RURAL CREDIT UNIONS.—The National Credit Union Administration shall carry out a study—

(1) to identify methods to improve the growth, capital adequacy, and profitability of credit unions in the United States that primarily serve rural areas; and

(2) to identify Federal statutes (other than appropriations Acts) or regulations of the National Credit Union Administration that limit—

(A) the methods identified under paragraph (1); or

(B) the establishment of de novo credit unions in rural areas.

(d) REPORT ON RURAL CREDIT UNIONS.—Not later than 1 year after the date of enactment of this Act, the National Credit Union Administration shall issue a report to Congress containing all findings and determinations made in carrying out the study required under subsection (c).

(e) DEFINITIONS.—In this section:

(1) DEPOSITORY INSTITUTION.—The term ''depository institution'' has the meaning given that term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(2) FEDERAL BANKING AGENCIES.—The term ''Federal banking agencies'' means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

(3) RURAL.—With respect to an area, the term ''rural'' has the meaning given that term in section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations.

SEC. 912. DISCRETIONARY SURPLUS FUND.

(a) IN GENERAL.—The dollar amount specified under section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is reduced by $115,000,000.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on September 30, 2035.

TITLE X—HOME-OWNERSHIP FOR MAIN STREET AMERICA

SEC. 1001. HOMES ARE FOR PEOPLE, NOT CORPORATIONS.

(a) DEFINITIONS.—In this section:

(1) CONSUMER REPORTING AGENCY.—The term ''consumer reporting agency'' has the meaning given the term in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a)).

(2) EXCEPTED PURCHASE.—The term ''excepted purchase'' means any purchase of a single-family home that is—

(A) newly constructed, renovated, or a rental conversion for sale by a large institutional investor and not as a residence rented pending sale;

(B) pursuant to a build-to-rent program where the large institutional investor purchases, constructs, or constructs and retains a newly constructed single-family homes to be managed as a rental property, whether as part of a community made up exclusively of renter-occupied single-family homes or as part of a community made up of single-family homes that are both owner- and renter-occupied;

(C) pursuant to a renovate-to-rent program that—

(i) substantially rehabilitates single-family homes that do not meet structural or core system elements of local building codes; and

(ii) makes improvements in an aggregate dollar amount of not less than 15 percent of the purchase price of the single-family home;

(D) pursuant to a homeownership program that—

(i) requires rental payments and any other fees that are not greater than those collected by the large institutional investor on other similarly situated single-family homes not covered by the eligible homeownership program;

(ii) is subject to a contract between the large institutional investor and renter that shall be considered a consumer credit transaction secured by a dwelling or real property;

(iii) provides for positive reporting of rental payments to consumer reporting agencies for any renter, who shall be informed of and opts into such reporting; and

(iv) requires contribution of meaningful financial support from the large institutional investor, including price concessions, for the purchase of the single-family home by the renter;

(E) pursuant to a program to boost homeownership that—

(i) provides for positive reporting of rental payments to consumer reporting agencies for any renter, who shall be informed of and opts into such reporting;

(ii) provides for the right of first refusal and a 30-day ''first look'' period; and

(iii) may entail the meaningful financial support from the large institutional investor, including price concessions, for the purchase of a single-family home by the renter (whether it is the home the renter occupies or another home);

(F) in connection with the satisfaction of debts previously contracted in good faith and where the large institutional investor has the right to repossess the single-family home under such contract;

(G) undertaken by a mortgage servicer, lender, or other entity that has a legal right to a single-family home, for the purpose of loss mitigation or compliance with servicing or investor obligations, and not as a long-term investment strategy, and is solely as a result of—

(i) a foreclosure;

(ii) a deed-in-lieu of foreclosure;

(iii) enforcement of a mortgage, deed of trust, or other security interest; or

(iv) operation of law following borrower default;

(H) purchased from another large institutional investor that either owned the single-family home on the date of enactment of this Act or purchased

the single-family home in compliance with this section;

(I) purchased from an investor not covered under this section, so long as the purchase occurred not more than 2 years after the effective date under subsection (f);

(J) newly constructed, renovated, or a rental conversion that is intended and operated for occupancy as part of a community for households with 1 or more members aged 55 years or older, and satisfies visitability standards established by the Secretary of Housing and Urban Development; or

(K) purchased through a single purchase or combination or series of purchases described in subparagraphs (A) through (J).

(3) SINGLE-FAMILY HOME.—The term ''single-family home''—

(A) means a structure that contains 2 or fewer dwelling units that are each intended for residential occupancy by a single household; and

(B) does not include a manufactured home, as defined in section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5402).

(4) LARGE INSTITUTIONAL INVESTOR.—

(A) IN GENERAL.—The term ''large institutional investor''—

(i) means an investment fund, corporation, general or limited partnership, limited liability company, joint venture, association, or other for-profit entity that is a legal entity structured in a manner that is not aforementioned that—

(I) is engaged, in whole or in part, in the business of investing in, owning, renting, managing, or holding single-family homes; and

(II) alone or in concert with 1 or more other entities, beginning after the date of enactment of this Act, directly or indirectly has investment control of not less than 350 single-family homes in the aggregate, not including any single-family home purchased in an excepted purchase made after the date of enactment of this Act; and

(ii) does not include any local, State, Tribal, or Federal government entity or instrumentality thereof.

(B) RULE OF CONSTRUCTION.—For purposes of this paragraph, an entity has direct or indirect investment control over a single-family home if the entity—

(i) owns, or has primary authority or fiduciary responsibility to make material investment or management decisions relating to, the single-family home;

(ii) is, or directly or indirectly controls, the general partner or managing member of the entity that owns the single-family home;

(iii) is or controls the investment manager, management company, or investment advisor of the entity that owns the single-family home;

(iv) owns or controls more than 25 percent of any class of equity interests of the entity that owns the single-family home, unless such entity is a passive investor; or

(v) otherwise controls the entity that owns the single-family home.

(5) PURCHASE.—The term ''purchase'' includes any purchase, transfer, or other acquisition of a single family home, including through mergers, acquisitions, construc-

tion, foreclosures, or bulk purchases, whether or not for cash consideration.

(b) PROHIBITION ON PURCHASES BY LARGE INSTITUTIONAL INVESTORS.—

(1) IN GENERAL.—No large institutional investor may purchase, or enter into a contract to directly or indirectly purchase, any single-family home.

(2) EXCEPTIONS.—The prohibition under paragraph (1) shall not apply to—

(A) any excepted purchase; or

(B) any purchase of a single-family home in connection with a restructuring or other reorganization of ownership of single-family homes that were owned or purchased on or before the date of enactment of this Act.

(3) RULE OF CONSTRUCTION.—Nothing in this section may be construed to—

(A) require any large institutional investor to divest or otherwise sell any single-family home purchased before the date of enactment of this Act; or

(B) prevent the filing of a petition, or otherwise affect any bankruptcy proceeding, under title 11, United States Code.

(4) IMPLEMENTATION.—

(A) IN GENERAL.—In consultation with the Secretary of Housing and Urban Development, the Director of Federal Housing Finance Agency, and the Chair of the Securities and Exchange Commission, the Secretary of the Treasury may issue regulations in accordance with the notice and comment rulemaking procedures under section 553 of title 5, United States Code, to carry out the purposes of this section, including regulations to—

(i) minimize market disruptions upon identifying a risk of material negative impact on the housing market, including an impact on the ability of market participants to dispose of single-family homes in an orderly fashion; and

(ii) mitigate, to the extent possible, negative impacts on consumers and communities.

(B) RULE OF CONSTRUCTION.—For the avoidance of doubt, no regulation issued under subparagraph (A) may amend the definitions of the terms defined under subsection (a), including to—

(i) alter the scope of excepted purchases in a manner that would undermine the goal of expanding the number of single-family homes available to individual households for purchase;

(ii) alter any type of excepted purchase in a manner that would undermine the goal of expanding the number of single-family homes available to individual households for purchase;

(iii) add any category of large institutional investor as an eligible class if not determined by this section; or

(iv) alter the quantitative threshold in the definition of ''large institutional investor''.

(c) RENTER OUTREACH RESOURCE ESTABLISHED.—

(1) IN GENERAL.—The Secretary shall, not later than 180 days after the date of the enactment of this section, establish a renter outreach resource that consists of a toll-free telephone number and a public website designed to assist renters of residential properties owned by a large institutional investor in—

(A) notifying Federal agencies about disputes relating to the rental of such properties, including disputes about potential violations of Federal law;

(B) sharing information about such disputes with other Federal agencies, including other Federal agencies that manage similar disputes;

(C) monitoring such disputes; and

(D) resolving such disputes, to the extent practicable.

(2) RESPONSE TO OUTREACH.—

(A) IN GENERAL.—The Secretary shall establish reasonable procedures to—

(i) promptly respond, in writing where appropriate, to a renter who provides information to the Secretary about a dispute using the renter outreach resource established under paragraph (1); and

(ii) document such responses.

(B) CONTENTS.—Responses provided under subparagraph (A) shall include, where appropriate, information about—

(i) steps that have been taken by the Secretary or another Federal agency in response to the information about the dispute provided by the renter, including determining the appropriate large institutional investor involved as described in paragraph (3);

(ii) any responses received by the Secretary or another Federal agency from the large institutional investor related to such dispute; and

(iii) any outcome of the dispute, to the extent practicable.

(3) INVESTIGATION OF POTENTIAL VIOLATIONS OF FEDERAL LAW.—

(A) IN GENERAL.—The Secretary shall promptly process and investigate any information relating to a dispute received through the renter outreach resource established under paragraph (1) about a potential violation of Federal law that is received from a renter of a residential property owned by a large institutional investor through the renter outreach resource established under paragraph (1), including:

(i) Requesting information from a large institutional investor;

(ii) Determining the appropriate large institutional investor involved in the dispute; and

(iii) Sharing information about such potential violation of Federal law with any relevant Federal agencies, as the Secretary may determine appropriate.

(B) RESPONSES TO REQUESTS FOR INFORMATION.—Upon request for information made pursuant to subparagraph (A), the Secretary shall provide a large institutional investor the opportunity to respond, including regarding whether such large in-

stitutional investor currently owns the property described in such request for information.

(4) INFORMATION FOR APPROPRIATE STATE AUTHORITY.—When the Secretary receives information about a potential violation of State law or about a dispute received through the renter outreach resource, from a renter of a residential property owned by a large institutional investor through the renter outreach resource established under paragraph (1), the Secretary shall, at a minimum, provide the renter with contact information for the appropriate, State-specific, State authority authorized to process and investigate such information.

(5) NOTICE ABOUT RENTER OUTREACH RESOURCE.—Each large institutional investor shall—

(A) provide to each renter of a residential property owned by such investor at the time such renter first occupies such home and annually thereafter—

(i) written notice about the renter outreach resource established under paragraph (1); and

(ii) the name, phone number, and email address of the person or entity responsible for receiving and addressing renter disputes for the large institutional investor, and update the

name, phone number, and email address within 30 days if such information changes prior to the subsequent time at which such notice is required to be provided; and

(B) prominently feature information about the renter outreach resource established under paragraph (1) on a public website of such investor that is accessible by such renter.

(6) ANNUAL REPORT TO THE CONGRESS.—

(A) IN GENERAL.—The Secretary shall, not later than March 31 of each year, submit to the Congress a public report which analyzes and aggregates the information received or obtained pursuant to this subsection during the prior year that includes—

(i) information about the types and the number of disputes received about potential violations of Federal law;

(ii) information about the types and the number of disputes received about potential violations of State law;

(iii) where practicable, information about the resolution of such disputes; and

(iv) information provided to the Secretary of Housing and Urban Development under paragraph (8).

(B) ANONYMIZATION OF DATA.—Any data included in a report that is submitted under this paragraph shall be aggregated or anonymized so as to protect any individual dispute or personally identifiable information received through the renter outreach resource.

(7) PROTECTION OF PERSONAL INFORMATION.—In complying with the requirements of this subsection, the Secretary shall take such measures as the Secretary determines are necessary to provide for the protection of personally identifiable information received through the renter outreach resource in a manner that conforms with existing standards for protection of the confidentiality of personally identifiable information.

(8) ANNUAL NOTIFICATION.—Not later than 180 days after the date of the enactment of this Act, and not later than December 31st of each year thereafter, each person or entity that satisfies the definition of a large institutional investor, as such term is defined in subsection (a) shall—

(A) notify the Secretary each year whether such owner is a large institutional investor as defined in subsection (a); and

(B) in such notification, identify how many single-family homes such large institutional investor has direct or indirect investment control of as of the date of the submission of such notice, and the city and State where each such single-family home is located, unless such large institutional investor owns 10 or fewer single-family homes in such city.

(d) ENFORCEMENT.—

(1) CIVIL PENALTIES.—The Secretary of the Treasury, or the Attorney General at the request of the Secretary of the Treasury, may bring an action against a large institutional investor that violates subsection (b) for a civil penalty in an amount that is not more than $1,000,000 per violation, or 3 times the purchase price of the property involved, whichever is greater.

(2) TRANSFER TO HUD FOR HOMEOWNERSHIP EXPANSION ACTIVITIES.—For fiscal year 2027 and each fiscal year thereafter, to the extent and in the amounts provided in advance in appropriations Acts, civil penalties assessed under this section shall be transferred to and available to the Secretary of Housing and Urban Development to provide additional funding for the

HOME Investment Partnerships program under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.), to be allocated in accordance with the formula under that program, for new construction, acquisition, and rehabilitation of single-family homes and to provide assistance grants to first-time homebuyers, which may be for downpayments, closing costs, and interest rate buydowns.

(e) STUDIES ON LARGE INSTITUTIONAL INVESTORS.—

(1) GAO REPORT.—Not later than 2 years after the date on which the prohibition under subsection (b)(1) takes effect, and again not later than 10 years after that date, the Comptroller General of the United States shall submit to the Senate Committee on Banking, Housing and Urban Affairs and the House Committee on Financial Services a report on—

(A) the impact of the ownership by large institutional investors of single-family homes on housing availability and affordability for renters and homebuyers; and

(B) the effectiveness of this section in reducing demand by large institutional investors for single-family homes and expanding homeownership for renters and homebuyers.

(2) HUD REPORT.—Not later than 2 years after the date on which the prohibition under subsection (b)(1) takes effect, and again not later than 10 years after that date, the Secretary of the Housing and Urban Development, in consultation with the Secretary of the Treasury, the Administrator of the Rural Housing Service, the Executive Director of the Loan Guaranty Service of the Department of Veterans Affairs, the Chair of Securities and Exchange Commission, and the Director of the Federal Housing Finance Agency, shall submit to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on—

(A) whether there should be adjustments to the definition of the term ''large institutional investor'';

(B) the financial impact of this section on large institutional investors, renters, and homebuyers; and

(C) any legislative recommendations regarding ways to improve the authorities provided under this section to increase the supply and affordability of single-family homes for purchase by individual homebuyers.

(3) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) this section is intended to expand the number of single-family homes available to individuals for purchase and is aimed at preserving and expanding the supply of single-family homes available to individuals; and

(B) any further study on the effectiveness of this section and any legislative recommendations therefrom should consider this sense of Congress.

(f) EFFECTIVE DATE.—The requirements and prohibitions under subsections (b) and (d) of this section—

(1) shall take effect on the date that is 180 days after the date of enactment of this Act; and

(2) are repealed on the date that is 15 years after the effective date under paragraph (1).

TITLE XI—CENTRAL BANK DIGITAL CURRENCY

SEC. 1101. CENTRAL BANK DIGITAL CURRENCY.

The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 16 (12 U.S.C. 411 et seq.) the following:

"SEC. 16A. CENTRAL BANK DIGITAL CURRENCY.

"(a) DEFINITIONS.—In this section:

"(1) CENTRAL BANK DIGITAL CURRENCY.—The term 'central bank digital currency' means a digital asset that—

''(A) is denominated in United States dollars;

''(B) is a United States currency;

''(C) is a direct liability of the Federal Reserve System; and

''(D) is widely available to the general public.

''(2) DIGITAL ASSET.—The term 'digital asset' has the meaning given the term in section 2 of the GENIUS Act (12 U.S.C. 5901).

''(b) PROHIBITION.—Except as provided in subsection (c), the Board of Governors of the Federal Reserve System or a Federal reserve bank may not issue or create a central bank digital currency or any digital asset that is substantially similar to a central bank digital currency directly or indirectly through a financial institution or other intermediary.

''(c) EXCEPTION.—Subsection (b) shall not prohibit any dollar-denominated currency that is open, permissionless, and private, and fully preserves the privacy protections of United States coins and physical currency.

''(d) SUNSET.—This provisions of this section shall cease to be effective on December 31, 2030.

''(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to allow the Board of Governors of the Federal Reserve to issue a central bank digital currency or any digital asset that is substantially similar to a central

bank digital currency directly or indirectly absent authorization by an Act of Congress.''.

TITLE XII—MISCELLANEOUS

SEC. 1201. SEVERABILITY.

If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

SEC. 1202. NO ADDITIONAL FUNDS AUTHORIZED.

No additional funds are authorized to be appropriated to carry out the requirements of this Act or any amendment made by this Act.

Attest:

Clerk.